

Prestige Holdings Limited

Consolidated Financial Statements

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

Prestige Holdings Limited

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Prestige Holdings Limited

Statement of Management's Responsibilities

Management is responsible for the following:

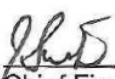
- Preparing and fairly presenting the accompanying consolidated financial statements of Prestige Holdings Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 November 2024, the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policy information and other explanatory information;
- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of 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 the Securities Act, 2012; and
- Using reasonable and prudent judgement in the determination of estimates.

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

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

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



Chief Executive Officer
28 February 2025

Chief Financial Officer
28 February 2025



Independent auditor's report

To the Shareholders of Prestige Holdings 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 Prestige Holdings Limited (the Company) and its subsidiaries (together 'the Group') as at 30 November 2024, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 30 November 2024;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

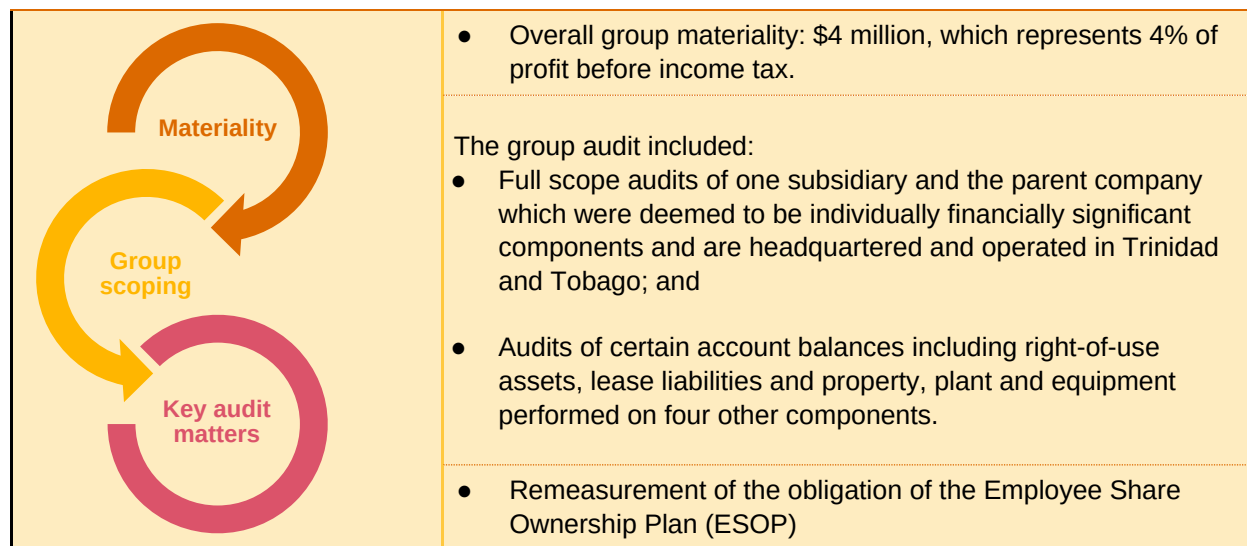
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Our audit approach

Overview



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 consists of the Company, five wholly owned subsidiaries (Weekenders Trinidad Limited, Restaurant Leasing Corporation Limited, Highway Properties Limited, registered in Trinidad and Tobago, Prestige Services Limited, registered in St. Kitts and Nevis and Prestige Restaurants Jamaica Limited, registered in Jamaica) and one partially owned subsidiary (PHL (Guyana) Inc., registered in Guyana).

Full scope audits were performed on the Company and Weekenders Trinidad Limited. We also performed audit procedures over the following financial statement line items for the referenced components:

- Prestige Restaurants Jamaica Limited - right-of-use assets and lease liabilities;
- Restaurant Leasing Corporation Limited – property, plant and equipment;
- Highway Properties Limited – property, plant and equipment; and
- PHL (Guyana) Inc. – right-of-use assets and lease liabilities.

The Prestige Services Limited component was considered financially inconsequential to the Group.

PwC Trinidad and Tobago performed the full scope audits and the audit procedures over certain account balances of the other components.

Our audit approach (continued)

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

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above \$0.4 million, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

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

Our audit approach (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<i>Remeasurement of the obligation of the Employee Share Ownership Plan (ESOP)</i> <i>Refer to notes 2r (iii), 14, 16 and 28 to the consolidated financial statements for disclosures of related accounting policies and balances.</i> The parent company operates an ESOP that was established to enable employees to acquire interest in shares of the Company under a cash-settled arrangement. In 2020, the Company ceased allocating any new ESOP shares to employees following a board approved Buyout plan to compensate employees for future shares that may have been earned through being an ESOP participant. Unallocated treasury shares of \$10 million are stated on the Group's consolidated statement of financial position as a deduction in equity. Also included within the trade and other payables balance of \$172 million is \$13 million of stock-based compensation relating to employees, which is remeasured at each statement of financial position date. On an annual basis, management remeasures the obligation related to the ESOP in accordance with International Financial Reporting Standard (IFRS) 2 – <i>Share-based Payment</i>. Management accounts for any sale of treasury shares related to the ESOP in accordance with International Accounting Standard (IAS) 32 - <i>Financial Instruments: Presentation</i>. This is also performed within the guidelines of the parent company's accounting policy as well as the Trust Deed and rules. We focused our attention on this area due to the material nature of the balances and the significant change in share price during the current financial period.	Our approach to addressing the matter involved the following procedures, amongst others: • obtained management's computations and accounting entries and updated our understanding of the process used by management; • evaluated the method used by management and whether the accounting for the treasury shares and remeasured obligation were in accordance with the relevant accounting standards and the Trust Deed; • obtained confirmation of the share price and value of shares held by the Trustee; • obtained confirmation of the shares held by the ESOP; • agreed and tested the mathematical accuracy, including verifying spreadsheet formulae of the computations; and • evaluated the reasonableness of the related disclosures to the consolidated financial statements.

Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated financial statements and our auditor's report thereon), 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 the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

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

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

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

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

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

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

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

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

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

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



Port of Spain
Trinidad, West Indies
28 February 2025

Prestige Holdings Limited

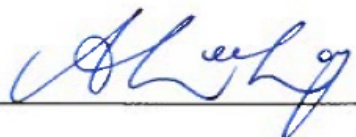
Consolidated Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

		As at 30 November	
	Notes	2024 \$	2023 \$
Assets			
<i>Non-current assets</i>			
Property, plant and equipment	5	353,353,977	289,424,583
Right-of-use assets	6	244,767,072	270,936,830
Intangible assets	7	57,394,854	58,677,486
Deferred income tax assets	9	10,748,146	11,783,848
		<u>666,264,049</u>	<u>630,822,747</u>
<i>Current assets</i>			
Inventories	10	85,979,699	90,243,590
Trade and other receivables	11	40,977,988	31,000,344
Due from related parties	17	--	30,290,834
Current income tax assets		5,974,780	6,026,268
Cash and cash equivalents		<u>103,965,998</u>	<u>113,977,097</u>
		<u>236,898,465</u>	<u>271,538,133</u>
Total assets		<u>903,162,514</u>	<u>902,360,880</u>
Equity and liabilities			
<i>Equity attributable to owners of the parent company</i>			
Share capital	12	23,759,077	23,759,077
Other reserves	13	40,603,996	37,085,037
Retained earnings		<u>319,681,692</u>	<u>281,357,630</u>
		384,044,765	342,201,744
<i>Treasury shares</i>	14	<u>(9,557,092)</u>	<u>(9,587,360)</u>
Total equity		<u>374,487,673</u>	<u>332,614,384</u>
Liabilities			
<i>Non-current liabilities</i>			
Borrowings	15	51,739,533	37,294,707
Lease liabilities	6	239,484,729	260,462,746
Other payables	16	<u>292,966</u>	<u>292,966</u>
		<u>291,517,228</u>	<u>298,050,419</u>
<i>Current liabilities</i>			
Trade and other payables	16	176,703,140	215,941,469
Borrowings	15	7,126,998	11,832,144
Lease liabilities	6	30,054,482	32,017,216
Due to related parties	17	11,668,668	4,295,044
Current income tax liabilities		<u>11,604,325</u>	<u>7,610,204</u>
		<u>237,157,613</u>	<u>271,696,077</u>
Total liabilities		<u>528,674,841</u>	<u>569,746,496</u>
Total equity and liabilities		<u>903,162,514</u>	<u>902,360,880</u>

The notes on pages 13 to 53 are an integral part of these consolidated financial statements.

On 28 February 2025, the Board of Directors of Prestige Holdings Limited authorised these consolidated financial statements for issue.

