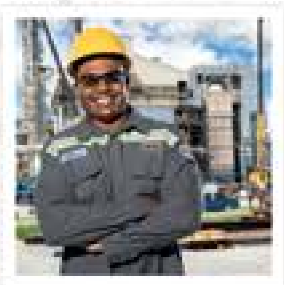
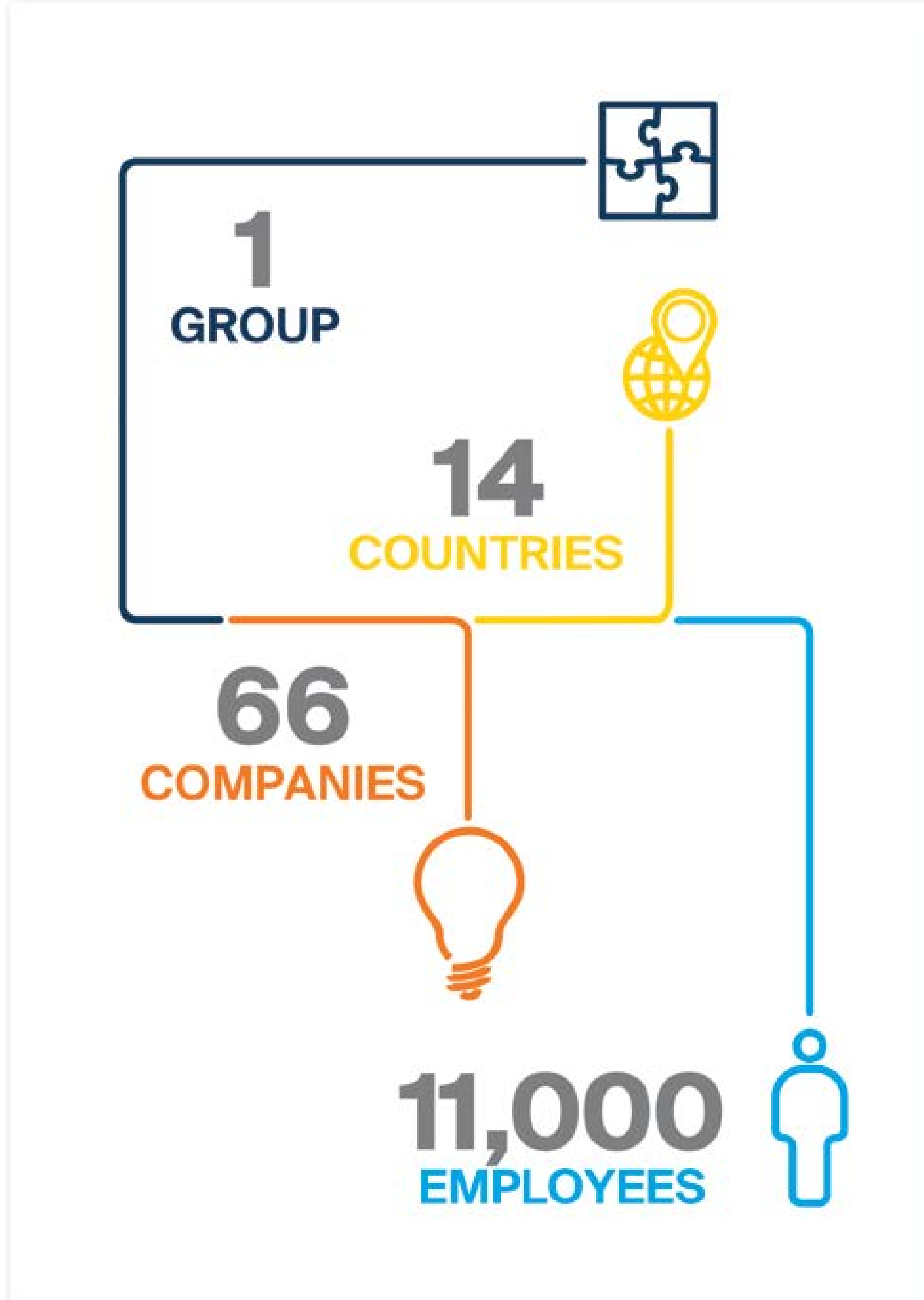




Annual Report 2017

MASSY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GROUP
14
COUNTRIES
66
COMPANIES
11,000
EMPLOYEES

Vision Statement

A Force for Good

The Most Responsible and Profitable Investment Holding/Management Company in the Caribbean Basin

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Regional Footprint

Major Holding & Operating Companies

HOLDING COMPANIES

Massy Holdings Ltd.

Massy (Guyana) Ltd.

Massy (Barbados) Ltd.

Massy Integrated Retail Ltd.

Massy Gas Products Holdings Ltd.

Massy Technologies (Trinidad) Ltd.

Massy Transportation Group Ltd.

INDUSTRIAL EQUIPMENT

TRINIDAD AND TOBAGO

Automotive

Massy Motors Ltd.

Massy Automotive Components Ltd.

Best Auto Ltd.

Master Serv Limited

Massy Motors (Tobago) Ltd.

Industrial Equipment

Massy Machinery Ltd.

Massy Pres-T-Con Ltd.

GUYANA

Massy Industries (Guyana) Ltd.

COLOMBIA

Massy Motors Colombia S.A.S.

ENERGY & INDUSTRIAL GASES

TRINIDAD AND TOBAGO

Massy Energy (Trinidad) Ltd.

Massy Energy Production Resources Ltd.

Massy Energy Engineered Solutions Ltd.

Massy Energy Fabric Maintenance Ltd.

Massy Energy Supply Chain Solutions Ltd.

Massy Gas Products (Trinidad) Ltd.

Massy Wood Group Ltd. (50%)

Massy Carbonics Ltd.

Massy Petrochemical Services Ltd.

Caribbean Industrial Gases Unlimited (50%)

GUYANA

Massy Gas Products (Guyana) Ltd.

Massy Energy (Guyana) Inc.

BARBADOS

Massy Energy (Barbados) Ltd.

JAMAICA

Massy Gas Products (Jamaica) Limited

COLOMBIA

Massy Energy Colombia S.A.S.

FINANCIAL SERVICES

Insurance Division

BARBADOS

Massy United Insurance Ltd.

Money Services Division

TRINIDAD AND TOBAGO

Massy Remittance Services (Trinidad) Ltd.

GUYANA

Massy Services (Guyana) Ltd.

Consumer Finance Division

TRINIDAD AND TOBAGO

Massy Credit Plus Ltd.

Massy Finance GFC Ltd.

BARBADOS

Massycard (Barbados) Limited

INTEGRATED RETAIL

TRINIDAD AND TOBAGO

Massy Stores (Trinidad)

Massy Distribution (Trinidad)

Massy Card Ltd.

GUYANA

Massy Distribution (Guyana) Inc.

Massy Stores (Guyana) Inc.

BARBADOS

Massy Stores (Barbados) Ltd.

Massy Distribution (Barbados) Ltd.

JAMAICA

Massy Distribution (Jamaica) Limited

SAINT LUCIA

Massy Stores (SLU) Ltd.

Massy Distribution (St. Lucia) Ltd.

ST. VINCENT

Massy Stores (SVG) Ltd.

MIAMI

Massy Distribution (USA) Inc.

TECHNOLOGY & COMMUNICATIONS

TRINIDAD AND TOBAGO

Massy Technologies InfoCom (Trinidad) Ltd.

Massy Technologies Applied Imaging (Trinidad) Ltd.

GUYANA

Massy Technologies (Guyana) Ltd.

BARBADOS

Massy Technologies InfoCom (Barbados) Ltd.

JAMAICA

Massy Technologies InfoCom (Jamaica) Limited

ANTIGUA

Massy Technologies InfoCom (Antigua) Ltd.

OTHER INVESTMENTS

TRINIDAD AND TOBAGO

Massy Realty (Trinidad) Ltd.

Massy Properties (Trinidad) Ltd.

GUYANA

Massy Security (Guyana) Inc.

BARBADOS

Massy (Barbados) Investments Ltd.

Massy Properties (Barbados) Ltd.

Roberts Manufacturing Co. Limited (50.5%)

Seawell Air Services Limited

BCB Communications Inc. (51%)

Caribbean Airport Services Ltd. (49%)

Corporate Information

Directors
Mr. Robert Bermudez, Chairman
Mr. E. Gervase Warner, President and Group CEO
Mr. Frere Delmas
Mr. Patrick Hylton
Mr. G. Anthony King
Mr. William Lucie-Smith
Mr. Suresh Maharaj
Mr. David O'Brien
Mrs. Paula Rajkumarsingh
Mr. Robert Riley
Mr. Gary Voss
Ms. Maxine Williams
Mr. Richard P. Young

Corporate Secretary
Ms. Wendy Kerry

Assistant Corporate Secretary
Ms. Krystal Baynes

Audit Committee
Mr. William Lucie-Smith, Chairman
Mr. Patrick Hylton
Mr. Suresh Maharaj
Mr. Richard P. Young
Mr. E. Gervase Warner (ex-officio)

Governance and Compensation Committee
Mr. Gary Voss, Chairman
Mr. G. Anthony King
Mr. Robert Riley
Mr. Robert Bermudez (ex-officio)
Mr. E. Gervase Warner (ex-officio)

Registered Office
63 Park Street
Port of Spain
Trinidad and Tobago
Telephone: (868) 625-3426
Facsimile: (868) 627-9061
E-mail: info@massygroup.com
Website: www.massygroup.com

Registrar and Transfer Office
The Trinidad and Tobago Central Depository Limited
10th Floor
Nicholas Towers
63-65 Independence Square
Port of Spain
Trinidad and Tobago

Auditors
PricewaterhouseCoopers
11-13 Victoria Avenue
Port of Spain
Trinidad and Tobago

Principal Bankers
RBC Royal Bank (Trinidad & Tobago) Limited
55 Independence Square
Port of Spain
Trinidad and Tobago

Notice of Annual Meeting

To: All Shareholders

NOTICE IS HEREBY GIVEN that the Ninety-Fourth Annual Meeting of Shareholders of Massy Holdings Ltd. ("the Company") will be held at the Ballroom, Hilton Trinidad and Conference Centre 1B Lady Young Road, Port-of-Spain, Trinidad and Tobago, on February 8, 2018 at 10:00 a.m. for the following purposes:

1 To receive and consider the Report of the Directors and the Audited Financial Statements for the financial year ended September 30, 2017 together with the Report of the Auditors thereon.

2 To elect Directors for specified terms and if thought fit, to pass the following Resolutions:

a THAT, the Directors to be re-elected, be re-elected en bloc;

b THAT, in accordance with the requirements of paragraphs 4.4.1 and 4.6.1 of By-Law No. 1 of the Company, Messrs. Frere Delmas, Patrick Hylton, Richard P. Young and Mrs. Paula Rajkumarsingh be and are hereby re-elected Directors of the Company to hold office until the close of the third Annual Meeting of the Shareholders of the Company following this election; and

c THAT, in accordance with the requirements of paragraphs 4.4.1, 4.6.1 and 4.8 of By-Law No. 1 of the Company, Mr. Gary Voss having attained the age of seventy-two years be and is hereby elected a Director of the Company to hold office until the close of the third Annual Meeting of the Shareholders of the Company following this election.

3 To re-appoint the incumbent Auditors and authorise the Directors to fix their remuneration and expenses for the ensuing year.

BY ORDER OF THE BOARD

Wendy Kerry
Corporate Secretary

December 20, 2017

Notes To The Notice Of Annual Meeting:

1 No service contracts were entered into between the Company and any of its Directors.

2 A Member of the Company entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote in his or her stead. Such proxy need not also be a Member of the Company. Where a proxy is appointed by a corporate member, the form of proxy should be executed under seal or signed by its attorney.

3 Corporate members are entitled to attend and vote by a duly authorised representative who need not himself be a member. Such appointment must be by resolution of the Board of Directors of the corporate member.