 Director

 Director

Prestige Holdings Limited

Consolidated Income Statement

(Expressed in Trinidad and Tobago Dollars)

		Year ended 30 November	
	Notes	2024 \$	2023 \$
Revenue	18	1,350,197,331	1,329,211,931
Cost of sales	19,20	<u>(897,588,046)</u>	<u>(893,214,182)</u>
Gross profit		452,609,285	435,997,749
Other operating expenses	20	(235,943,799)	(229,456,943)
Administrative expenses	20	(98,785,964)	(105,678,856)
Other income	21	<u>733,132</u>	<u>922,211</u>
Operating profit		118,612,654	101,784,161
Finance costs	22	<u>(18,155,091)</u>	<u>(18,216,226)</u>
Profit before income tax		100,457,563	83,567,935
Income tax expense	23	<u>(33,931,075)</u>	<u>(27,632,226)</u>
Profit for the year		<u>66,526,488</u>	<u>55,935,709</u>
Profit attributable to:			
Owners of the parent company		66,425,181	56,011,590
Non-controlling interest		<u>101,307</u>	<u>(75,881)</u>
		<u>66,526,488</u>	<u>55,935,709</u>
Earnings per share attributable to the equity holders of the parent company			
- Basic earnings per share (exclusive of treasury shares)	24	<u>1.08</u>	<u>0.91</u>
- Diluted earnings per share	24	<u>1.06</u>	<u>0.90</u>

The notes on pages 13 to 53 are an integral part of these consolidated financial statements.

Prestige Holdings Limited

Consolidated Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

		Year ended 30 November	
		2024	2023
		\$	\$
	Note		
Profit for the year		66,526,488	55,935,709
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss			
Gain on land revaluation	13	4,150,000	10,655,000
Currency translation differences	13	<u>(631,041)</u>	<u>14,706</u>
Total comprehensive income for the year		<u>70,045,447</u>	<u>66,605,415</u>
Attributable to:			
Owners of the parent company		69,944,140	66,681,296
Non-controlling interests		<u>101,307</u>	<u>(75,881)</u>
		<u>70,045,447</u>	<u>66,605,415</u>

The notes on pages 13 to 53 are an integral part of these consolidated financial statements.

Prestige Holdings Limited

Consolidated Statement of Changes in Equity

(Expressed in Trinidad and Tobago Dollars)

	Note	Share capital \$	Other reserves \$	Retained earnings \$	Total \$	Treasury Shares \$	Total equity \$
Balance at 1 December 2023		23,759,077	37,085,037	281,357,630	342,201,744	(9,587,360)	332,614,384
Profit for the year		--	--	66,526,488	66,526,488	--	66,526,488
Other comprehensive income							
Gain on land revaluation	13	--	4,150,000	--	4,150,000	--	4,150,000
Currency translation differences	13	--	(631,041)	--	(631,041)	--	(631,041)
Total comprehensive income for the year		--	3,518,960	66,526,488	70,045,477	--	70,045,477
Transactions with owners							
Sale of treasury shares		--	--	--	--	30,268	30,268
Net dividends for 2023							
- Paid – 35 cents per share		--	--	(28,202,426)	(28,202,426)	--	(28,202,426)
Balance at 30 November 2024		<u>23,759,077</u>	<u>40,603,996</u>	<u>319,681,692</u>	<u>384,044,765</u>	<u>(9,557,092)</u>	<u>374,487,673</u>
Balance at 1 December 2022		<u>23,759,077</u>	<u>26,415,331</u>	<u>246,875,663</u>	<u>297,050,071</u>	<u>(9,665,267)</u>	<u>287,384,804</u>
Profit for the year		--	--	55,935,709	55,935,709	--	55,935,709
Other comprehensive income							
Gain on land revaluation	13	--	10,655,000	--	10,655,000	--	10,655,000
Currency translation differences	13	--	14,706	--	14,706	--	14,706
Total comprehensive income for the year		--	10,669,706	55,935,709	66,605,415	--	66,605,415
Transactions with owners							
Sale of treasury shares		--	--	--	--	77,907	77,907
Net dividends for 2023							
- Paid – 35 cents per share		--	--	(21,453,742)	(21,453,742)	--	(21,453,742)
Balance at 30 November 2023		<u>23,759,077</u>	<u>37,085,037</u>	<u>281,357,630</u>	<u>342,201,744</u>	<u>(9,587,360)</u>	<u>332,614,384</u>

The notes on pages 13 to 53 are an integral part of these consolidated financial statements.

Prestige Holdings Limited

Consolidated Statement of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

		Year ended 30 November	
	Notes	2024 \$	2023 \$
Cash flows from operating activities			
Cash generated from operations	27	191,098,551	181,718,484
Interest paid	22	(18,155,091)	(18,216,226)
Income tax paid		<u>(29,986,907)</u>	<u>(26,299,248)</u>
Net cash generated from operating activities		<u>142,956,553</u>	<u>137,203,010</u>
Cash flows from investing activities			
Purchase of intangible assets	7	(1,611,098)	(2,721,060)
Purchase of property, plant and equipment	5	(78,580,607)	(54,922,446)
Acquisition of subsidiary	30	(23,147,614)	--
Proceeds from disposal of property, plant and equipment		<u>864,215</u>	<u>205,863</u>
Net cash used in investing activities		<u>(102,475,104)</u>	<u>(57,437,643)</u>
Cash flows from financing activities			
Proceeds from sale of treasury shares	14	30,268	77,907
Proceeds from borrowings		30,460,913	15,185,925
Repayment of borrowings		(20,721,233)	(21,802,289)
Dividends paid to shareholders		(28,202,426)	(21,453,742)
Payments on lease liabilities		<u>(32,060,070)</u>	<u>(32,992,192)</u>
Net cash used in financing activities		<u>(50,492,548)</u>	<u>(60,984,391)</u>
Net (decrease)/increase in cash and cash equivalents		(10,011,099)	18,780,976
Cash and cash equivalents			
At start of year		<u>113,977,097</u>	<u>95,196,121</u>
At end of year		<u>103,965,998</u>	<u>113,977,097</u>

The notes on pages 13 to 53 are an integral part of these consolidated financial statements.

Prestige Holdings Limited

Notes to the Consolidated Financial Statements

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

1 General information

Prestige Holdings Limited (Parent Company) was incorporated in the Republic of Trinidad and Tobago on 24 November 1972 under the Companies Ordinance, Ch. 31 No. 1 and was continued under the Companies Act, 1995 on 26 November 1997. The Registered Office of the Parent Company is 47-49 Sackville Street, Port of Spain. The Parent Company operates a chain of restaurants in Trinidad and Tobago under long-term franchise agreements for the KFC, Pizza Hut, Subway and Starbucks brands and is a public limited liability company which is listed on the Trinidad and Tobago Stock Exchange.

Prestige Services Limited is wholly owned by Prestige Holdings Limited and is incorporated in St. Kitts and Nevis. This company owns the Development Rights for the TGI Friday's Brand for the CARICOM.

Prestige Services Limited owns 100% of the share capital of Prestige Restaurants Jamaica Limited which is incorporated in the Republic of Jamaica. This company operates the TGI Friday's Brand in Jamaica.

Weekenders Trinidad Limited is wholly owned by Prestige Holdings Limited and is an amalgamated entity of Weekenders Limited and TCBY Trinidad Limited effective 25 July 2011. The company is incorporated in the Republic of Trinidad and Tobago. This company operates under a long-term franchise agreement for the TGI Friday's Brand in Trinidad and Tobago.

Restaurant Leasing Corporation Limited is wholly owned by Prestige Holdings Limited and is incorporated in the Republic of Trinidad and Tobago. The company leases the premises on which Subway head office and some of the Subway restaurants are located.

PHL (Guyana) Inc. was incorporated on the 17 February 2022 to manage upcoming restaurants in Guyana. One restaurant was opened in April 2023. Shares will be issued for this Company at a future date. The shareholders have agreed in writing that the Parent Company will own 75% of shares upon issue and is responsible for the day-to-day decision making and operations of the entity.

In December 2023 Prestige Holdings Limited acquired 100% of Highway Properties Limited, from its ultimate parent company Victor E. Mouttet Limited (Note 30). The company is incorporated in the Republic of Trinidad and Tobago. The company owns the property on which three of the parent company restaurants operates. No lease or rent payments were transacted during 2024.

The ultimate parent company is Victor E. Mouttet Limited, a privately owned company incorporated in the Republic of Trinidad and Tobago.

2 Material accounting policies

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

a. Basis of preparation

The consolidated financial statements of Prestige Holdings Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations applicable to companies reporting under IFRS Accounting Standards. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of land.

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

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

a. Basis of preparation (continued)

Going concern

The Group continues to prepare its consolidated financial statements on a going concern basis as we believe that it will continue to realise its assets and discharge its liabilities in the ordinary course of business for the foreseeable future.

(i) Changes in accounting policies and disclosures

(a) New standards, amendments and interpretations adopted by the Group

The Group has applied the following standards, amendments and interpretations for the first time for its annual reporting period commencing 1 December 2023:

- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 – These amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. With regards to IAS 1, entities are now required to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting policy information. No accounting policies were added or removed as a result of these amendments.
- Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction. These amendments require entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. International tax reform - pillar two model rules. On 23 May 2023, the IASB issued narrow-scope amendments to IAS 12. The amendments provide a temporary exception from the requirement to recognize and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments also introduce targeted disclosure requirements for affected companies. The amendments to IAS 12 are required to be applied immediately (subject to any local endorsement processes) and retrospectively in accordance with IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', including the requirement to disclose the fact that the exception has been applied if the entity's income taxes will be affected by enacted or substantively enacted tax law that implements the OECD's Pillar Two model rules. The countries in which the Group operates has not adopted the pillar two rules as of 30 November 2024. However, several countries have either announced their intentions to adopt or are in the process of reviewing the requirements. Consequently, there is no impact in the current year. However, this will be reassessed in future periods.

There are no other IFRSs or IFRICs that are effective that had a material impact on the Group.

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

a. Basis of preparation (continued)

(i) Changes in accounting policies and disclosures (continued)

(b) New standards, amendments and interpretations not yet adopted by the Group

A number of new accounting standards and interpretations have been published that are not mandatory for 1 December 2023 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

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

A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. Effective for annual periods beginning on or after 1 January 2025.

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

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

a. Basis of preparation (continued)

(i) Changes in accounting policies and disclosures (continued)

(b) New standards, amendments and interpretations not yet adopted by the Group (continued)

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

The group is in the process of evaluating the impact of IFRS 18 on the consolidated financial statement. Effective for annual reporting periods commencing 1 January 2027.

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

Effective for annual reporting periods commencing 1 January 2027.

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

a. Basis of preparation (continued)

(ii) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control.

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

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

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

Acquisition-related costs are expensed as incurred.

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 re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 'Financial Instruments' (IFRS 9) either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

b. *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 making strategic decisions, allocating resources and assessing performance of the operating segments has been identified as the board of directors.

c. *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 and functional currency. The Group includes entities operating in Jamaica and Guyana the functional currencies of those entities are Jamaica Dollars and Guyana Dollars respectively.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions giving consideration to the expected currency of settlement of the transaction and any applicable currency conversion rates at the reporting date. 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 income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement within 'Finance costs'. All other foreign exchange gains and losses are presented in the consolidated income statement within 'Administrative expenses'.

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

c. Foreign currency translation (continued)

(iii) Group companies

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

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

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences are recognised in other comprehensive income.

d. Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Land is subsequently shown at market value, based on valuations by external independent valuers at least once every 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 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 income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land 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 income statement.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

Freehold and leasehold buildings	- 10 - 50 years
Leasehold improvements	- 10 - 20 years
Plant and machinery	- 10 - 15 years
Vehicles	- 4 - 5 years
Furniture	- 5 - 12 years

The assets' residual values and useful lives are reviewed by management, 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 amount and are recognised within other operating expenses in the consolidated income statement.

When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

e. *Intangible assets*

(i) *Goodwill*

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

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

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

(ii) *Franchise agreements – ongoing operations*

Franchise agreements for ongoing operations acquired in a business combination are initially recognised at fair value at the acquisition date and subsequently carried at cost. These assets have an indefinite useful life and are tested annually for impairment. The franchise agreement renews automatically and there is no material cost of renewal.

(iii) *Franchise fees*

The Group pays an initial fee to the Franchisor for every new store and a renewal fee upon the expiration of the initial franchise period. The initial and renewal fees are written off over the period to which they relate which range from ten to twenty years. There are no renewal fees upon the expiration of the initial franchise period for the Subway franchise.

(iv) *Development rights*

Investment in the development rights is capitalised and amortised using the straight-line method over its estimated useful life but not exceeding ten years.

f. *Impairment of non-financial assets*

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation or depreciation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

g. Financial assets

(i) Classification

The Group's financial assets are trade and other receivables and cash and cash equivalents. It classifies its financial assets as those measured at amortised cost (Note 8 and 11).

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

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

(ii) Recognition, derecognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value, in the case of a financial asset not at fair value through profit or loss (FVPL), the transaction costs are expensed in the consolidated income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The measurement category into which the Group classifies its debt instruments is 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 the consolidated income statement using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the income statement and presented in 'Administrative expenses' together with foreign exchange gains and losses. Expected credit losses are presented in 'Administrative expenses'.

h. 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 company or the counterparty.

i. Impairment of financial assets

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

For trade receivables, the Group applies the simplified approach permitted by IFRS 9 Financial Instruments (IFRS 9), which requires expected lifetime losses to be recognised from the initial recognition of receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and days past due.

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

i. *Impairment of financial assets (continued)*

The expected loss rates are based on payment terms and corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the customer's ability to settle the receivables. Macroeconomic variables used include, but are not limited to unemployment rate, gross domestic product (GDP) and inflation rate.

j. *Inventories*

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the average cost method. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses.

k. *Trade and receivables*

Trade receivables are amounts due from customers for the sale of goods in the ordinary course of business. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. 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 fair value and subsequently measured at amortised cost less provision for impairment.

Other receivables are carried at original invoice amount less any provision for impairment of these receivables.

l. *Cash and cash equivalents*

Cash and cash equivalents include cash at bank and in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

m. *Share capital*

Ordinary shares with discretionary dividends are classified as equity.

Incremental external costs directly attributable to the issue of new shares or options, other than in connection with a business combination, are shown in equity as a deduction, net of tax, from the proceeds.

n. *Trade payables*

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

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

o. *Provisions*

Provisions for restructuring costs and legal claims 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 can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. 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.

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

o. Provisions (continued)

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

p. Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating vacation leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as accruals in the consolidated statement of financial position.

(ii) Pension obligations

Retirement benefits for employees are provided by a defined contribution plan which is funded by contributions from the Company and qualifying employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Payments are made to a pension trust which is financially separate from the Company. These payments, which are in accordance with periodic calculations by actuaries, are charged against the results of the year in which they become payable. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

(iii) Employee Share Ownership Plan (ESOP)

The parent company operates an Employee Share Ownership Plan (ESOP) and accounts for all unallocated treasury shares as a deduction in Equity. In 2020 the board approved a Buyout plan to compensate employees for future shares that may have been earned through being an ESOP participant. This facilitated the Company cessation of allocating any new ESOP shares to employees. Shares were allocated to employees as part of their bonus are charged to administrative expenses based on the market value on the date they are allocated with a corresponding liability recorded in other payables. The liability is remeasured at each statement of financial position date and any changes in value is also charged/credited against administrative expenses. Dividends on vested ESOP shares are treated as employee compensation costs and are also charged to administrative expenses. Shares allocated to employees vested in four tranches of 25% after 30, 42, 54 and 66 months respectively. The final vesting of shares was May 2024. Employees with shares have the option to receive their award in cash or shares and as such the plan is accounted for as a cash settled arrangement.

q. Current and deferred income tax

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

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

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

q. *Current and deferred income tax (continued)*

Deferred income tax is recognised using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

The principal temporary difference arises from the difference between the accounting and tax treatment of depreciation on property, plant and equipment, lease liabilities and tax losses.

r. *Revenue recognition*

The Group operates a chain of restaurants selling food and drink items. Revenue from the sale of goods is recognised when control of the products have 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. Sales are usually in cash, by debit or credit card and only minimally through trade receivables. The transaction price is the amount which is invoiced to the customer, net of value added tax.

Other income comprises revenue from non-core business activities. The Group recognises other income when it can be reliably measured and it is probable that future economic benefits will flow to the Group.

s. *Borrowings*

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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 reporting period.

t. *Dividend distribution*

Dividend distribution is recorded in the Group's financial statements in the period in which the dividends are approved by the Board of Directors.

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

u. Leases

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

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

The Group as a lessee

The Group mainly leases commercial restaurant, warehouse and office space used in its operations. Rental contracts for these leases are typically made for fixed periods of six months to twenty years, but may have extension options, which are described below.

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 stated in the contracts.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants 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.

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

The right-of-use asset is initially measured at cost, which comprises the initial measurement of the lease liability, any initial direct costs incurred by the Group, any lease payments made in advance of the lease commencement date (net of any incentives received) and restoration costs.

Subsequent to initial measurement, the right-of-use asset is depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The Group does not revalue any of its right-of-use assets, however, it assesses these assets for impairment when such indicators exist.

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

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

u. Leases (continued)

The Group as a lessee (continued)

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

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

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

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

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

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

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

u. Leases (continued)

The Group as a lessor

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

v. Royalty expense

Royalty expense is recognised on the accrual basis and charged to the consolidated income statement (included in cost of sales) in accordance with the substance of the relevant agreements.

w. Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value hierarchy included in IFRS 13 Fair Value Measurement (IFRS 13) has the following levels based on the inputs used to determine the fair value measurement.

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2 - The inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - The inputs are unobservable inputs for the asset or liability.

An observable input is an input that is developed using market data such as publicly available information about actual events or transactions and that reflect the assumptions that market participants would use when pricing the asset or liability.

An unobservable input is an input for which market data is not readily available and that is developed using the best information available about the assumptions that market participants would use when pricing the asset or liability.

The fair value disclosure required by IFRS 13 for non-financial assets is included in Note 5. The fair value disclosures relating to financial instruments is disclosed in Note 8.

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management

a. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, product and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

(i) Market risk

(a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions as well as holding foreign currency balances. The Group also utilises alternative currencies to settle foreign payments. This policy is consistent with prior years.