4 Attached is a Proxy Form which must be completed, signed and then deposited with the Secretary of the Company, at the Company's Registered Office, 63 Park Street, Port of Spain, not less than 48 hours before the time fixed for holding the Meeting.

Chairman's Report

ROBERT BERMUDEZ
Chairman of the Board

Dear Shareholders

Despite setbacks and challenges faced, the Massy Group of companies performed well in the 2017 Financial Year. The Group remains financially strong with market leading positions in its core industries. In FY2017, the Group's Third Party Revenue grew by 2 percent despite the economic slow-down in its 2 key markets, Trinidad and Tobago and Barbados. Excluding the Discontinued Operations (from the sale of Massy Communications), Profit Before Tax (PBT) declined by 15 percent or $131 million. Of note is the combined impact of Hurricanes Irma and Maria which incurred losses of $86 million through the Group's insurance programmes. The PBT decline was further impacted by declines of $26 million in PBT from Massy Energy Colombia which lost a significant maintenance services contract, and $22 million, $14 million and $20 million reduction from Massy Motors, Massy Machinery and Massy Stores respectively, due to the slow-down of theTrinidad and Tobago economy. Of the favourable movement in associates, $38 million is as a result of the major maintenance cost incurred of the Oxygen plant in 2017.

Commendable performance was delivered by the businesses in Jamaica, Guyana and the Eastern Caribbean which produced double digit growth in these territories; and by the Integrated Retail Business Unit which increased PBT over prior year by 6 percent despite declining profits at Massy Stores in Trinidad and Barbados.

The sale of Massy Communications crystalised a further loss of $68 million and with an increased corporate tax rate in Trinidad and Tobago, the Group's Profit After Tax (PAT) declined from $536 million to $412 million. Despite these extraordinary events, the Group's Balance Sheet and profit-making engines remain strong.

Further, executive management of the Group have embarked on a number of profit enhancing initiatives including, cost containment, procurement, shared services and continuous improvement initiatives. I am optimistic that these initiatives will help to reduce the operating costs of the Group and thereby make the Group more competitive. The Board is paying close attention to monitoring the results of these initiatives.

Governance

I am pleased to say that over the past year, one of the Board's main areas of focus was the strengthening of the Group's governance. In so doing the Board has and continues to keep abreast of global trends and governance standards, to facilitate the Massy Group's adherence to the highest governance standards. We are determined to keep working towards this goal and as such, great focus has been placed on developing a more robust policy, compliance and risk framework. As we recognise that corporate governance does not exist in isolation nor can it be reduced to compliance with checklists and codes we continue to have reinforcing conversations and remain guided by our Group's Purpose and our Core Values, which form the basis for our approach to leadership, governance and business.

The Governance and Compensation Committee and the Board have supported the development/revision of certain key governance policy documents including; The Code of Conduct/Ethics Policy, the Conflict of Interest Policy and the Speak Up Policy (formerly the Whistle-blower Policy). The Governance and Compensation Committee was also instrumental in the development of a Subsidiary Board Policy which will provide further guidance to subsidiary boards and enhance subsidiary governance across the Group.

Continuous training for our Board Members is key as our Group of companies grow in a world which is rapidly changing with evolving technologies, shared-economies and artificial intelligence – all being both risks and opportunities. Anticipating the pace of change continues to challenge and inspire us to become more adaptable and flexible. Other areas that our Board will continue to discuss and keep in the foreground; enhancing board oversight on cyber risk, board development and refreshment, Director succession planning and strengthening and utilising the value we get from our board evaluations.

Board Changes and Promotions

With the departure of one of the Company's Directors earlier this year the Board, the Governance and Compensation Committee used the guidelines from the Board's Director Nomination Policy to conduct a search and recommend a new candidate to serve as a Director of the Company. Out of this process, on April 24, 2017 Mr. Suresh Maharaj was duly appointed as a Director of the Company. Director Maharaj brings with him a wide range of expertise, which includes organisational restructuring, return on economical capital strategies, revenue growth initiatives, compliance direction and management, corporate governance and global market identification. Director Maharaj is a highly-recognised Global Senior Executive with 43 years of experience in the financial services industry. On behalf of the Board I again extend a heartfelt welcome to Director Maharaj.

It gives me great pleasure to report that the Corporate Secretary to the Board of Directors, Ms. Wendy Kerry was promoted to the position of Senior Vice President (SVP), Corporate Governance and Corporate Secretary. This promotion comes in recognition of the value that Ms. Kerry brings to the Group in improving its corporate governance policies, practices and competencies. Please join me in congratulating and thanking her for her service.

Shareholder Returns

We know how important our dividend is to shareholders. Despite a 25 perecent reduction in our Earnings Per Share, we have decided to maintain the total dividend per share for the year at the same level as last year, with the proposed payment of a final dividend of $1.58 per share. This dividend remains well covered on a cash basis.

Facing the Future

To meet the challenges ahead, we must be bold, ambitious and decisive. We must think big and execute effectively. I remain confident in the Group's future and expect the Group to rebound from the extraordinary circumstances in 2017. While the Group must continue to manage the challenges of under-performing economies in Barbados and Trinidad and Tobago, it must also capitalise on the opportunities emerging in Guyana, Colombia and other territories in the region which are presenting attractive investment initiatives for the Group.

Finally, I would like to thank our customers, our employees and our shareholders for their support.

Chief Executive Officer's Report

E. GERVASE WARNER
President & Group
Chief Executive Officer

During 2017, the Group continued to progress its geographic expansion and diversification with another acquisition of car dealerships in Colombia. The acquisition of Grupo Automontaña brought four car dealerships in Medellin and 1 car dealership in Bogota to the Group and more than doubled the Group's annual car sales in Colombia.

The Group also continued to face challenging economic environments in Trinidad and Tobago and Barbados. This coupled with three major hurricanes that hit the region in the 2017 Financial Year and the sale of Massy Communications had a deleterious impact on the Group's financial results. The diversification of the Group and sound performance of many of its core businesses counter-balanced the external challenges and have kept the Group strong. The Group's Third Party Revenue increased by 2 percent to $11.8 Billion. The Group's Earnings Per Share from Continuing Operations was $4.46, down 23 percent from 2017 largely as a result of the losses from the impact of hurricanes Irma and Maria on the insurance business and the increases in corporate tax rate in Trinidad and Tobago.

Excluding the Discontinued Operations (the sale of Massy Communications), Profit Before Tax declined by 15 percent or $131 million. It is worthwhile to note that the losses which were incurred as a result of hurricanes Irma and Maria through the Group's insurance operations accounted for $86 million of the decline. Also contributing to the PBT decline were declines of $26 million in PBT from Massy Energy Colombia which lost a major maintenance services contract with a significant client, and $22 million, $14 million and $20 million reduction in PBT from Massy Motors, Massy Machinery and Massy Stores respectively, as a result of the slow-down of the Trinidad and Tobago economy. Of the favourable movement in associates $38 million is a result of the major maintenance cost incurred in the Oxygen plant in 2016 which did not recur in 2017 and this helped to reduce the impact of these declines.

Commendable performance was delivered by the businesses in Jamaica, Guyana and the Eastern Caribbean which produced double digit growth in these territories; and also by the Integrated Retail Business Unit which increased PBT over prior year by 6% despite declining profits at Massy Stores in Trinidad and Barbados.

The current economic challenges are providing additional urgency to the Group's focus on efficiency and cost effectiveness. We believe the Group must improve efficiency by codifying common platforms upon which we operate to continue our growth strategy across the region. To this end, the Group has engaged consultants to guide us through a project to centralise the procurement of Indirect Goods and Services and will move on to a project to centralise the procurement of Direct Products and Services for the Integrated Retail Business Unit. In addition, the Group is also initiating diagnostic and benchmarking exercises to embark upon a shared services initiative to create shared service centres within the Group for Finance and Accounting, Payroll, IT, Procurement and HR.

Going forward the Group will focus its acquisition and investment activities on its core industries in which it has competitive strengths; i.e., Integrated Retail, Automotive Distributorships and Dealerships, Industrial Gas and other plant operations. Diversification to countries with larger and better performing economies will also be a priority for the Group. We believe our Group's shared services and procurement platforms will allow us to bring additional value to the targets of our acquisitions and investments.

Our people and our leaders continue to be our major source of competitive advantage. Six years ago, we began a journey of organisational transformation which outlined a new strategy for the Group and led us to becoming a purpose-driven organisation, clearly articulating that our actions must align to being "A Force for Good: Creating Value, Transforming Life." Our purpose is premised on a values-based foundation to support our growth. This led us to re-energize our focus on customer service and introduced new development programmes to build the capacity and leadership potential of our employees. We also embarked on a number of significant growth initiatives including acquisitions in Latin America, a multi-national re-branding exercise, concurrent with the expansion and modernisation of our Massy Stores locations across the Caribbean, and investments in the petrochemicals and telecommunications sectors. The process of transformation has been one of consistent growth and continuous improvement, striving each year to surpass the targets we set in the previous year, while building on the lessons and milestones we attain each year.

Procurement, Cost Containment and Continuous Improvement

In the latter part of the financial year we identified a major opportunity to achieve greater efficiency and cost compression through the implementation of global best practices in procurement. This effort positions us to achieve a number of objectives in the following financial year and in years to come, including achieving industry cost leadership and strengthening Massy's competitiveness; increasing the safety and quality of products and services we provide to our customers; sourcing best-in-class products and services for our Group companies and developing new competencies and capabilities. We conducted an internal recruitment drive to dedicate full time resources to the initiative, which will focus on specific categories within our operations, facilitated by expert consultants and with support from business users across the Group. We expect that new projects and processes, such as leveraging our supplier base for improved volume pricing, will emerge from this procurement exercise in the second quarter of the following year and beyond.

People Development and Leadership Development

Each day leaders in our companies rise to the challenge of finding new ways of empowering our employees. The Massy Middle Management programme has been a significant employee development programme for over ten years. The programme prepares management-level employees across the Group for greater personal and professional growth. In partnership with Barry-Wehmiller, we continued to conduct the 3-day "Listen Like a Leader" workshops, which support leaders in developing their communication skills, by understanding their specific communication patterns and styles. To date, two Massy Human Resources Directors have been internationally certified as programme coaches and continue to roll out the programme to leadership groups, including Massy leaders in Miami, Guyana and Barbados in 2017. We also conducted workshops to codify our Expectations of Massy Leaders, and for the second consecutive year, we incorporated 360° surveys of these expectations as part of our leadership assessment process. This was the third year in which we rolled out a Group-wide employee engagement survey to identify the strengths and gaps of our engagement activities.

Customer Service

This past year, the Group saw the emergence of a Customer Service Leadership community from our Group companies, tasked with the overall objective of further embedding the Customer Service culture within the Group. The principal tool for tracking and measuring our progress is the Massy Customer Service Management System (CSMS). The community deepened their utilisation of the system this year and focused on training, survey roll outs and audits. In keeping with our vision of creating one consistent customer experience and a service-based customer service culture, the Group embarked on a standardised approach to customer service training. The MyMassy MyCustomer Training Programme establishes consistent standards for basic customer service skills, whereby each employee has access to the same quality and quantity of training. This approach supports the transfer of knowledge and application of skills required to achieve a culture of service excellence across the Group. Since 2015, the Massy Group has partnered with American Customer Satisfaction Index (ACSI) to measure and gain insights into its customer experience management. To date the econometric model has been adopted across all Business Units, to identify specific gap areas. During the last financial year, thirteen audits were performed across all Business Units. Results from these audits show that some of our companies have advanced systems gaining scores in excess of 90 percent.

Active Portfolio Management

Massy continues to pursue growth opportunities in our core businesses of Integrated Retail, Automotive Distributorships and Dealerships, Industrial Gas and other plant operations in Central and South America and the Caribbean. Several opportunities are currently being evaluated. Some are more progressed than others. As acquisitions and significant new ventures come to fruition, shareholders and the general public will be informed through appropriate announcements. All significant investments undergo careful scrutiny of the executive management as well as the entire board of directors.