As at 30 November 2024, the foreign currency obligation in TT dollars arising mainly from foreign inventory suppliers and accrued balances was \$90,838,612 (2023: \$100,931,286). In addition, there was US dollar loan brought forward from 2023 in TT dollars of \$6,427,047 which was paid off in June 2024. A new US dollar loan (\$15,186,223) was secured in June 2024 for which payments began in June 2024. If the currency had weakened/strengthened by 7% with all other variables held constant, post-tax profits for the year would have been \$4,803,280 (2023: \$4,945,633) lower/higher, mainly as a result of foreign exchange gains/losses on translation of foreign currency denominated trade payables and accruals. For the new US dollar loan, this would have amounted to \$744,125.

There have been no changes to policies and procedures in managing the foreign exchange risks.

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

a. Financial risk factors (continued)

(i) Market risk (continued)

(b) Cash flow and fair value interest rate risk

The Group finances its operations through a blend of borrowings and retained earnings. The Group borrows in the desired currencies at fixed and floating rates of interest.

As the Group has no material 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 short and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Given the economic environment, the Group's policy is to maintain a material portion of its borrowings in interest bearing instruments that carry less interest rate risk in the medium to long term. This policy is consistent with prior years.

The Group's exposure to cash flow interest rate risk arises from the variable interest rate on three TT dollar loans and one US dollar loan. The three TT dollar loans were taken during 2019, 2020 and 2024 respectively and are all repayable within 15 years. The US dollar loan was taken in 2024 and is repayable in 4 years.

	2024		2023	
	\$	%	\$	%
Variable rate borrowings	58,866,531	100	45,945,032	94
Other borrowings – fixed rate	--	--	3,181,819	6
	<u>58,866,531</u>	<u>100</u>	<u>49,126,851</u>	<u>100</u>

As at 30 November 2024, the variable rate borrowing obligation was \$58,866,532 (2023: \$45,945,032) with two TT dollar loans carrying an interest rate of 5.5% and one TT dollar loan carrying an interest rate of 4.8%, to be reset every three years and the US dollar loan bears a rate of 9.56% to be reset every month. If interest rates increased by 45 basis points, with all other variables held constant, post-tax profits for the year would have been reduced by \$287,751 (2023: \$100,314). If interest rates decreased by 50 basis points, with all other variables held constant, post-tax profits for the year would have been increased by \$319,723 (2023: \$123,331).

There have been no changes to the policies and procedures in managing interest rate risks.

(c) Price risk

The Group's exposure to price risk arises from remeasurements of the ESOP liability at each statement of financial position date. If the Company's share price had increased or decreased by 10% with all other variables held constant, post-tax profits for the year would have increased or decreased by \$1,275,770 (2023: \$590,795).

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

a. Financial risk factors (continued)

(ii) Credit risk

(a) Risk management

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to trade customers. For banks and financial institutions, only those with good standing and with a sound reputation are used. Management has assessed that there is low credit risk based on the reputable financial institutions which the Group does business with and as such no impairment losses are recognised.

No independent rating exists for trade customers and as a result an internal credit assessment is performed taking into account their financial position, past experience and other factors. Credit limits are set for trade customers which are regularly monitored. Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers and/or specific industry sectors.

(b) Security

The Group does not take any security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

(c) Impairment of financial assets

The potential impairment loss on trade receivables subject to the general provision requirements of IFRS 9 is immaterial for 2024 and 2023.

There have been no changes to the policies and procedures in managing credit risks.

(iii) Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while always maintaining sufficient headroom on its un-drawn committed borrowing facilities so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets. This policy is consistent with the prior year.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows:

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

a. Financial risk factors (continued)

(iii) Liquidity risk (continued)

	6 months or less \$	6 to 12 months \$	Between 1 to 5 years \$	Over 5 years \$	Total Contractual Cashflows \$
At 30 November 2024					
Borrowings - third party	5,292,258	5,267,346	38,989,134	25,232,558	74,781,296
Lease liabilities	21,337,238	21,192,893	141,681,025	168,730,143	352,941,299
Due to related parties	11,668,668	--	--	--	11,668,668
Trade and other payables, excluding statutory liabilities	161,251,673	--	292,966	--	161,544,639
	<u>199,549,837</u>	<u>26,460,239</u>	<u>180,963,125</u>	<u>193,962,701</u>	<u>600,935,902</u>
At 30 November 2023					
Borrowings - third party	8,899,555	6,337,452	28,472,656	17,139,291	60,848,954
Lease liabilities	24,205,504	22,422,383	192,848,845	158,037,923	397,514,655
Due to related parties	4,295,044	--	--	--	4,295,044
Trade and other payables, excluding statutory liabilities	194,837,828	--	292,966	--	195,130,794
	<u>232,237,931</u>	<u>28,759,835</u>	<u>221,614,467</u>	<u>175,177,214</u>	<u>657,789,447</u>

There have been no changes to policies and procedures in managing liquidity risks.

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 dividends paid to shareholders, issue new shares or sell assets to reduce debt. There has been no change in the policies and procedures for managing capital compared to the prior year.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio.

The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings and total lease liabilities (including 'current and non-current' 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.

	2024 \$	2023 \$
Net debt	224,439,744	227,629,716
Total equity	<u>374,487,673</u>	<u>332,614,384</u>
Total capital	<u>598,927,417</u>	<u>560,244,100</u>
Net debt to capital ratio	<u>37.5%</u>	<u>40.6%</u>

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

b. Capital risk management (continued)

The Group is compliant with its ratios at year end.

Net debt reconciliation

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

	2024 \$	2023 \$
Cash and cash equivalents	103,965,998	113,977,097
Borrowings	(58,866,531)	(49,126,851)
Lease liabilities	<u>(269,539,211)</u>	<u>(292,479,962)</u>
Net debt	<u>(224,439,744)</u>	<u>(227,629,716)</u>
Cash and cash equivalents	103,965,998	113,977,097
Gross debt – fixed interest rates	(269,539,211)	(295,661,781)
Gross debt – variable interest rates	<u>(58,866,531)</u>	<u>(45,945,032)</u>
Net debt	<u>(224,439,744)</u>	<u>(227,629,716)</u>

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

b. Capital risk management (continued)

Net debt reconciliation (continued)

	Cash \$	Borrowings \$	Lease liabilities \$	Total \$
Net debt as at 1 December 2022	95,196,121	(55,761,664)	(293,288,226)	(253,853,769)
Financing cash flow	18,780,976	6,634,813	32,992,192	58,407,981
New leases net of disposals	--	--	(32,206,979)	(32,206,979)
Interest expenses	--	2,773,047	15,443,179	18,216,226
Interest payments (presented as operating cash flows)	--	(2,773,047)	(15,443,179)	(18,216,226)
Foreign exchange adjustments	--	--	23,051	23,051
Net debt as at 30 November 2023	<u>113,977,097</u>	<u>(49,126,851)</u>	<u>(292,479,962)</u>	<u>(227,629,716)</u>
Financing cash flow	(10,011,099)	(9,739,680)	32,060,070	12,309,291
New leases net of disposal	--	--	5,300,744	5,300,744
Effect of lease modifications	--	--	(14,420,063)	(14,420,063)
Interest expenses	--	3,920,103	14,234,988	18,155,091
Interest payments (presented as operating cash flows)	--	(3,920,103)	(14,234,988)	(18,155,091)
Net debt as at 30 November 2024	<u>103,965,998</u>	<u>(58,866,531)</u>	<u>(269,539,211)</u>	<u>(224,439,744)</u>

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

4 Critical accounting estimates and judgements

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

a. Critical accounting estimates and assumptions

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

(i) Estimated recoverable amount of goodwill and intangible assets on SUBWAY business

The Group tests annually whether goodwill and intangible assets have suffered any impairment in accordance with the accounting policy stated in Notes 2 f and 2 g. The recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates. The significant assumptions are disclosed in Note 7.

The recoverable amount of indefinite life intangible assets together with the net assets related to the Subway business would equal its carrying amount if each of the key assumptions were to change as follows independently of the other assumptions:

	2024		2023	
	From %	To %	From %	To %
Year 1 growth rate	5.3	(7.6)	(0.2)	(10.8)
Year 2-5 growth rate	2.5	2.4	2.6	1.9
Average gross margin	33.2	30.9	32.2	28.8
Weighted average cost of capital	12.7	36.0	10.5	16.6

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

4 Critical accounting estimates and judgements (continued)

a. Critical accounting estimates and assumptions (continued)

(ii) Estimated recoverable amount of goodwill on Weekenders Trinidad Limited business

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Notes 2 f and 2 g. The recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates. The significant assumptions are disclosed in Note 7. If the growth rate for year 1 worsened by 0.5% with all other variables held constant there would be no impact to the profit or loss for the period as the asset would still not be impaired (2023: nil). If the growth rate for years 2 to 5 worsened by 0.5% with all other variables held constant, there would be no impact to the profit or loss for the period as the asset would still not be impaired (2023: nil). If the average gross margin worsened by 0.5% with all other variables held constant there would be no impact to the profit or loss for the period as the asset would still not be impaired (2023: nil). If the weighted average cost of capital was higher by 0.5% with all other variables held constant, there would be no impact to the profit or loss for the period as the asset would still not be impaired (2023: nil). In the prior year, there were no reasonably possible changes in any of the key assumptions that would have resulted in an impairment of goodwill and intangible assets related to the Weekenders Trinidad Limited business.

The recoverable amount of goodwill together with the net assets related to Weekenders Trinidad Limited would equal its carrying amount if each of the key assumptions were to change as follows independently of the other assumptions:

	2024		2023	
	From %	To %	From %	To %
Year 1 growth rate	4.6	3.3	3.0	(15.1)
Year 2-5 growth rate	4.0	3.5	2.0	(11.1)
Average gross margin	44.0	43.4	43.0	35.4
Weighted average cost of capital	15.5	16.5	10.9	25.5

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

5 Property, plant and equipment

	Land \$	Buildings and improvements \$	Plant and machinery \$	Vehicles \$	Furniture \$	Work in progress \$	Total \$
Year ended 30 November 2024							
Opening net book amount	109,290,000	99,339,816	41,787,470	4,371,333	28,998,668	5,637,296	289,424,583
Acquisition of subsidiary (Note 30)	20,250,000	3,000,000	--	--	--	--	23,250,000
Additions	--	25,189,954	18,271,163	6,289,371	12,582,636	16,247,483	78,580,607
Transfers	--	4,236,487	2,957,291	--	4,840,806	(12,034,584)	--
Disposals	--	(442,251)	--	--	--	--	(442,251)
Land revaluation	4,150,000	--	--	--	--	--	4,150,000
Depreciation charge	--	(19,323,928)	(12,002,872)	(2,382,747)	(7,899,415)	--	(41,608,962)
Closing net book amount	<u>133,690,000</u>	<u>112,000,078</u>	<u>51,013,052</u>	<u>8,277,957</u>	<u>38,522,695</u>	<u>9,850,195</u>	<u>353,353,977</u>
At 30 November 2024							
Cost or valuation	133,690,000	397,699,974	322,399,040	28,667,926	192,386,302	9,850,195	1,084,693,437
Accumulated depreciation	--	(285,699,896)	(271,385,988)	(20,389,969)	(153,863,607)	--	(731,339,460)
Net book amount	<u>133,690,000</u>	<u>112,000,078</u>	<u>51,013,052</u>	<u>8,277,957</u>	<u>38,522,695</u>	<u>9,850,195</u>	<u>353,353,977</u>
Year ended 30 November 2023							
Opening net book amount	98,635,000	99,684,547	32,167,802	1,341,402	23,870,295	4,696,471	260,395,517
Additions	--	13,266,218	14,372,348	4,061,169	6,178,605	17,044,106	54,922,446
Transfers	--	4,628,990	5,634,545	--	5,839,746	(16,103,281)	--
Disposals	--	--	(2,488)	--	--	--	(2,488)
Land revaluation	10,655,000	--	--	--	--	--	10,655,000
Depreciation charge	--	(18,239,939)	(10,384,737)	(1,031,238)	(6,889,978)	--	(36,545,892)
Closing net book amount	<u>109,290,000</u>	<u>99,339,816</u>	<u>41,787,470</u>	<u>4,371,333</u>	<u>28,998,668</u>	<u>5,637,296</u>	<u>289,424,583</u>
At 30 November 2023							
Cost or valuation	109,290,000	365,715,784	301,170,586	22,378,555	174,962,860	5,637,296	979,155,081
Accumulated depreciation	--	(266,375,968)	(259,383,116)	(18,007,222)	(145,964,192)	--	(689,730,498)
Net book amount	<u>109,290,000</u>	<u>99,339,816</u>	<u>41,787,470</u>	<u>4,371,333</u>	<u>28,998,668</u>	<u>5,637,296</u>	<u>289,424,583</u>
At 1 December 2022							
Cost or valuation	98,635,000	346,913,364	288,583,337	20,001,410	160,924,130	4,696,471	919,753,712
Accumulated depreciation	--	(247,228,817)	(256,415,535)	(18,660,008)	(137,053,835)	--	(659,358,195)
Net book amount	<u>98,635,000</u>	<u>99,684,547</u>	<u>32,167,802</u>	<u>1,341,402</u>	<u>23,870,295</u>	<u>4,696,471</u>	<u>260,395,517</u>

Prestige Holdings Limited

Notes to the Consolidated Financial Statements 30 November 2024

(Expressed in Trinidad and Tobago Dollars)

5 Property, plant and equipment (continued)

Depreciation expense of \$34,982,528 (2023: \$32,118,072) is included in 'other operating expenses' and \$6,626,434 (2023: \$4,427,819) is included in 'administrative expenses'. Bank borrowings are secured on property, plant and equipment of the Group for the value of approximately \$72 million (2023: \$49 million). Included in buildings and improvements are buildings amounting to \$35,806,105 (2023: \$32,806,105) and improvements amounting to \$76,193,973 (2023: \$66,533,716).

a. Fair value of land

Land represents freehold and leasehold land. The Group engages an external, independent and qualified valuer to determine the fair value of the Group's land at least once every five years. The last valuation performed was as at 30 November 2024 for Highway Properties, 30 November 2023 for all freehold properties and leasehold properties except the Aranguez property which was performed as at 30 November 2019. The following table analyses the non-financial assets carried at fair value, by valuation method.

Fair value measurements as at 30 November 2024 and 2023

	Quoted prices In active markets for identical assets (level 1) \$	Significant other observable inputs (level 2) \$	Significant unobservable inputs (level 3) \$
2024	--	--	133,690,000
2023	--	--	109,290,000

Level 3 fair values of land and buildings have been derived using the income approach for properties (land and buildings) and for land only the market comparison approach was used. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.

If land was stated on the historical cost basis, the amount would be \$87,148,230 (2023: \$66,898,230).

Prestige Holdings Limited

Notes to the Consolidated Financial Statements 30 November 2024

(Expressed in Trinidad and Tobago Dollars)

6 Leases

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

(i) Amounts recognised in the consolidated statement of financial position:

	2024 Buildings \$	2023 Buildings \$
Right-of-use assets		
Costs		
At beginning of year	406,725,684	376,499,284
Effect of modifications	14,420,064	--
Additions	7,831,436	44,566,829
Disposals	(21,215,713)	(14,301,338)
Exchange adjustment	--	(39,091)
	<u>407,761,471</u>	<u>406,725,684</u>
Accumulated depreciation		
At beginning of year	135,788,854	99,727,722
Charge for the year	36,568,873	38,860,823
Exchange adjustment	--	(21,859)
Disposals	<u>(9,363,328)</u>	<u>(2,777,832)</u>
	<u>162,994,399</u>	<u>135,788,854</u>
Net book value	<u>244,767,072</u>	<u>270,936,830</u>
Lease liabilities	2024 \$	2023 \$
At beginning of year	292,479,962	293,288,226
Effect of modifications	14,420,064	--
Additions	7,831,436	44,566,828
Exchange adjustment	--	(23,051)
Payments	(32,060,070)	(32,992,192)
Disposals	<u>(13,132,181)</u>	<u>(12,359,849)</u>
At end of year	<u>269,539,211</u>	<u>292,479,962</u>
Current	30,054,482	32,017,216
Non-current	<u>239,484,729</u>	<u>260,462,746</u>
Total lease liabilities	<u>269,539,211</u>	<u>292,479,962</u>

(ii) Amounts recognised in the consolidated income statement:

Interest expense on lease liabilities (Note 22)	14,234,988	15,443,179
Depreciation charge on right-of-use assets (Note 20)	36,568,873	38,860,823
Expense relating to low value and short-term leases	26,174,990	17,129,577

The total cash outflow for leases in 2024 was \$73,519,687 (2023: \$68,621,805).

Prestige Holdings Limited

Notes to the Consolidated Financial Statements

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

7 Intangible assets

	Goodwill \$	Indefinite life franchise agreements \$	Other deferred costs \$	Total \$
Year ended 30 November 2024				
Opening net book amount	6,157,578	40,800,000	11,719,908	58,677,486
Additions	--	--	1,611,098	1,611,098
Exchange differences	--	--	(21,308)	(21,308)
Amortisation charge	--	--	(2,872,422)	(2,872,422)
Closing net book amount	6,157,578	40,800,000	10,437,276	57,394,854
At 30 November 2024				
Cost	24,791,308	40,800,000	52,526,250	118,117,558
Accumulated amortisation and impairment	(18,633,730)	--	(42,088,974)	(60,722,704)
Net book amount	6,157,578	40,800,000	10,437,276	57,394,854
Year ended 30 November 2023				
Opening net book amount	6,157,578	40,800,000	11,934,617	58,892,195
Additions	--	--	2,721,060	2,721,060
Exchange differences	--	--	(21,461)	(21,461)
Amortisation charge	--	--	(2,914,308)	(2,914,308)
Closing net book amount	6,157,578	40,800,000	11,719,908	58,677,486
At 30 November 2023				
Cost	24,791,308	40,800,000	50,915,151	116,506,459
Accumulated amortisation and impairment	(18,633,730)	--	(39,195,243)	(57,828,973)
Net book amount	6,157,578	40,800,000	11,719,908	58,677,486
At 30 November 2022				
Cost	24,791,308	40,800,000	48,215,550	113,806,858
Accumulated amortisation and impairment	(18,633,730)	--	(36,280,933)	(54,914,663)
Net book amount	6,157,578	40,800,000	11,934,617	58,892,195

Amortisation charge of \$2,872,422 (2023: \$2,914,308) is included in other operating expenses.