In 2017, we divested 3 non-core businesses. In May 2017, we signed a Share Purchase Agreement (SPA) with the Telecommunications Services of Trinidad and Tobago (TSTT) for the sale of 100 percent of the shares of Massy Communications Ltd. to the local telecommunications provider. Since 2006 Massy Communications, formally Three Sixty Communications, has been quietly building its telecommunications network and expanding its fiber-optic voice and data services to enterprise customers. In 2015, Massy Communications took the bold step to expand into residential internet and TV services. One year after its launch in February 2016, the business had over 6,000 subscribers, of approximately 34,000 homes passed throughout Trinidad and over 48,000 fibre route kilometres. The Massy Communications assets became attractive to larger players considering its reputation of superior service and the quality of the network deployed. We also recognised that to continue our growth and to meet the demands of our valued customers, we had to align ourselves with a large industry player. As such, we entered into discussions to find the most suitable partnership which would enable further growth and Massy Communications chose to partner with TSTT. The decision was based on an alignment of the values of both companies, who are similarly focused on the development of local talent. The company has since been re-branded by its new owner, and all customers have been smoothly transitioned to the new operation.

In our 2016 I reported on our investment in the IT services company in Costa Rica, explaining the Board's decision to sell our 20 percent minority interest in I&G Technologies, the sale was concluded in 2017. This year we also sold our 51 percent shareholding in CRIF NM Credit Assure Limited, a Jamaica-based operation. The Group took the decision to dispose of non-strategic business and will continue to responsibly divest other non-core assets as appropriate opportunities are identified. Proceeds of divestments will be used to fund investments in growing and geographically diversifying the Group's portfolio in its core industries.

Risk

Our governance structures, control framework and board committees all work together to ensure that there is a robust risk management framework in place to identify, quantify, mitigate and monitor risks. This year we strengthened our approach to identifying and mitigating risks. The following discussion outlines the broad categories we use to consolidate the many sources of risk in our operations. In each category, we identify the top risks which our Group faces and our approach to risk mitigation.

There are 8 main areas of risk that were identified at a Group level. Each Business Unit also assessed the main risks for that unit and developed and/or documented the mitigation strategies that are being employed. The main 8 risk areas for the Group were:

1 Foreign Exchange Risk
2 Supplier/ Principal Risk
3 Business Cycle Risks
4 Insurance Risk
5 HSSE and Disaster Preparedness Risk
6 Credit Risk
7 Compliance, Legal and Governance Risk
8 Operational Risk

Risk Area	Description	Mitigation
Foreign Exchange Risk	The availability of US currency in some of our key markets such as Trinidad and Barbados has been a challenge over the past two years. There is an enhanced risk of foreign exchange devaluations and possible currency volatility in some of our core markets.	The diversity of the Massy Portfolio of businesses and locations provides a natural hedge against foreign currency volatility. This would help to diffuse the impact to any potential currency devaluations in the future. On a tactical level, we have been working with suppliers and customers to ensure that we minimise our net foreign exchange exposures and that our imported inventory levels are rationalised to focus on those with the highest customer demand and profitability.

Risk Area	Description	Mitigation
Supplier/Principal Risk	Massy represents some of the world's leading brands. This requires us to adhere to stringent requirements to quality, performance standards and management attention. The risk that we lose or impair any of these key relationships can significantly affect our revenue objectives and in some cases, even our business model.	We will maintain continuous communication with Principals to ensure that our Business plans and operational processes are aligned with their expectations of us as representatives of their brands.
Business Cycle Risks	Some of our business units are pro-cyclical – they do well when the economy is thriving and are at the risk of faltering in times when the main revenue generating industries in key markets suffer significant setbacks. With governments as the main investor and employer in many of our regional markets, **Customer Concentration** risk is also closely linked to Business Cycle Risk exposures.	Careful capital goods inventory management and conditioning and focus on after-sales to improve the expense absorption rate. Ensure that there is a reliable revenue stream that is able to cover administrative and operational cost base. Implement the Strategic Plan to expand in new markets for the Automobile & Industrial Equipment Business.
Insurance Risk	Our general insurance businesses, Massy United Insurance Ltd., brings portfolio diversity to our group of businesses and with it a unique risk exposure profile which we categorise as Insurance Risk. Insurance Risk consists of two components: the risk that net claims losses are higher than expected and the risk that premium rates do not reflect the potential loss exposures of the policies sold.	Transfer of risk via the Reinsurance Treaty to A-quality reinsurers. Catastrophe and All Risk Stress tests help us to assess maximum losses under various scenarios so that we can manage our exposures. Further develop in new markets, distribution channels and lines of business to preserve underwriting margins in soft markets.

Risk Area	Description	Mitigation
HSSE and Disaster Preparedness Risk	This relates to the risk that a company is not able to ensure the safety and security of its personnel, physical, technology, data, and intellectual property resources. Massy's industrial operations in Energy, Industrial Gas and Automobile sectors, our involvement in food preparation and drug distribution bring significant exposures to HSSE and Business Continuity Risks. This can result in injury or loss of life, damage to buildings, furniture and physical assets and company data. Damage to our reputation and violation of statutory regulations also underline why these risks are among our top exposures.	*HSSE* – Policies, Processes and Systems have been developed to ensure zero harm to people and compliance with safety regulations. A programme of onsite visits and audits by Senior managers and HSSE officers to review safety practices help to reinforce management's commitment to safety and to ensure compliance with HSSE Systems across the Group. In addition, the Group is undertaking more in-depth Process Safety reviews across its industrial operations to that operating processes and equipment are consistent with the Group's "zero harm" objectives. *IT* – The group has tightened its cyber security controls to deal with increased cyber security threats. Additionally, the Group IT unit is in the process of reviewing and strengthening the IT governance and control framework for all IT related risks. *BCP* – a programme to ensure that BCP plans are in place for each operating company is managed by the Group HSSE department who is also responsible for monitoring and keeping the organisationaware of any possible business interruption events across all territories.
Credit Risk	We define Credit Risk as the risk of customers, counterparty or trading partner failing to fulfil payment obligations on time and in full, according to agreed terms and conditions. The primary sources of Credit Risk within the Group are trade receivables balances for operating companies and bond default risk in our pension and insurance investment portfolios. Credit concentration risk is also a subset of our Credit Risk which arises from government and government related credit exposures across the region.	We monitor the top customer balances across the group and pay attention to customers with balances in more than one Business Unit. Senior managers and Executive Directors become directly involved in managing credit exposuresof key names. We also closely monitor government bond exposures and evaluate the impact and probability of default on the portfolio through scenario testing.

Risk Area	Description	Mitigation
Compliance, Legal and Governance Risk	Compliance and Legal Risk relates to the risk of loss through fines, penalties, personal loss of liberty and reputational damage from non-compliance with the legal and regulatory requirement including those relating to financial reporting, environmental health and safety. The regulated entities in the group present the greatest source of Anti-Money Laundering (AML) risk while all operating companies face the risk that governments can impose additional cost on us or cause us to have to change our business models or practices.	The Group's Anti-Money Laundering (AML) Compliance programme uses a risk-based approach to customer due diligence and is constantly updated to improve the customer and transaction monitoring capabilities. Continuous AML related training is provided for all directors, managers and operational staff in AML regulated entities.
Operational Risk	Operations Risk is the risk of loss caused by poor or ineffective internal processes, people and systems. It is the failure to implement the best practice in term of internal processes, procedures and internal controls that will result in the non-achievement of the group's objectives/ vision and core values. The failure to implement and monitor effective procedures and controls manifests itself in various functional areas such as Finance reporting, Human Resource practices, execution of projects or new initiatives, Contract Management, Sales Management, Customer Service Management etc.	The Group has a comprehensive Internal Audit department that conducts risk-based reviews of operations processes and controls in the subsidiaries of the Group. A renewed focus on cost effectiveness and higher productivity in the form of various Continuous Improvement Projects, shared services, procurement and process standardisation will also help the Group to mitigate many of its operational risks. Focus on strengthening the internal control framework is achieved through the oversight of the Group Audit Committee. Regulated entities in Financial Services operating companies have enhanced oversight through their own Audit committees.

Conclusion

In closing, I wish to thank all Massy Group employees for their passion, commitment and dedication. The year presented many challenges and tested your resolve. I am truly grateful to you all for delivering yet another year of solid performance. I am also grateful to our Board, led by our Chairman, who continue to provide strategic direction and input for the Group.

We will continue to put relationships at the heart of our business and will strive to continuously improve those relationships to deliver service excellence to our customers, transparency to our supplier partners, deeper engagement with our employees and value to our shareholders.

Chief Financial Officer's Report

PAULA RAJKUMARSINGH
Executive Vice President &
Chief Financial Officer

Key Items in the 2017 period:

- Third Party Revenue increased by 2 percent or $250 million from $11.5 billion to $11.8 billion. There was an increase of $462 million in revenue in our Automotive business in Colombia primarily because of the acquisition of the Automontaña dealerships. Revenue in our businesses in Trinidad and Tobago and Barbados declined by 6 percent and 2 percent respectively.
- Operating Profit before Finance Costs and Tax from Continuing Operations decreased by 18 percent, from $909 million in 2016 to $741 million in 2017, Operating Expense increased by 5 percent to $2.6 billion and there was margin compression throughout our core businesses.
- Net Finance Costs increased slightly from $53.1 million to $55.6 million, attributable to the reduction in the exchange gains booked at the Parent Company.
- Interest Coverage Ratio is 8, based on the 2017 results.
- Earnings Per Share (EPS) was $3.85, 25 percent below 2016. ($4.46 from continuing operations and ($0.61) from discontinued operations).
- The Loss After Tax on discontinued operations was $68 million in 2017 compared to $77 million in the previous year. In the ITC Business Unit, the 75 percent shareholding in Massy Communications in Trinidad and Tobago and the 20 percent shareholding in the Costa Rica investment were sold in 2017.
- Group Debt increased from $2.2 billion to $2.3 billion.
- Group Cash declined from $2.0 billion to $1.6 billion, as $573 million in surplus cash was moved to longer term investments to improve the yield.
- Cash Flow from Operating Activities was $1.3 billion in 2017.
- Debt to Debt and Equity Ratio decreased from 32 percent in 2016 to 31 percent in 2017.
- The Net Assets Per Share is $50.36.

Overview

The Group reported a 2 percent increase in Revenue, with a 15 percent or $131 million reduction in Profit Before Tax (PBT). Share of Results from Associated Companies reported a profit of $69 million compared to a profit of $29 million in 2016. In the last 2 years, the Group disposed of 3 ITC investments, 2 of which resulted in the reporting of a loss on discontinued operations of $68 million in 2017 compared to $77 million in the previous year. The restatement of the financial statements was primarily as a result of these disposals. With the increase in the country tax rate in Trinidad and Tobago, the Group's effective tax rate increased from 31 percent in 2016 to 36 percent in 2017. Overall, this resulted in a reduction in the Earnings Per Share (EPS) by 25 percent or $1.25 from $5.10 ($5.80 from Continuing Operations and ($0.70) from Discontinued Operations) to $3.85 ($4.46 from Continuing Operations and ($0.61) from Discontinued Operations).

There were mixed performances in our Business Units and in the various territories in which we operate. Included in the $168 million reduction in Operating Profit before finance costs, there was $86 million in losses from the hurricanes. Our operations in Guyana, Saint Lucia and Jamaica performed commendably, contributing double digit growth in earnings however our operations in Colombia, Trinidad and Tobago, and to a lesser extent Barbados (excluding hurricane losses) suffered reductions in revenue and increased operating costs. The profit contribution from our subsidiary operations in Trinidad and Tobago decreased by 12 percent, due to margin compression and the increased cost of doing business throughout most of our operations, with the highest impact experienced in our Automotive and Retail Lines of Business. The operations in Colombia moved from a profit of $18.6 million to a loss of $7.3 million. This shift was primarily due to the loss of a major contract in our Energy Service operations in 2017. With the acquisition of Automontaña and the expansion of our Motors business into two other cities in Colombia, there was a 39 percent increase in profitability from the Motors operations in Colombia. Our results in Barbados were impacted by the losses incurred from the major hurricanes and the closure of the Massy Stores flagship store (Sunset Crest) for refurbishment.