Prestige Holdings Limited

Notes to the Consolidated Financial Statements 30 November 2024

(Expressed in Trinidad and Tobago Dollars)

7 Intangible assets (continued)

Included in indefinite franchise agreements is the ongoing operations of the Subway business acquired in 2011 which has an indefinite life and is assessed annually for impairment. Also included under deferred costs are franchise fees and loan fees capitalised which are amortised over remaining periods of three to fifteen years.

Impairment tests for goodwill and indefinite life intangible assets

Goodwill has been allocated to the TGI Fridays (Weekenders Trinidad Limited) and Subway businesses cash generating units as outlined below.

	2024 \$	2023 \$
<i>Weekenders Trinidad Limited</i>		
Goodwill	<u>6,157,578</u>	<u>6,157,578</u>

The recoverable amount of this business unit is determined based on a value-in-use calculation. This calculation uses pre-tax cash flow projections based on financial budgets and forecasts approved by management covering a five-year period. Cash-flows for the five-year period are extrapolated using the estimated growth rates stated below.

The key assumptions used for value-in-use calculations are as follows:

	Average gross margin %	Growth rate Year 1 %	Year 2 - 5 %	Weighted average cost of capital %
2024	43.4	4.6	2.0	15.5
2023	43.0	3.0	2.0	10.9

Assumptions for gross profit margins, growth rates and pre-tax weighted average cost of capital are based upon past performance, economic conditions and expectations for market development.

<i>Subway business</i>	2024 \$	2023 \$
Intangible assets – franchise agreements	<u>40,800,000</u>	<u>40,800,000</u>
Assets acquired	<u>40,800,000</u>	<u>40,800,000</u>

The recoverable amount of this business unit is determined based on a value-in-use calculation. This calculation uses pre-tax cash flow projections based on financial budgets and forecasts approved by management covering a five-year period. Cash-flows for the five-year period are extrapolated using the estimated growth rates stated below.

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

7 Intangible assets (continued)

Impairment tests for goodwill and indefinite life intangible assets (continued)

Subway business (continued)

The key assumptions used for value-in-use calculations are as follows:

Year ended 30 November 2024

	Year 1 %	Year 2 %	Year 3 %	Year 4- 5 %
Average gross margin	32.6	32.9	33.1	33.5
Revenue growth rates	5.3	2.5	2.5	2.5
Weighted average cost of capital	13.3	13.3	13.3	13.3

Year ended 30 November 2023

	Year 1 %	Year 2 %	Year 3 %	Year 4- 5 %
Average gross margin	32.2	32.2	32.2	32.2
Revenue growth rates	(0.2)	2.5	2.5	2.5
Weighted average cost of capital	10.5	10.5	10.5	10.5

Assumptions for gross profit margins, growth rates and pre-tax weighted average cost of capital are based upon past performance, adjusted for anticipated future conditions. The key assumptions for the brand over the next five years are expected to be driven by a combination of strategies designed to boost transactions and improve ticket average spending as well as in store efficiencies. These efficiencies are aimed at achieving better cost management, enhancing guest experience and, along with various marketing initiatives, are designed to increase guest visits and ultimately improve sales of the brand. The performance changes have been tempered based on the economic conditions and expectations for market development.

Refer to Note 4 for details of sensitivity analysis performed over the key assumptions noted above for each acquired business.

8 Financial instruments by category

2024

2023

\$

\$

Assets as per consolidated statement of financial position

Financial assets at amortised cost

Due from related parties	--	30,290,834
Trade and other receivables, excluding prepayments	26,492,869	19,855,686
Cash and cash equivalents	<u>103,965,998</u>	<u>113,977,097</u>
Total	<u>130,458,867</u>	<u>164,123,617</u>

Liabilities as per consolidated statement of financial position

Financial liabilities at amortised cost

Borrowings	58,866,531	49,126,851
Lease liabilities	269,539,211	292,479,962
Trade and other payables, excluding statutory liabilities	161,544,639	195,130,794
Due to related parties	<u>11,668,668</u>	<u>4,295,044</u>
Total	<u>501,619,049</u>	<u>541,032,651</u>

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

8 Financial instruments by category (continued)

Financial instruments where carrying value is equal to fair value

Due to their liquidity and short-term maturity, the carrying values of certain financial instruments approximate their fair values. Financial instruments where carrying value is equal to fair value include cash and cash equivalents, trade and other receivables, trade and other payables and amounts due to related parties.

For financial assets and financial liabilities that are carried in the financial statements at amortised cost but for which fair value is required to be disclosed in accordance with IFRS 7, the table below summarises the level in the IFRS 13 fair value hierarchy in which the fair value measurement is categorised, and a description of the valuation technique and the inputs used in the fair value measurement.

Liability	Categorisation of the fair value measurement in IFRS 13 fair value hierarchy	Valuation methodology used to determine fair value	Key assumptions in valuation methodology
Bank borrowings and lease liabilities	Level 3	Discounted cash flow analysis	- Future cash flows - Current market interest rate at year end

A comparison of the fair value to the carrying value of bank borrowings is included in Note 15.

For lease liabilities, the fair value based on cash flows discounted using an incremental borrowing rate of 5.5% was \$221,512,596 (2023: 5.5% - \$289,728,323).

9 Deferred income tax assets

	2024 \$	2023 \$
Opening amount	(11,783,848)	(10,435,618)
Charge/(credit) to consolidated income statement (Note 23)	1,035,702	(1,351,557)
Foreign exchange translation (Forex)	--	3,327
Closing amount	<u>(10,748,146)</u>	<u>(11,783,848)</u>

The deferred income tax assets at the end of the year are attributable to the following items:

Year ended 30 November 2024	At 1.12.23 \$	Charge/ (credit) to the consolidate income statement \$	Forex \$	At 30.11.24 \$
<i>Deferred income tax (assets)/liabilities</i>				
Accelerated tax depreciation	(4,758,912)	2,103,349	--	(2,655,563)
Right of assets	78,416,182	(9,314,963)	--	69,101,219
Leases liabilities	(85,428,829)	8,704,415	--	(76,724,414)
Tax losses	(12,289)	(457,099)	--	(469,388)
	<u>(11,783,848)</u>	<u>1,035,702</u>	<u>--</u>	<u>(10,748,146)</u>

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

9 Deferred income tax assets (continued)

	At 1.12.22 \$	Charge/ (credit) to income statement \$	Forex \$	At 30.11.23 \$
Year ended 30 November 2023				
<i>Deferred income tax (assets)/liabilities</i>				
Accelerated tax depreciation	(4,998,447)	236,208	3,327	(4,758,912)
Right of assets	83,031,468	(4,615,286)	--	78,416,182
Leases liabilities	(88,456,350)	3,027,521	--	(85,428,829)
Tax losses	(12,289)	--	--	(12,289)
	<u>(10,435,618)</u>	<u>(1,351,557)</u>	<u>3,327</u>	<u>(11,783,848)</u>

10 Inventories

	2024 \$	2023 \$
Food supplies and packaging materials	49,947,161	70,644,090
Consumable stores	<u>36,032,538</u>	<u>19,599,500</u>
	<u>85,979,699</u>	<u>90,243,590</u>

The cost of inventories recognised as expense and included in "cost of sales" amounted to \$562,701,013 (2023: \$594,460,645).

The write-down of inventories recognised as expense and included in "administrative expenses" amounted to \$1,526,865 (2023: \$4,402,916).

11 Trade and other receivables

Trade receivables	14,735,592	5,730,801
Less: expected credit losses	<u>(1,095,574)</u>	<u>(1,095,574)</u>
	13,640,018	4,635,227
Prepayments	14,486,119	11,144,658
Other receivables	<u>12,851,851</u>	<u>15,220,459</u>
	<u>40,977,988</u>	<u>31,000,344</u>

There were no movements on the Group's expected credit losses for trade receivables for the years ended 2024 and 2023.

The carrying amount of the Group's trade and other receivables are denominated in the following currencies:

TT dollar	38,345,444	29,672,650
Other currencies	<u>2,632,544</u>	<u>1,327,694</u>
	<u>40,977,988</u>	<u>31,000,344</u>

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

12 Share capital

	2024 \$	2023 \$
Authorised		
Unlimited number of ordinary shares of no-par value		
Issued and fully paid		
62,513,002 ordinary shares of no-par value	<u>23,759,077</u>	<u>23,759,077</u>

13 Other reserves

	Land revaluation \$	Currency translation \$	Total \$
Balance at 1 December 2023	42,391,770	(5,306,733)	37,085,037
Gain on revaluation	4,150,000	--	4,150,000
Currency translation differences	--	(631,041)	(631,041)
Balance at 30 November 2024	<u>46,541,770</u>	<u>(5,937,774)</u>	<u>40,603,996</u>
Balance at 1 December 2022	31,736,770	(5,321,439)	26,415,331
Gain on revaluation	10,655,000	--	10,655,000
Currency translation differences	--	14,706	14,706
Balance at 30 November 2023	<u>42,391,770</u>	<u>(5,306,733)</u>	<u>37,085,037</u>

14 Treasury shares

The Parent Company established an Employees' Profit and Share Ownership Plan (ESOP) for all permanent employees. The Trust Deed and Rules of the Plan have been approved by the Board of Inland Revenue under Section 35 of the Income Tax Act Chapter 75:01. The ESOP holds Parent Company shares as part of the ESOP arrangement.