The share of results in associated companies increased by $40 million; $38 million of the favourable movement was as a result of the major maintenance cost incurred in the Oxygen plant in the previous year which did not recur in 2017.

Business Unit Performance

The economic vulnerabilities throughout Latin America and the Caribbean persisted, and our trading environment remained challenged.

In the fiscal year under review, the region was hard-hit by 3 hurricanes, Irma, Maria and Matthew. Some tourism-dependent economies, such as Antigua and Barbuda and Dominica, in the Caribbean were devastated as a result. Territories in which our core operations were located, such as Barbados, Jamaica, Guyana, Saint Lucia and Trinidad and Tobago were not affected. However, our Insurance Business, through which we service many policyholders located in the affected territories, was impacted and faced significant claims losses. Before the impact of the hurricanes in these tourism-dependent economies, the IMF reported that growth for the following year is expected to improve by 2.4 percent, when compared to 2016-2017. In Barbados, there were increases in the tourism and construction sectors but fiscal imbalances continue to challenge the country's growth. The performance of commodity exporters, particularly fuel exporters such as Trinidad and Tobago and Colombia, continues to be weak as the global industry experiences lower oil and gas prices and decreased production levels. Our energy businesses in both Trinidad and Tobago and Colombia were negatively impacted, however our automotive operations in Cali, Medellín and Bogotá continue to perform exceptionally well. Two new large gold mines and positive sentiment around new oil discoveries, with ExxonMobil promising production of 100,000 barrels per day from 2020, signals a strengthening economy in Guyana.

The following sections highlight key business performance insights for 2017:

The Automotive & Industrial Equipment Line of Business (A&IELOB) concluded the year with a significant increase in revenue (12 percent or $275 million) and a reduction in profitability (17 percent or $35 million). The Earnings Before Interest and Tax (EBIT) margin was 8 percent in 2017 versus 10 percent in 2016. The Business Unit's primary operation, Massy Motors Ltd. (Trinidad and Tobago), experienced a 10 percent decrease in revenue and there was margin compression in both Vehicle Sales and Rentals Operations which resulted in an 18 percent reduction in profitability. Our Colombia operations expanded further to two more cities with the acquisition of 5 dealerships in January 2017 (4 in Medellín and 1 in Bogotá) and contributed $462 million to the increase in revenue. In addition, the Group acquired the minority shareholding and the property from which it operates in Cali, Colombia and this contributed to an increase in our interest cost in Colombia. Our profit contribution from our Automotive business in Colombia increased by 39 percent to $8.5 million in 2017. Revenues from the Guyana operations (Massy Industries) grew by 6 percent over 2016, however profit was down by 23 percent as there was an unusual cyber fraud loss reported in their results. The significant slowdown in the construction sector in Trinidad and Tobago has impacted the Business Unit's sale of capital equipment and parts.

The Energy & Industrial Gases Business Unit (E&IGBU) experienced a decline in revenue of 1 percent or $11 million and profit decline of 1 percent or $2 million whilst the EBIT margin was 13 percent in 2017 versus 17 percent in 2016. In 2017 the Industrial Gases Business Unit experienced curtailment in demand primarily for Nitrogen and Oxygen in Trinidad and Tobago, however the LPG business increased in revenue and profit in Guyana and Jamaica as volume grew both in the household and commercial segments, resulting in an improvement in profit of just over 22 percent to the Industrial Gases Line of Business. The Energy Services business continued to face significant challenges in 2017, with clients continuing to streamline their businesses and reduce cost. The Business unit reported an operating loss of $46 million in 2017 when compared to a $6 million loss in 2016. In 2017, our operations in Colombia moved from a profit of $12 million to a loss of $14 million. The shift was primarily due to the loss of a major contract in our Energy Service operations in 2017.

The Continuing Businesses in the Information Technology & Communications Business Unit (ITCBU) recorded a revenue increase of 6 percent and an 8 percent increase in profitability. The 75 percent shareholding in Massy Communications in Trinidad and Tobago and the 20 percent shareholding in the Costa Rica InfoCom business were sold in 2017. The sale of both shareholdings resulted in Loss After Tax on discontinued operations of $68 million in 2017 and $77 million in the previous year. For the Continuing Businesses, the EBIT margin remained steady at 17 percent in 2017. The companies in the ITCBU, operating outside of Trinidad and Tobago reported growth in earnings whilst our two main operations in Trinidad and Tobago which contribute 59 percent of the profits for the business were marginally down compared to 2016. The slowdown in IT projects from the Government and the Financial Service sectors, and a notable reduction in revenue from the sale and rental of printing machines has challenged the growth of the Massy Technologies businesses in Trinidad and Tobago.

The Integrated Retail Business Unit (IRBU) experienced revenue decline of 1.2 percent and a 6 percent increase in PBT. The EBIT margin increased from 5 percent to 6 percent as Gross Margins increased, but operating costs remained stable throughout the network, despite higher depreciation, taxes and employee related costs in the Retail Stores. The improvement in profitability in this Business unit came from the Distribution Line of Business throughout the region. Challenging and competitive trading environments continued to place pressure on our Retail margins and comparable sales growth in most of the territories in which we operate. The Retail Line of Business continued its network expansion and enhancements, as there were five main projects across the region. In Saint Lucia, we opened a new store in Sunny Acres whilst our Gourmet store in Rodney Bay was refurbished. Retail growth in profitability was experienced in the Saint Lucia and St. Vincent stores whilst our Trinidad and Tobago and Barbados stores showed a decline in profitability of 18 percent. In Barbados, the closure of the Sunset Crest store for reconstruction impacted the results in 2017. In the Distribution Business there was a 5 percent decline in revenue however profitability increased by 9 percent. Driven by the necessity to carefully manage the use of foreign currency, the Trinidad and Tobago and Barbados operations have cut back on lower margin products, reduced inventory, negotiated more favourable terms with principals and used its ability to source products to improve margins and working capital substantially. In the other territories, improved performance was fuelled by both organic growth and the acquisition of new agencies.

The Financial Services Line of Business (FSLOB), comprising of our Insurance and Consumer Finance operations, grew in revenue by 4 percent and there was an 82 percent decrease in profitability. The significant reduction in profitability was as a result of losses of $86 million from the hurricanes which affected the Caribbean in the 2017 financial year. The Remittance Services business, representing MoneyGram, in Trinidad and Tobago and Guyana showed double digit growth from prior year and continued to earn US currency for the Group. Excluding hurricane losses, the Insurance business contributed 46 percent of the profit in this Business Unit and declined by 10 percent. 2017 was the worst year on record for hurricane losses for Massy United Insurance Ltd. The year started with Hurricane Matthew that hit the Bahamas and concluded with two Category 5 hurricanes that struck many territories in the Northern Caribbean. $86 million in losses from these hurricanes severely impacted the financial performance of the FSLOB. Earned Premiums in the automotive insurance business improved by 20 percent, when compared to the prior year however there was a decline in rates under the property business throughout the region for most of 2017.

In the Other Investments portfolio, revenue increased by 3 percent, whilst profitability decreased by 13 percent. Roberts Manufacturing continues to face challenges with imported feed and oil which resulted in margin compression in 2017.

The Head Office and Unallocated Cost was $143 million, an increase of $28 million or 24 percent over the previous year. These costs include Head Office department costs, unallocated interest costs and several miscellaneous costs which were not allocated to Business Units, and which fluctuate quarterly and annually. Head Office department costs decreased by 3 percent in 2017 primarily due to strong discretionary management expense control. In 2016, the cash held in US currency for investments had an exchange gain following the devaluation of the Trinidad and Tobago dollar; these gains did not recur in 2017. In addition, the Pension amounts increased in 2017.

Finance Costs

Net Finance Costs increased slightly from $53.1 million to $55.6 million, attributable to the reduction in the exchange gains booked at the Parent Company.

Profits From Associates and Joint Ventures

The results from associated companies and joint ventures increased from $29 million to $69 million, primarily due to a major maintenance charge for the Oxygen Plant that was expensed in 2016. There was a solid performance from our joint venture investment in the Energy Services sector (Massy Wood Group).

Taxation Charge

The taxation charge for the Group increased from $272 million to $274 million, and the Effective Tax Rate increased from 31 percent to 36 percent in 2017. The increases in Corporation Tax and the Green Fund Levy rate in Trinidad and Tobago impacted the effective rate.

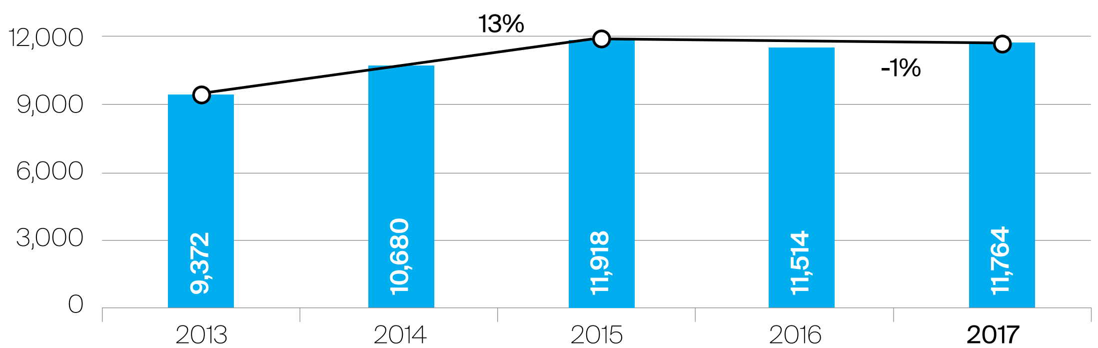
Balance Sheet

Massy's Balance Sheet is well supported by significant property assets and long-term debt. Total assets increased from $11 billion to $13 billion at the end of September 2017, and the Net Assets per Share was $50.36. The Group's leverage (Total Debt to Shareholder's Equity) remained flat at 46 percent. 71 percent of the borrowings are long-term borrowings in Trinidad and Tobago dollars. Total cash decreased from $2.0 billion to $1.6 billion, as there was an increase in longer term treasury investments. Included in Receivables is $1.9 billion of Reinsurance Recoverable on the $2 billion of Claims outstanding from the recent hurricanes that impacted our Insurance Line Of Business. The Operating Cash Flows continue to be strong through effective Working Capital Management. Our Cash Flow used in investing activities was primarily related to the funding of our Rental Fleet and Equipment business, and the modernisation activities in our Retail operations. At the time of this Report, the Group had $400 million in capital expenditure approved by the Parent Board, of which 90 percent was outside of Trinidad and Tobago. Our financial activities had a Net Outflow of $511 million in cash in 2017, compared to $197 million in 2016, as TTD borrowings that came due were repaid. The Group has adequate financial resources to support its anticipated short and long-term capital obligations.