Treasury shares are as follows:

	Ordinary shares	
	no. of shares	\$
Balance at 1 December 2023	1,202,683	9,587,360
Sale of shares	<u>5,405</u>	<u>30,268</u>
Balance at 30 November 2024	<u>1,197,278</u>	<u>9,557,092</u>
Balance at 30 November 2023	<u>1,202,683</u>	<u>9,587,360</u>

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

15	Borrowings	2024	2023
		\$	\$
	<i>Non-current</i>		
	Bank borrowings	51,739,533	37,294,707
	<i>Current</i>		
	Bank borrowings	<u>7,126,998</u>	<u>11,832,144</u>
	Total borrowings	<u>58,866,531</u>	<u>49,126,851</u>

Loan 1

The borrowing represents a TT dollar loan for \$29 million at a rate of 5.5% per annum fixed for four years subject to three-year resets thereafter. Interest is payable quarterly. Principal is repayable by 60 quarterly equal instalments of \$483,333 which commenced on 27 August 2019. The loan is secured on all moveable assets constituting outfitting at the Trincity Plaza site. The fair value based on cash flows discounted using a current borrowing rate of 5.5% (2023: 5.5%) was \$ 20,265,068 (2023: \$22,231,156). This facility is secured by a mortgage debenture.

Loan 2

The borrowing represents a TT dollar loan for \$11 million at a rate of 5.5% per annum fixed for four years subject to three-year resets thereafter. Interest is payable quarterly. Principal is repayable by 60 quarterly equal instalments of \$183,333 which commenced on 27 February 2020. The loan is secured on all moveable assets constituting outfitting at the Trincity Plaza site. The fair value based on cash flows discounted using a current borrowing rate of 5.5% (2023: 5.5%) was \$ 8,062,803 (2023: \$8,808,988). This facility is secured by a mortgage debenture.

Loan 3

The borrowing represents a US dollar loan for \$2.25 million at a rate of 9.57% per annum for two years subject to monthly interest rate resets. Interest is payable monthly. The loan commenced on 1 November 2023 and principal repayments repayable by 24 monthly instalments which commenced on 1 February 2024. The loan is unsecured. The fair value based on cash flows discounted using a current borrowing rate of 9.57% (2023: 9.57%) is \$13,782,900 (2023: \$15,241,150). This is an unsecured loan facility.

Loan 4

The borrowing represents a TT dollar loan for \$17 million at a rate of 4.8% per annum for thirteen years subject to monthly interest rate resets. Interest is payable monthly. Principal is repayable by monthly instalments which commenced on 1 January 2024. The fair value based on cash flows discounted using a current borrowing rate of 4.8% is \$15,988,411 (2023: \$15,241,150). The loan facility is secured by a mortgage over a property owned by Highway Properties Limited.

The Group has the following undrawn borrowing facilities:

	2024	2023
	\$	\$
<i>Floating rate:</i>		
Expiring within one year (Interest rate 5.0%)	<u>14,500,000</u>	<u>14,500,000</u>

The facilities are subject to review at various dates during 2024.

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

15 Borrowings (continued)

	2024 \$	2023 \$
The carrying amounts of the Group's borrowings are denominated in the following currencies:		
Trinidad & Tobago dollars	45,070,613	33,940,926
United States dollars	<u>13,795,918</u>	<u>15,185,925</u>
	<u>58,866,531</u>	<u>49,126,851</u>

16 Trade and other payables

<i>Non-current</i>		
Other payables (stock-based compensation)	<u>292,966</u>	<u>292,966</u>
<i>Current</i>		
Trade payables	106,327,829	170,284,950
Accrued expenses	57,269,780	12,801,360
Stock based compensation	12,767,112	14,781,310
Payroll related taxes and other benefits	<u>338,419</u>	<u>18,073,849</u>
	<u>176,703,140</u>	<u>215,941,469</u>
Total trade and other payables	<u>176,996,106</u>	<u>216,234,435</u>

17 Related party balances and transactions

a. Due to affiliated companies	<u>11,668,668</u>	<u>4,295,044</u>
Due from affiliated companies	<u>--</u>	<u>30,290,834</u>

In December 2023, Prestige Holdings Limited purchased Highway Properties Limited from its ultimate parent company Victor E Mouttet Limited. Prestige Holdings Limited acquired 2,999,999 shares in Highway Properties Limited. The main interest and asset in the company was a property situated at the corner of Churchill-Roosevelt Highway and the Southern Main Road, valued at \$23,250,000 (Note 30).

Prestige Holdings Limited transactions and balances with its related parties:

Purchase of foods and related supplies	<u>51,664,916</u>	<u>50,251,260</u>
Purchases – other	<u>--</u>	<u>1,273,870</u>
Lease income	<u>620,544</u>	<u>620,544</u>
Lease of properties – cash outflow	<u>1,665,965</u>	<u>3,261,965</u>
Loans and short-term advance to parent company	<u>--</u>	<u>20,125,000</u>
Interest on loans and short-term advance to parent company	<u>--</u>	<u>158,350</u>
Leases liabilities - non-current	<u>--</u>	<u>14,668,364</u>
Lease liabilities - current	<u>1,223,191</u>	<u>2,441,465</u>
	<u>1,223,191</u>	<u>17,109,829</u>

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

17	Related party balances and transactions (continued)	2024 \$	2023 \$
	b. <i>Directors' fees</i>	<u>1,190,400</u>	<u>1,190,400</u>
	c. <i>Key management compensation</i>		
	Salaries and other short-term benefits	12,467,475	12,636,452
	Pension costs – defined contribution plan	<u>271,200</u>	<u>292,812</u>
		<u>12,738,675</u>	<u>12,929,264</u>

18 Revenue

The Group derives revenue mainly from the transfer of food and drink items at a point in time in the following restaurant segments:

	Quick Service Restaurants \$	Casual Dining \$	Total \$
Total segment revenue 2024	<u>985,421,727</u>	<u>364,775,604</u>	<u>1,350,197,331</u>
Total segment revenue 2023	<u>981,508,826</u>	<u>347,703,105</u>	<u>1,329,211,931</u>

Revenue from external customers arise mainly from the sale of food items in operating the worldwide KFC, Pizza Hut, Subway, Starbucks and TGI Friday's brands on a retail basis.

There are no material assets and liabilities arising on revenue with customers.

19 Cost of sales

Cost of sales includes food supplies, packaging materials, labour and other costs directly related to the level of sales.

20	Expenses by nature	2024 \$	2023 \$
	The following items have been charged/(credited) in arriving at the operating profit:		
	Cost of inventories (Note 10)	562,701,013	594,460,645
	Employee benefit expense (Note 28)	247,860,615	225,236,969
	Other expenses	80,855,416	96,960,653
	Royalties	88,586,077	81,917,496
	Depreciation on property, plant and equipment and amortisation of intangible assets	44,481,384	39,459,298
	Depreciation on right-of-use assets (Note 6)	36,568,873	38,860,823
	Advertising costs	54,817,156	51,969,657
	Repairs and maintenance on property, plant and equipment	49,300,173	33,506,445
	Utilities	21,690,104	22,710,293
	Short term and variable lease expenses	27,912,054	21,233,244
	Security	15,061,894	14,136,685
	Insurance	5,538,957	5,128,926
	Foreign exchange (gain)/loss	(1,757,862)	3,114,967
	Profit on disposal of property, plant and equipment	<u>(1,298,045)</u>	<u>(346,120)</u>
	Cost of sales, other operating and administrative expenses	<u>1,232,317,809</u>	<u>1,228,349,981</u>

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

20 Expenses by nature (continued)

Audit fees for the year ended 30 November 2024 amounted to \$1,465,000 (2023: \$1,419,000). \$10,000 was paid in fees the auditor (and related network firms) for non-assurance services for the years ended 2024 and 2023.