Internal Control and Assurance

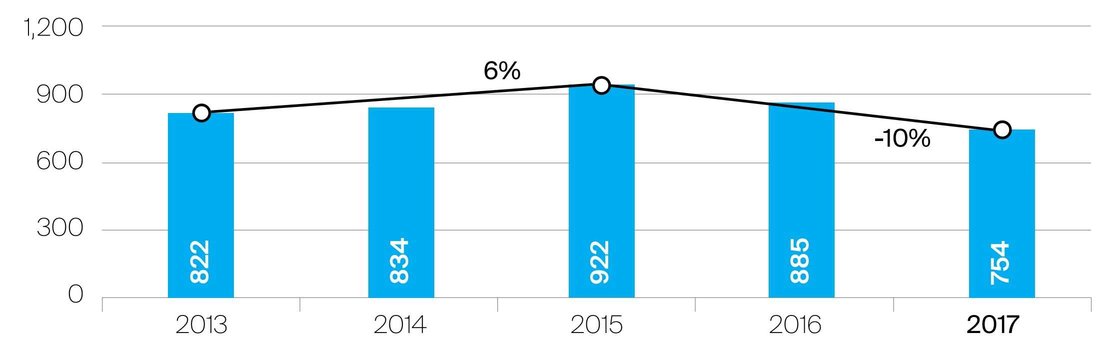
The Group maintains an independent Internal Audit function with a Group-wide mandate to monitor and provide assurance to the Board's Audit Committee and ultimately to the Board of Directors, as to the effectiveness of the internal control systems. The department is also mandated to regularly report its findings to the Board, via the Audit Committee. The annual internal audit plan, which is approved by the Board, applies a risk-based methodology to ensure that the Group's key risks are appropriately and regularly reviewed. In addition, as part of the annual operating cycle, each business is required to review and report on legal liabilities, financial controls, HSSE issues and business risks. In addition, post-implementation reviews are conducted on all major capital investment expenditure projects.

REVENUE TT$M



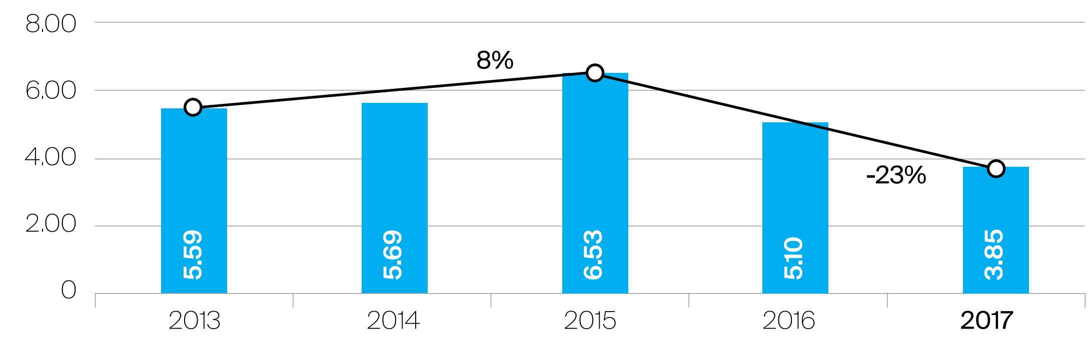
Compound Annual Growth Rate 2013-2017 6%

PROFIT BEFORE TAX TT$M



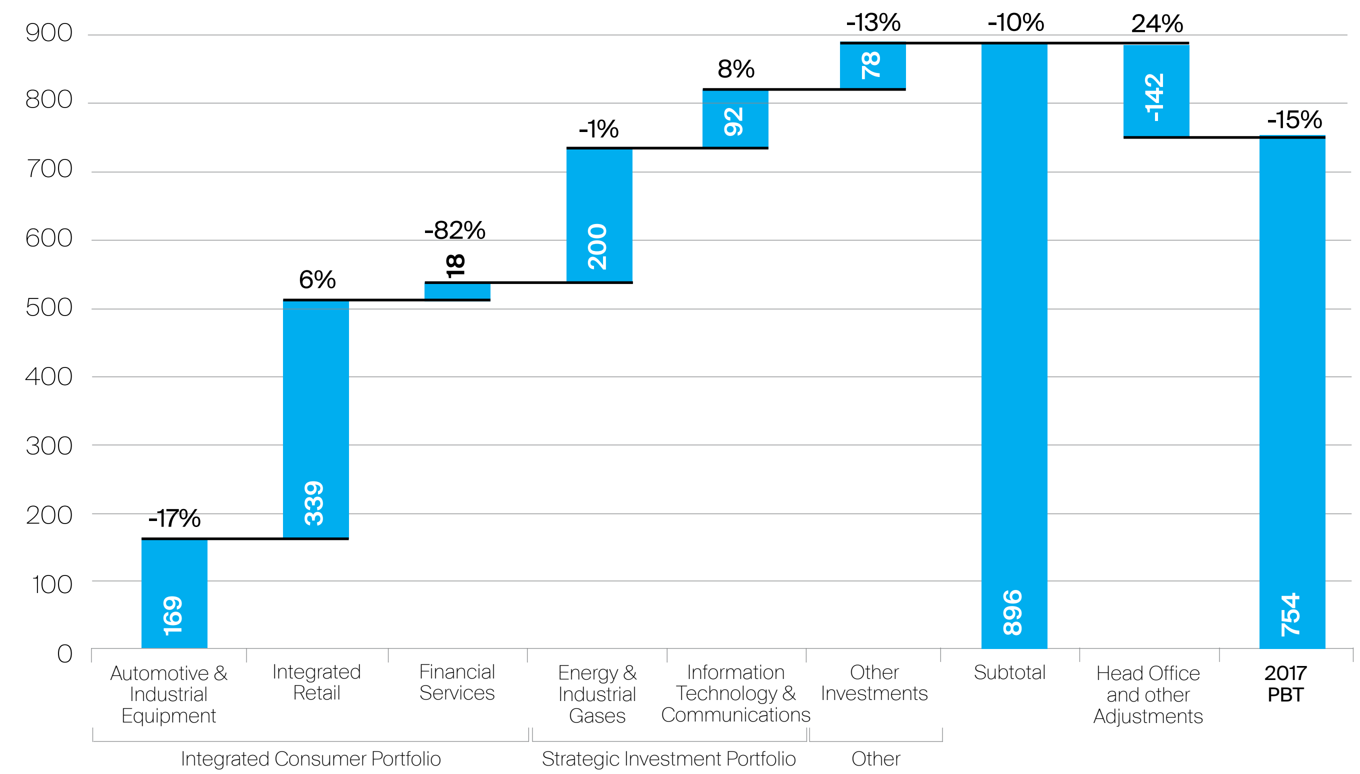
Compound Annual Growth Rate 2013-2017 -2%

EARNINGS PER SHARE TT$.¢.



Compound Annual Growth Rate 2013-2017 -9%

THE PATH TO PROFIT BEFORE TAX 2016-2017



Automotive & Industrial Equipment

AUTOMOTIVE

CORE BUSINESS

Automotive

- Sales & Service
- Vehicle Leasing
- Short Term Car Rentals

EMPLOYEES

- Trinidad & Tobago 683
- Colombia 574
- Guyana 105

REGIONAL FOOTPRINT

- Trinidad & Tobago
- Guyana
- Colombia
- Turks & Caicos
- Belize
- Suriname

LOCATIONS

New Vehicle Sales & Service

- Trinidad
  - 5 new vehicle showrooms (Nissan, Hyundai, Subaru, VW, Volvo)
  - 9 service locations
- Colombia
  - 13 dealerships with attached service centres in 3 cities (Bogotá, Medellín, Cali) (Mazda, VW, Volvo, Hyundai, Kia and Foton)
- Guyana
  - Nissan Dealership with an attached service centre in Georgetown

Short Term Car Rental (National, Alamo, Enterprise)

- Trinidad & Tobago
  Piarco Airport, Morvant, San Fernando, Tobago, Crown Point
- Colombia
  Cali, Santa Marta, Cartagena, Barranquilla
- Belize
- Suriname
- Turks & Caicos
- Guyana

Automotive & Industrial Equipment

INDUSTRIAL EQUIPMENT

CORE BUSINESS

- Industrial
- Construction
- Marine
- Power Systems
- Equipment Sales, Service and Rental

EMPLOYEES

Trinidad & Tobago 211
Guyana 95

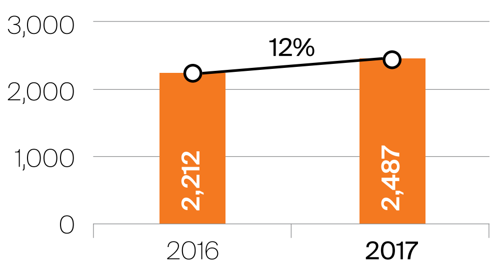
REGIONAL FOOTPRINT

- **Trinidad & Tobago**
  - Caterpillar (4 Star Contamination Control Dealer)
  - CAT Rentals
  - MCFA
  - Volvo Trucks
  - Mack Trucks
  - Castrol Lubricants
- **Guyana**
  - Massey Ferguson Agricultural Tractors
  - Agri inputs
  - Ingersoll Rand Compressors
  - Safety Equipment
  - Office Equipment

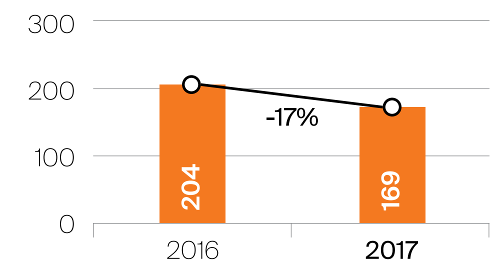
DAVID O'BRIEN
Group Executive Vice President & Executive Chairman, Automotive & Industrial Equipment Line of Business and Financial Services Line of Business

DAVID JARDIM
Group Senior Vice President & Executive Chairman, Automotive & Industrial Equipment Line of Business

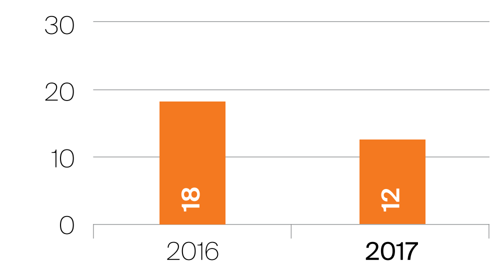
REVENUE TT$M



PROFIT BEFORE TAX TT$M



RONA % (Profit After Tax/Average Net Assets)



RONA (Return on Net Assets)

* 2016 - 2017% change based on segment results reported on Note 5 of the Consolidated Financial Statements

The companies in the Automotive and Industrial Equipment Line of Business (A&IELOB) represent vehicle and equipment manufacturers, automotive component manufacturers and suppliers, and offer the short and long-term rental of vehicles and equipment.

Our strategic imperative for this LOB is to deliver the highest rated customer service in the multi-brand automotive retail and distribution markets and vigorously continue our expansion into Latin American markets. We aim to be the number one Caterpillar dealer in the Region by 2020. We will accomplish this by close collaboration and alignment with our Principals' plans, our caring and well-trained people, and extensive network of high quality locations in the markets we serve.

AUTOMOTIVE

Strategy

The automotive industry is one of the major expansion flanks in the Group's geographic diversification strategy. Our growth in Colombia continued in 2017. The Group acquired Grupo Automontaña which brought 4 car dealerships in Medellin (Mazda, Hyundai, Volkswagen and Volvo) and 1 car dealership in Bogota (Renault) to the Group. The acquisition more than doubled the Group's annual car sales in Colombia and in combination with the 2 Mazda dealerships in Cali, Massy Motors has become Mazda's largest dealer in Colombia. The Group now sells over 6,500 new vehicles per year in Colombia surpassing our new vehicle sales in Trinidad.

The dealership margins in Colombia are not as healthy as the distributor/dealer margins that are enjoyed in Trinidad but as the dealership positions are leveraged for the car rental, pre-owned vehicle sales and other adjunct offerings in Colombia, we expect to further enhance the LOB profitability in Colombia. The Group continues to purse several opportunities which are arising regularly to acquire additional dealerships, open new dealerships and/or take on new distributorships in Colombia as well as the rest of the region.