	2024 \$	2023 \$
Cost of sales	897,588,046	893,214,182
Other operating expenses	235,943,799	229,456,943
Administrative expenses	<u>98,785,964</u>	<u>105,678,856</u>
	<u>1,232,317,809</u>	<u>1,228,349,981</u>

21 Other income

Miscellaneous income	112,588	301,667
Lease rental income	<u>620,544</u>	<u>620,544</u>
	<u>733,132</u>	<u>922,211</u>

22 Finance costs

Lease liabilities - interest expense (Note 6)	14,234,988	15,443,179
Bank borrowings - interest expense	<u>3,920,103</u>	<u>2,773,047</u>
	<u>18,155,091</u>	<u>18,216,226</u>

23 Income tax expense

Current tax	32,894,374	28,953,802
Deferred tax charge/(credit) (Note 9)	1,036,701	(1,351,557)
Prior year under provision	<u>--</u>	<u>29,981</u>
	<u>33,931,075</u>	<u>27,632,226</u>

The taxation charge differs from the theoretical amount that would arise using the basic rate of tax as follows:

Profit before income tax	<u>100,457,563</u>	<u>83,567,935</u>
Tax calculated at 30%	30,137,269	24,850,005
Expenses not deductible for tax purposes	29,728,902	3,920,780
Allowable tax expenses	(26,890,806)	(762,712)
Other differences	955,710	(405,828)
Prior year under provision	<u>--</u>	<u>29,981</u>
	<u>33,931,075</u>	<u>27,632,226</u>

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

24 Group earnings per share

a. Basic

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

	2024 \$	2023 \$
Profit attributable to owners of the Parent Company	<u>66,425,181</u>	<u>56,011,590</u>
Weighted average number of common shares in issue during the year exclusive of treasury shares	<u>61,315,724</u>	<u>61,310,319</u>
Basic earnings per share (exclusive of treasury shares)	<u>1.08</u>	<u>0.91</u>

b. Diluted

For the diluted earnings per share, the weighted average number of common shares in issue is adjusted to assume conversion of all dilutive potential common shares.

Profit attributable to owners of the parent company	<u>66,425,181</u>	<u>56,011,590</u>
Weighted average number of common shares in issue for diluted earnings per share	<u>62,513,002</u>	<u>62,513,002</u>
Diluted earnings per share	<u>1.06</u>	<u>0.90</u>

25 Segment information – geographical segment

The Group is principally engaged in the restaurant industry (casual and quick service), operating the worldwide KFC, Pizza Hut, Subway, Starbucks and TGI Fridays concepts in Trinidad and Tobago and the TGI Fridays concept in Jamaica. Operations also began in Guyana with the opening of one Starbucks restaurant in the year. Management has determined the operating segments based on the reports reviewed by the Executive Committee and the Board of Prestige Holdings Limited.

The Executive Committee and the Board considers the business from a geographic basis consisting of local and overseas operations. Geographically, management considers the performance of operating companies in Trinidad and Tobago and Jamaica. The Executive Committee and the Board assess the performance of the operating segments based on a measure of revenue and profit before taxation.

Trinidad and Tobago is the home country of the Parent Company which is also the main operating company and Weekenders Trinidad Limited (the entity that holds the franchise for TGI Fridays in Trinidad and Tobago). The Parent Company's principal subsidiary outside of Trinidad is located in Jamaica. All companies operate in the restaurant sector and have been aggregated together based on the nature of products and services they provide, nature of production processes, type of customers, methods used to distribute products and services and the nature of the regulatory environment. This resulted in two operating segments, one for Trinidad and Tobago and another for the Group's overseas operations as shown below.

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

25 Segment information – geographical segment (continued)

The segment results for the year ended 30 November 2024 are as follows:

	Trinidad \$	Others \$	Group \$
Total segment revenue	1,305,795,571	44,401,760	1,350,197,331
Cost of sales	871,932,241	25,655,805	897,588,046
Operating profit	115,899,744	2,712,910	118,612,654
Finance costs	(17,320,070)	(835,021)	(18,155,091)
Profit before income tax	98,579,674	1,877,889	100,457,563
Income tax expense	(33,610,881)	(320,194)	(33,931,075)
Profit for the year	64,968,793	1,557,695	66,526,488

The segment results for the year ended 30 November 2023 are as follows:

	Trinidad \$	Others \$	Group \$
Total segment revenue	1,294,571,610	34,640,321	1,329,211,931
Cost of sales	(875,278,724)	(17,935,458)	(893,214,182)
Operating profit	97,496,561	4,287,600	101,784,161
Finance costs	(17,808,551)	(407,675)	(18,216,226)
Profit before income tax	79,688,010	3,879,925	83,567,935
Income tax expense	(26,955,177)	(677,049)	(27,632,226)
Profit for the year	52,732,833	3,202,876	55,935,709

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

	Year ended 30 November 2024		
	Trinidad \$	Others \$	Group \$
Depreciation	39,359,438	2,249,524	41,608,962
Amortisation	2,780,851	91,571	2,872,422
Depreciation on right-of-use assets	35,183,800	1,385,073	36,568,873

	Year ended 30 November 2023		
	Trinidad \$	Others \$	Group \$
Depreciation	35,231,917	1,313,975	36,545,892
Amortisation	2,873,274	41,034	2,914,308
Depreciation on right-of-use assets	38,126,817	734,006	38,860,823

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

25 Segment information – geographical segment (continued)

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

	Trinidad \$	Others \$	Group \$
Assets	<u>852,985,850</u>	<u>50,176,664</u>	<u>903,162,514</u>
Liabilities	<u>486,810,085</u>	<u>41,864,756</u>	<u>528,674,841</u>
Capital expenditure	<u>67,857,130</u>	<u>10,723,477</u>	<u>78,580,607</u>

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

	Trinidad \$	Others \$	Group \$
Assets	<u>872,430,495</u>	<u>29,930,385</u>	<u>902,360,880</u>
Liabilities	<u>543,239,914</u>	<u>26,506,582</u>	<u>569,746,496</u>
Capital expenditure	<u>46,846,555</u>	<u>8,075,891</u>	<u>54,922,446</u>

26 Dividends

On 25 February 2025, the Board of Directors of Prestige Holdings Limited approved a final dividend of 36 cents, bringing the total dividends for the financial year ended 30 November 2024 to 52 cents (2023: 45 cents).

27 Cash generated from operations

	2024 \$	2023 \$
Profit before income tax	100,457,563	83,567,935
Adjustments for:		
Depreciation on property, plant and equipment and amortisation of intangible assets (Note 5 and 7)	44,481,384	39,460,200
Depreciation on right-of-use assets (Note 6)	36,568,873	38,860,823
Finance costs (Note 22)	18,155,091	18,216,226
Foreign exchange differences	21,309	65,185
Profit on disposal of property, plant and equipment, franchise fees and right of use assets	(1,298,045)	(1,039,796)
Changes in current assets and current liabilities:		
Decrease/(increase) in inventories	4,263,891	(6,199,232)
Increase in trade and other receivables	(9,977,644)	(1,555,771)
(Decrease)/increase in trade and other payables	(39,238,329)	32,761,897
Increase/(decrease) in due to related parties	<u>37,664,458</u>	<u>(22,418,983)</u>
	<u>191,098,551</u>	<u>181,718,484</u>

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

28	Employee benefit expense	2024 \$	2023 \$
	Wages and salaries	213,589,191	175,257,265
	Payroll related taxes and other benefits	31,237,274	40,964,128
	Stock based employee compensation	1,599,581	7,720,647
	Pension costs – defined contribution plan	<u>1,434,569</u>	<u>1,294,929</u>
		<u>247,860,615</u>	<u>225,236,969</u>

29 Commitments and contingent liabilities

Capital commitments

Capital commitments for the Group as at 30 November 2024 amounted to approximately \$30.6 million (2023: \$16.5 million).

Lease commitments

The Group's minimum short term lease commitments under the terms of various leases of property, plant and equipment used primarily for its restaurant operations, exclusive of any related value added tax, are as follows:

Rentals due within one year	<u>267,830</u>	<u>267,830</u>
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Guarantee

The Group has a guarantee in favour of Comptroller of Customs and Excise for \$1.2 million (2023: \$1.2 million).

30 Business combination

On 13 December 2023, Prestige Holdings Limited acquired 100% of the issued share capital of Highway Properties Limited. The main asset in the company was a property situated at the corner of Churchill-Roosevelt Highway and the Southern Main Road in Curepe, previously leased by Prestige Holdings Limited, from which 3 of its restaurants operate. Details of the purchase consideration, the net assets acquired and bargain gain on acquisition are as follows:

Purchase consideration

Cash	5,786,904
Proceeds from borrowings	<u>17,360,710</u>
	<u>23,147,614</u>

Prestige Holdings Limited

Notes to the Consolidated Financial Statements (continued)

30 November 2024

(Expressed in Trinidad and Tobago Dollars)

30 Business combination (continued)

The assets and liabilities recognised as a result of the acquisition are as follows:

Land and building	23,250,000
Bank – RBL	<u>8,480</u>
Net identifiable assets acquired	23,258,480
Purchase consideration	<u>23,147,614</u>
Bargain gain on purchase	<u>(110,866)</u>

Upon acquisition of the company, receivables of \$1,707,146 existed as an asset on the company's Statement of Financial Position. This relates to an amount of due from the Government of Trinidad and Tobago for land reclaimed from Highway Properties Limited 2021. Prestige Holdings Limited is currently assessing the recoverability of this amount, due to the uncertainty of the timing of the recoverability a loss allowance of \$1,707,146 was recognised on acquisition.

Cash outflow, net of cash acquired

Cash consideration	5,786,904
Proceeds from borrowings	17,360,710
Less: balances acquired	<u>(8,480)</u>
Net outflow of cash – investing activities	<u>23,139,134</u>

Highway Properties Limited did not generate any revenue and expenses or transacted any business transactions for the year ended 30 November 2024

There were no acquisitions in the year ended 30 November 2023.