In Trinidad and Tobago, the new vehicle sales market has been declining since 2016. As part of our thrust towards increased dealership efficiency and effectiveness, the dealerships in Trinidad underwent a transformation in 2017 to make them more brand specific. The renovation of the San Fernando dealership began in February with scheduled completion in October 2018. The Hyundai brand performed well in Trinidad and Tobago in a market that continued to decline, and took over first place for fiscal 2017, while the Nissan brand finished in third. The success of the Hyundai brand was due to the impact of the Creta, a 1.6 litre SUV and to the introduction of the hybrid Ioniq which continues to be in high demand. Additional cost containment initiatives will be implemented in Trinidad and Tobago in response to the declining new vehicle sales market. New tax legislation enacted in Trinidad and Tobago will see additional duties being applied to vehicles with engine sizes above 1.5 litre (originally applied to vehicles above 2.0 litre). This tax will be effective on January 1, 2018 and will put further challenge to consumers for purchasing new vehicles. Gross Profit dollars per vehicle sold are likely to decline in 2018 creating a more pressing need for cost reduction and control.

The expansion of the tri-branded network (Enterprise, National and Alamo) in the 14 territories, for which Massy acquired the rights from Enterprise Holdings Inc., was unfortunately delayed in 2017. In Guyana, we had to await the outcome of a tender process so start-up was delayed until December 2017. Meanwhile progress has been made in finding a suitable partner in Barbados, and we expect this sub-franchise operator to begin operation in 2018.

The transformation of Massy Automotive Components Ltd. continued during the year as the company grew sales of its main lines i.e. batteries and genuine spares for the Massy Brands in Trinidad and Tobago. The other lines also performed well with the result that the company recorded an 82 percent increase in Profit Before Tax (PBT). The sale of the unexpired portion of the lease on a property that previously housed the Bandag operation, was completed during the year and added a TT$2.2 million increase in PAT.

Risk Analysis

Nissan and Hyundai are suppliers that represent a significant percentage of the LOB's and Group's revenue. Failure to meet our business plan obligations, and/or failure to pay for our orders on time can significantly test the strength of these relationships. The limited availability of foreign exchange to transact operational business has made it challenging to adhere to contractual terms and conditions, however continuous communication has helped keep our suppliers aware of our ongoing efforts to satisfy these obligations. We have maintained strong relationships with our banking partners and internal financial services companies to assist us in sourcing a steady supply of foreign exchange at competitive rates.

Government tenders and purchases are a main source of revenue for many of the operating companies in the A&IELOB. The reduction in government spending in Trinidad and Tobago has adversely affected the sales of new vehicles and softened the demand for construction equipment. This has adversely affected several of the companies in the Business Unit, making it necessary to implement tighter capital goods inventory management and a stronger focus on after-sales opportunities to improve the expense absorption rate. We are also working to accelerate plans to expand in new markets for the automobile and short-term rental businesses.

INDUSTRIAL EQUIPMENT

Strategy

Within this sector Massy Machinery Ltd. (MML) represents the premium high quality brands of Caterpillar, Mack and Volvo Trucks as well as Castrol Automotive Lubricants. This business has been pursuing the certification of a world class dealership. To that extent in 2017, MML continued investing in the certification of talented workforce and development of its facilities including its plant and equipment and certifications. Caterpillar while being renowned in the Construction, Surface Mining and Road Construction arena within Trinidad has now become a major player within the Marine, Energy and Power Systems sector for both the local and global customers within the region. The Dealership completed the installation of a state-of-the-art engine dynamo meter and load banks during the year. While our ISO certification was renewed in 2017, we also achieved Det Norske

Veritas Germanischer marine certification as well. The facilities achieved 4 Star Contamination Control Caterpillar certification status. Within the year we also added new software for the management of our Caterpillar rental fleet, Human Resources, Training and Talent Development and Property Management. The enterprise software and entire network infrastructure is also being changed out and upgraded with the latest cloud technologies available. This is expected to be completed in early 2018. Our dealership currently stands as one of Caterpillar's Top Quartile performing dealers for this region.

The construction, (including surface mining and road paving) market has been dramatically affected by the downturn in the Trinidad and Tobago economy and government spending on projects. The Dealership focused on after-sales and rentals within this sector as well as on the marine energy and power systems markets. Several initiatives to ensure customer satisfaction and maintain our high customer loyalty were pursued. Mack Trucks which have been the established North American Truck serving the construction sector for dumpers, was also severely affected. Meanwhile our Volvo On-Highway tractor units performed particularly well. Jointly both brands continued to be the market leader at 55 percent market share within that sector. Cost efficiency and dealership effectiveness were critical to the 2017 success of the dealership.

Castrol Automotive Lubricants distribution while being affected by a declining new vehicle market has performed particularly well and we are now being considered for representing the brand within other territories.

Risk Analysis

The relationships with all of our principals are of paramount importance to the success of our dealership. MML managed to improve all of its Caterpillar ratings in Service and Parts Excellence (Gold Rating), Contamination Control (4 Stars), Rental Ratings Scores (3 Stars), Net Customer Loyalty Scores (55 percent, ten out of ten score), Market Share (35 percent), HSSE (TRIF 0.64) and Financial Performance. These together with the pursuit of Caterpillar's Across the Table Initiatives placed the dealership in good standing with our principal.

Credit Risk also exists for after-sales services performed. Our close, established relationships and our continuous systematic assessment of our customers operations, assisted us in the management of our credit portfolios. Many customers have been affected by late payments from Government agencies.

The construction sector has been impacted by low Government spending. Foreign exchange availability is also of concern. Financing companies have also added stringent lending criteria for facilities thereby affecting our customers' equipment replacement and major overhauls within the construction and surface mining sectors. MML has cautiously extended long term leasing arrangements.

Energy & Industrial Gases

ENERGY

CORE BUSINESS

- Integrated Energy Services
- Asset Integrity
- Commissioning
- Decommissioning
- Construction Management
- Engineering
- Project Management
- Electrical
- Instrumentation
- Insulation
- Scaffolding
- Maintenance
- Projects & Technical Solutions
- Representations
- Supply Chain Management

EMPLOYEES

Total 1710

KEY STRATEGIC PARTNERS

- Mitsubishi Corporation
- Wood Group
- Air Products
- Kersten
- Petrotrin

REGIONAL FOOTPRINT

- Trinidad & Tobago
- Colombia
- Guyana
- Suriname

MARKETS SERVED

- Oil & Gas
- Petrochemicals
- Manufacturing
- Utilities
- Refineries
- LNG Plants
- Ammonia Facilities
- Methanol Facilities
- Power Generation Facilities
- Air Separation Units
- Offshore Platforms
- Receiving Terminals

Energy & Industrial Gases

INDUSTRIAL GASES

CORE BUSINESS

Manufacture of
- Carbon Dioxide
- Acetylene
- Compressed Air
- Gas Mixtures

Resale of
- Argon
- Oxygen
- Hydrogen
- Nitrous Oxide
- Helium
- Ammonia
- Specialty Gases

Export of
- Argon
- Acetylene
- Carbon Dioxide
- Nitrogen
- Nitrous Oxide
- Oxygen
- Ammonia

Distribution of
- Gaseous Oxygen
- Gaseous Hydrogen
- Liquid Carbon Dioxide
- Liquid Oxygen
- Gaseous Nitrogen
- Liquid Nitrogen
- Ammonia
- LPG

EMPLOYEES

Total 306

EXPORT

19 Countries

SECTORS SERVED

- Energy 40%
- Health 19%
- Industry 17%
- Food & Beverage 13%
- Services 3%
- Other 8%

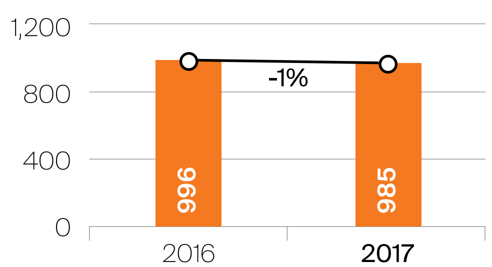
REGIONAL FOOTPRINT

- Trinidad & Tobago
- Jamaica
- Guyana

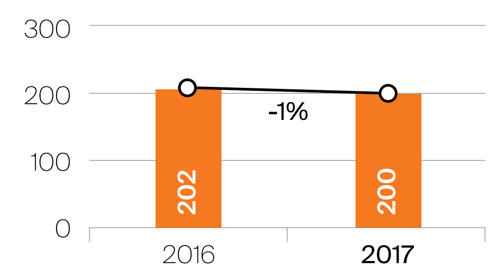
EUGENE TIAH
Group Senior Vice President & Executive Chairman,
Energy & Industrial Gases Business Unit

PETER GRAHAM
Executive Chairman,
Industrial Gases Line of Business

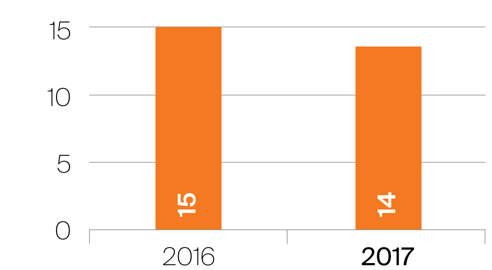
REVENUE TT$M



PROFIT BEFORE TAX TT$M



RONA % (Profit After Tax/Average Net Assets)



RONA (Return on Net Assets)

* 2016 - 2017% change based on segment results reported on Note 5 of the Consolidated Financial Statements

Strategy and Performance

The strategic imperatives for the Energy & Industrial Gases Business Unit (E&IGBU) are to expand the Industrial Gases footprint into Colombia, further expand our Liquid Petroleum Gas (LPG) footprint within the Caribbean basin and participate in emerging Liquid Natural Gas (LNG) and Compression Natural Gas (CNG) markets with a focus on optimising product supply chain costs in our existing markets. Our Energy Services companies will diversify their client bases, establish a solid presence in Guyana and focus on medium to large integrated maintenance and project offerings for asset-intensive businesses, where we self-perform the core work activities. We will focus our representation business with Global suppliers for which a local, high quality workshop and repair facility with well-trained staff is an essential competitive advantage.

In 2017, the E&IGBU recorded a 1 percent decline in both Revenue and Profit Before Tax. The Gases LOB realised an improvement in Profit Before Tax of just over 22 percent while Energy Services Business Line declined by 101 percent. The Gases LOB is not significantly impacted by global and domestic Energy Sector activity whereas the Energy Services LOB is significantly impacted. Notwithstanding the overall excellent financial performance of the Gases LOB, the safety performance was not acceptable. There was a significant incident at Massy Gas Products Trinidad Ltd. (MGPTL) which resulted in a fatality and a critical injury.

In the year 2017 global oil prices (WTI spot prices) showed noticeable gains of over 16 percent versus 2016 and natural gas prices (Henry Hub spot prices) also showed noticeable gains of over 19 percent versus 2016. The 2017 spot prices for natural gas-derived commodities like LNG, Anhydrous Ammonia, Methanol etc., all showed improvements over the 2016 prices. In Trinidad and Tobago, natural gas supply curtailments continued throughout the year in a very similar manner to 2016 and on an annual average, reached close to 15 percent of peak demand. In 2017 major maintenance activity in the energy sector in Trinidad and Tobago was low relative to pre-2016 levels. Notwithstanding these improvements in oil and gas-derived commodity prices, the services sector of the energy industry in both Trinidad and Tobago and Colombia showed no noticeable improvement over 2016, as major operators continued to focus their attention on minimising both capital and operating expenses.

The Gases LOB continues to execute well against its strategy of the delivery of high quality products and services that exceed customer expectations while striving to expand the regional footprint. All Gases businesses have been able to achieve and sustain upper quartile results in customer satisfaction surveys. Massy Gas Products (Guyana) Ltd. (MGPGL) won the prestigious Guyana National Bureau of Standards Platinum Award for Quality in the large company category. Massy Gas Products (Jamaica) Limited (MGPJL) and MGPGL performed exceptionally well and exceeded budgeted and prior year Profit Before Tax. Their continued focus and attention to grow the consumer and industrial LPG market segments resulted in an overall increase in sales volumes. They also achieved an improvement in gross profit through continuous enhancement of their procurement and purchasing model, and through negotiating better prices for their gas supply. Caribbean Industrial Gases (CIG) had an excellent year relative to the prior year when it incurred significant maintenance costs. The significantly improved performance of MGPGL and MGPJL and CIG was partially offset by a weak financial performance by Massy Gas Products Trinidad which realised a Profit Before Tax decline of 19 percent. This decline in profitability was driven primarily by a decline in Nitrogen and Argon sales volume of 21 percent and 61 percent respectively and exacerbated by an increase in operating expenses arising from the accident. While export sales of Carbon Dioxide increased, this improvement was not sufficient to offset the declines from lower product sales of Nitrogen and Argon. The demand for these two industrial gases is driven by the Trinidad and Tobago Energy Sector Process Plant Maintenance and Operations Activity which was lower than the previous year. MGPTL's efforts to reduce dependency on the Trinidad and Tobago market continued with expansion of export sales to St. Thomas as a new territory, winning new strategic business opportunities in Jamaica, Colombia and Curacao while maintaining and expanding the range of products sold in the existing markets in the Caribbean basin. Additionally, the company was able to create a new revenue stream with the establishment of an International Standards Organisation (ISO) Bulk Tank Repair Centre which successfully recertified 4 third party ISO containers during the year and has a significant pipeline of additional units for recertification.

The Energy Service Line of Business experienced a very challenging year. With the exception of Massy Wood Group (MWG) which achieved an improvement of Profit Before Tax over prior year, all other businesses realised significant declines. Major clients continue to reduce contractors' gross margins on contracted services and the supply of materials and equipment. Major international companies were unrelenting in driving supply chain cost efficiencies through disintermediation strategies and global alliance agreements, resulting in reduced representation margins. This combined with an overall reduction in routine, major maintenance and capital expenditures of major clients resulted in both revenue and gross margin reductions. MWG was very successful in executing its strategy of diversifying and growing its client base. Efforts focused on driving the Energy Services LOB strategy of the delivery of cost efficient, high quality Integrated Energy Services to our clients while expanding our core services in the region to include Guyana and Peru. Efforts were also focused on pursuing a self-perform model which will utilise our state of the art Integrated Mechanical Workshop facility that will come on stream in Pt. Lisas, Trinidad in the second quarter of our 2018 financial year. In 2017 the Business Unit effected significant restructuring of Massy Energy Engineered Solutions Limited (MEESL) and our Massy Energy Colombia S.A.S. (MEC) businesses which will reduce 2018 versus 2017 operating expenses by 24 percent and 16 percent respectively in 2018, compared to 2017. A branch office of MEC was established in Peru which will be fully operational and pursuing business opportunities during the 1st quarter of 2018. Massy Energy (Guyana) Inc. was established and an Operations Manager was hired. Through MWG the self-perform model was launched and fabrication work started at the end of fourth quarter at the new MEESL's Mechanical Workshop facility. MEC was successful in advancing relationships with both General

Electric (GE) and Dresser-Rand. It is now a preferred distributor for a line of GE condition based monitoring equipment and has successfully established a joint partnership with Dresser-Rand which is providing rotating equipment maintenance services to an Ecopetrol Refinery.

EPC activity progressed apace on our investment in a Natural Gas to Petrochemicals Complex with Mitsubishi Corporation Inc., Mitsubishi Gas Chemical Company Inc. and the National Gas Company of Trinidad and Tobago Limited. All engineering, procurement and module fabrication activities are substantially completed and field construction work is progressing. The EPC contractor, Mitsubishi Heavy Industries Inc. has advised that start up and commission is on target for Q1 2019. Concurrently significant progress has been made in establishing the operating company for the facility, Caribbean Gas Chemical Limited. All senior staff for the facility have been recruited and training is progressing for their future operations roles.

Risk Analysis

The key risks in the Energy Services LOB are Health, Safety and Environment (HSE), business cycle and contracting risks. The HSE risk is being managed through the implementation of strong safety management systems, HSE leadership and establishment of a strong HSSE culture. Business cycle risk is being managed through a strong focus on cost reduction, innovation and diversification. Contracting risk is managed through strong contracting processes that focus on peer review and peer assist reviews and multiple sign-offs during the proposal phase and strong project management controls during the execution phase.

The key risks in the Industrial Gases Line Of Business are HSE, customer and supplier concentration risks. The approach to managing HSE risk is identical to that for Energy Services. Customer concentration risk is being managed through expanding the customer base by growing exports, resale and cylinder business. Supplier concentration risk is being managed through developing and maintaining strong relationships with existing and alternate suppliers. In addition, we are always paying attention to technology or market breakthroughs which make substitute products more attractive to our industrial gas clients than our existing products.

We have been successful in 2017 in managing all of our business risks with the exception of our HSE risk. Tragically we had a fatality and a critical injury at our MGPTL facility and additionally we had more than a 300 percent increase in restricted work cases, particularly at our energy services companies. Ironically in 2017 managing our risk received considerable focus and resources but our efforts fell short of what is required to produce our desired result of a Zero Harm workplace. In 2018 we will continue our unrelenting drive to achieve a Zero Harm culture and reality by: further strengthening our safety leadership through the deployment of Transformational Safety Leadership to the next level of management; further strengthening of our policies, standards, procedures and practices; improving employee competence through training and other development processes; upgrading our facilities particularly our Gases facilities to conform to modern process safety standards; and fully deploying critical elements of the E&IGBU's process safety management standard at our facilities.

Notwithstanding the business challenges, considerable effort and resources were expended on training and developing our people. Our competitive position and success depends on having a competent and highly engaged work force. Overall there was a small improvement in the Business Unit's employee engagement survey score from 60 to 61 percent. MEC is the benchmark company for the entire Massy Group with an engagement score of 86 percent which far exceeds the International Business Machines (IBM) benchmark of 71 percent.

Integrated Retail

RETAIL

CORE BUSINESS

Retailer of
- food
- non-food
- bakery
- pharmacy products

to our customers across the region

EMPLOYEES

Total 4,995
- Trinidad & Tobago
- Barbados
- Saint Lucia
- St. Vincent
- Guyana

REGIONAL FOOTPRINT

- Trinidad & Tobago
- Barbados
- Saint Lucia
- St. Vincent
- Guyana

KEY FORMATS

- SuperCentre
- Supermarket
- Mega
- Gourmet
- Express
- Pharmacy
- Home

STORES

Total 47

Retail space 680,000 sq. ft.

LOYALTY

REGIONAL FOOTPRINT

- Trinidad & Tobago
- Barbados
- Saint Lucia
- St. Vincent
- Guyana

CARDS

Active cards
More than 446K

New sign-ups
81,575

EXTERNAL PARTNERS

Total 18

Integrated Retail

DISTRIBUTION

CORE BUSINESS

Wholesale distribution of :
food, general merchandise, personal care, wines & spirits, pharmaceuticals, industrial chemicals and agricultural supplies
to:
supermarkets, hospitals, pharmacies, hotels, restaurants, bars and the down trade.

EMPLOYEES

Total 1566
Trinidad & Tobago 530
Barbados 449
Guyana 248
Jamaica 287
Saint Lucia 36
USA 16

REGIONAL FOOTPRINT

- **Trinidad & Tobago**
  full service distributor with 3 warehouses
- **Barbados**
  full service distributor with 3 warehouses
- **Guyana**
  full service distributor with 1 warehouse
- **Jamaica**
  full service distributor with 1 warehouse
- **Saint Lucia**
  full service distributor with 1 warehouse
- **USA**
  master distributor with 1 warehouse serving 25 territories

WAREHOUSES

Total 10

Warehouse Space
16,302,050 cubic feet including frozen, chilled and temperature controlled warehouse space

CUSTOMER TRANSACTIONS

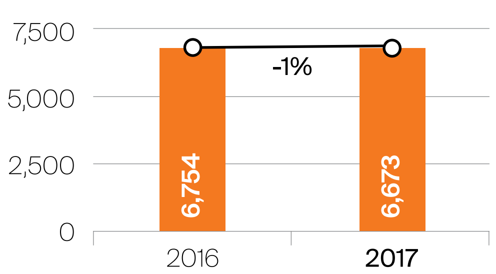
Doors serviced 9765
Daily transactions 2290

FRERE DELMAS
Group Executive Vice President & Executive Chairman,
Integrated Retail Business Unit

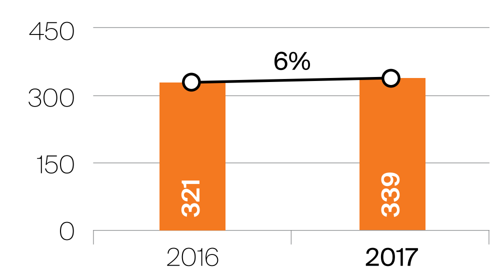
THOMAS PANTIN
Group Senior Vice President & Executive Chairman,
Retail Line of Business

DAVID AFFONSO
Group Senior Vice President & Executive Chairman,
Distribution Line of Business

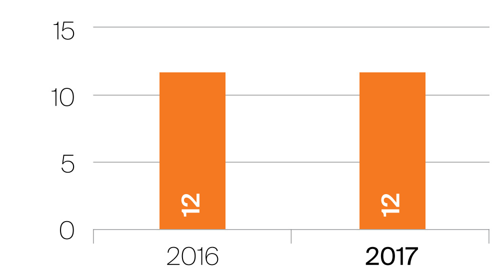
REVENUE TT$M



PROFIT BEFORE TAX TT$M



RONA % (Profit After Tax/Average Net Assets)



RONA (Return on Net Assets)

* 2016 - 2017% change based on segment results reported on Note 5 of the Consolidated Financial Statements

Overview

The Integrated Retail Business Unit (IRBU) encompasses a business model which combines leading regional retail and wholesale distribution franchises with a pan-regional loyalty programme that extends to external partners. In 2017, we continued to emphasise further integration across the enterprise through various cross-business and cross-country collaborative initiatives (e.g. Procurement, Loyalty). Additionally, we maintained a strategic focus on growth, better understanding and serving our customers, as well as business excellence through cost efficiencies.

The strategic imperatives for IRBU are to continue to grow our Food and Selected Non-Food businesses in the Caribbean Basin by increasing our Retail Footprint to 1 million sq. ft., becoming the official Regional Distributor of Choice for Principals, leveraging our scale to increase control of our supply chain and building our loyalty card network to 600,000 cardholders. We will accomplish this by 2021 by further promoting cross-country and cross-business collaboration within an efficient regional operating structure.

RETAIL

Strategy

The Retail Line of Business (LOB) offers our customers traditional grocery food and non-food products with expanded offerings including: prepared meals, bakery, pharmacy, appliances, electronics and other major non-food products through various formats across a wide geographic presence in the region. One of our key focal points in fiscal 2017 was the modernisation and expansion of our retail footprint, and new store development in existing territories. Throughout this process we will ensure our physical structures are more closely aligned to our customers' desires. In doing so, more space continues to be added to our perimeter particularly around our fresh foods offering in produce and meat selections, as well as more prepared meals including family sizes and single ready to go offerings. Additionally, we have updated the décor, optimised floor space, enhanced back store operations which in turn improves our customer service, and expands or resizes stores where necessary.

During the fiscal year 2017, we focused on 5 main projects across the region. In Saint Lucia, we completed the refurbishment of our Gourmet store at Rodney Bay and launched our first stand-alone Home store on the island at our Sunny Acres location. Additionally, we commenced the modernisation and merger of the supermarket and Ace Hardware located at Rodney Bay into one larger supermarket format. This project was completed in November 2017.

Two major modernisation and expansion projects were also started in fiscal 2017 and completed in November 2017. In Trinidad, the Massy Stores Supermarket in Marabella was converted into a SuperCentre format and is now our largest store on the island. The new building offers double the retail footprint (from 19,000 sq. ft. to 38,900 sq. ft.), wider product ranges, and a larger non-food section. The Sunset Crest Supermarket in Barbados was reconstructed with an additional 12,500 sq. ft. of retail selling space and is considered our finest store in the

region with an upscale ambiance, gourmet products, grill service, fresh meat butcher counter offering specialty cuts, fresh fish counter, a salad bar and bakery-café.

Notably, we continue to explore the enhancement and alignment of our perimeter offering to our customers' needs. To this end, we have improved our internal procurement as well as our produce and meat displays to keep our products fresh longer while offering a wider selection. In our prepared food areas, we have enhanced our kitchens allowing us to expand our prepared meals and Ready 2 Go selections to include a much wider menu while maintaining the quality of our meals. In Trinidad, we now offer over 1,200 lunches daily across 12 stores, and began distinguishing our dinner options with the introduction of family-sized meals. In Barbados, we offer full breakfast options and Ready 2 Go.

Over the last 4 years, we have acquired 12 stores in Saint Lucia and 3 in St. Vincent, added 3 new stores in Trinidad, Barbados and Saint Lucia, and modernised 19 stores regionally. To date, we have 680,000 sq. ft. of retail selling space across 47 stores in 5 countries, of which 57 percent carries our new modern design.

Looking forward to 2018, we are preparing to launch a new supermarket in Trinidad, our first SuperCentre format in Guyana, and at least 2 store modernisations in 2 countries. By September 2018, we would have doubled our retail footprint in 5 years from 381,000 sq. ft. in 2013, with over 70 percent modern selling space.

Furthermore, the Retail LOB is working with other business units across the Group to reduce costs. In many of our territories, our customers are becoming increasingly price sensitive. The Retail LOB is reviewing both direct as well as indirect costs through a Group wide procurement initiative to ensure that it can continue to provide customers with a world class shopping experience with very competitive prices.

The Retail LOB is committed to developing and expanding its retail footprint by exploring opportunities in new and existing territories, right-sizing existing locations, modernising all stores across the region and improving its competitiveness on price.

Risk Analysis

As the Retail LOB continues to focus on the development of our perimeter offerings, we are cognisant of potential Health, Safety, Security and the Environment (HSSE) risk factors as it relates

to food preparation and handling. Consequently, we continue to reinforce our HSSE policies and procedures especially as it relates to good manufacturing practices, food safety, and quality assurance in the prepared foods area. Customer service is also a top priority to maintain a positive brand image. Customer service training is ongoing regionally, and internal and external audits are conducted annually on our Customer Service Management System (CSMS).

The overall safety and security of our customers and employees are at the forefront of our operations. Regionally, we have active HSSE committees, conduct emergency response drills and we are building HSSE awareness among all staff through ongoing training and development. Notably, we achieved ISO 9001:2015 certification of our Quality Management System as well as OHSAS 18001:2007 certification of our Occupational Health and Safety Management System in Trinidad in August 2017. We are now the only Supermarket Chain in the Caribbean with such a distinction. Massy Stores Trinidad is currently pursuing ISO 22000:2015 certification of our Food Safety Management System as we continue to ensure the highest standards and quality of our prepared foods. Our operations in our other territories will soon pursue the same or similar certifications.

Other key risks surround the limited availability of foreign exchange in Trinidad and Barbados, which can impact our suppliers' ability to meet store demand as well as limit our direct procurement of own brands, non-food and bulk products. We continue to leverage our relationships with Massy Distribution (Trinidad) and other local suppliers, as well as local banks and Stock Keeping Unit (SKU) optimisation and management to maintain stocked shelves. Careful SKU management is essential to ensure that our gross margin objectives are not compromised.

DISTRIBUTION

Strategy

Massy Distribution aims to be the official regional distributor of choice for principals which help the Group to maximise the value captured from across our supply chain. Our advantage lies in our go-to-market capabilities and understanding of serving multiple channels. Over the years we have built strong relationships with principals and retail customers which have enabled us to secure regional representation for a number of international and regional brands.

Our ability to grow in Trinidad and Barbados is being constrained by the shortage in foreign exchange and the economic climate. As such, in those territories we are focusing on organically growing the businesses and achieving operational efficiencies. The return on assets in Jamaica has been below our benchmark and management continues to explore various strategies for improvement. Prospects for Guyana are bright and in the short-term we anticipate accelerated growth due to the opening of our second Massy Store. We have made some strategic investments in Guyana and are well-positioned to take advantage of the growth we expect in the medium to long-term. The investment in the Miami warehouse continues to pay off. Since 2015 revenue has increased by more than 50 percent because of the increased capacity and our ability to leverage that to win new principals.

Risk Analysis

The risk of customers defaulting on their payments has increased as a direct result of the economic climate in the islands in which we operate, particularly Trinidad and Barbados. Unrecoverable debts negatively impacted profitability. Consequently, the efficient management of credit has become critical since credit extended to a customer is, in essence, free and unsecured financing. To minimise the risk of non-payment, over the last year we have been actively reviewing credit limits and taking a more aggressive approach to overdue balances. These strategies are aimed at optimising our working capital and delivering improved operational efficiency.

The limited availability of foreign exchange in Trinidad and Barbados has impacted our procurement capability. Additionally, the devaluing dollar in Trinidad, and the increased National Social Responsibility Levy on imported goods and new foreign exchange commission in Barbados, has led to increased prices and dampened consumer demand. In both territories, to reduce the impact of restricted foreign exchange on profitability, we are continually evaluating our portfolio to optimise our product mix and ensure our margins are not compromised.

The challenges and changes brought about by the tightening economic climate have also heightened the need for open and collaborative conversations with principals. To sustain these important relationships, it is imperative that decisions made to address the situations faced are cognisant of the interests of all shareholders.

LOYALTY

In 2017, the Massy Card Loyalty programme expanded its cardholder base with over 80,000 new sign-ups bringing total membership to approximately 446,000 active users across the region. After successfully launching the "Earn Everywhere and Burn at Home" campaign in 2016, we continued to promote this capability enabling members to travel regionally and earn points. The success of this initiative speaks to the strength of collaboration, which is one of the Massy Group's core values.

To enhance the value proposition of the programme to customers, we continue to expand external partnerships to increase earning and redemption opportunities. Additionally, we remain focused on aligning operational processes and technologies, as well as developing customer relationship management capabilities, which will set the platform to extract future value from integrated marketing and data analytics in 2018 and beyond.

In Closing

The IRBU operates in many challenging economies and it is evident that the 'flight to affordability' is becoming more prevalent, particularly in Trinidad and Barbados with Government austerity measures, resulting in overall reduced disposable income. Given this reality, we will continue to implement strategic cost reduction initiatives, while at the same time searching for new Mergers and Acquisitions opportunities in existing and new territories within the region.

Financial Services

INSURANCE

CORE BUSINESS

General Insurance

- Property Insurance
- Accident Insurance
- Employers Liability and Public Liability Insurance
- Motor Vehicle Insurance
- Marine, Aviation and Transit Insurance
- Contractors All Risk and Other Engineering Insurance

EMPLOYEES

Total 293

BROKERS

Total 88 (region)

POLICIES

Total 119,204

REGIONAL FOOTPRINT

Agencies & Branches:

- Antigua & Barbuda
- Anguilla
- Aruba
- Bahamas
- Barbados
- Belize
- British Virgin Islands
- Cayman Islands
- Curaçao
- Dominica
- Grenada
- Guyana
- Montserrat
- Saint Lucia
- St. Vincent & the Grenadines
- Trinidad & Tobago
- Turks & Caicos
- St. Kitts and Nevis

BRANCHES

7 Branches (100% owned)

- Barbados
- Trinidad & Tobago
- Guyana
- St. Kitts & Nevis
- Aruba
- Curaçao
- Cayman Islands

18 Agencies

- Anguilla
- Antigua & Barbuda
- Bahamas (3)
- Belize
- British Virgin Islands
- Dominica (3)
- Grenada
- Montserrat
- Saint Lucia (2)
- St. Vincent & the Grenadines (2)
- Turks & Caicos (2)

ADDITIONAL SERVICES

1 **Auto and Home Rescue Services**
- Auto Rescue to all Private Motor Clients & Private Commercial Clients (Barbados, Antigua, Grenada, Trinidad)
- Home Rescue to all Private Property Clients (Barbados only)
- Accident Assist to all Commercial Motor Clients (Barbados only)

2 **Massy Points**
- Earning and Redemption

Financial Services

CONSUMER FINANCE

CORE BUSINESS
- Consumer Credit
- Revolving Credit

EMPLOYEES
Total 71

REGIONAL FOOTPRINT
- Barbados
- Trinidad & Tobago

PORTFOLIO
- Consumer loans 5,371
- Customer Deposits 509
- Credit Cards 38,756
- Card Partners 39 in over 85 locations

FINANCING INSTRUMENTS
- Mortgages
- Instalment Credit
- Demand Loans
- Insurance Premium Financing
- Lease Financing

REMITTANCE SERVICES

CORE BUSINESS
International Money Transfer, representing the MoneyGram franchise

EMPLOYEES
Total 38

REGIONAL FOOTPRINT
- Trinidad & Tobago
- Guyana

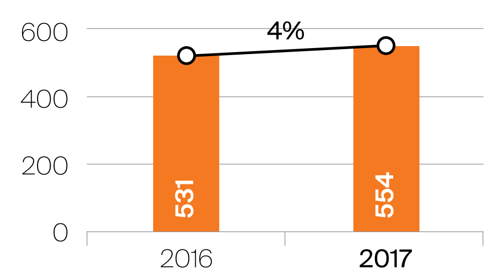
MAJOR SERVICES
- International Send Transactions
- International Receive Transactions
- Domestic Send and Receive Transactions

LOCATIONS
- 18 Massy Stores locations (Trinidad)
- 39 Agents across Trinidad & Tobago
- Additional Port of Spain locations at Nicholas Tower and Massy Remittance Services (Trinidad) Ltd. Head Office
- 1 Massy Stores location (Guyana)
- 44 Agents across Guyana

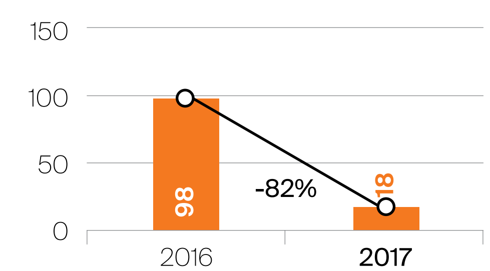
DAVID O'BRIEN
Group Executive Vice President & Executive Chairman,
Automotive & Industrial Equipment Line of Business
and Financial Services Line of Business

HOWARD HALL
Group Senior Vice President & Executive Chairman,
Financial Services Line of Business Unit

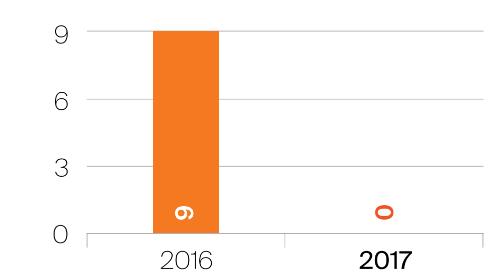
REVENUE TT$M



PROFIT BEFORE TAX TT$M



RONA % (Profit After Tax/Average Net Assets)



RONA (Return on Net Assets)

* 2016 - 2017% change based on segment results reported on Note 5 of the Consolidated Financial Statements

INSURANCE

Strategy and Performance

Our strategic imperative for the Insurance business at Massy United Insurance Ltd. (MUIL) is to grow our insurance portfolio from 100,000 to 150,000 policies by 2020 in line with our underwriting standards by offering superior insurance protection and customer service, as a trusted partner, across our regional distribution network, while maintaining our strong A.M. Best rating and improving return on investment

In the 2017 Financial Year (FY), we continued diversification in the operations of the company by implementing full operations in our St. Kitts branch and commencing operations at our Cayman Islands branch. In addition, the footprint of our arrangement with CIBC First Caribbean International Bank continued to grow and we now support the agency in 11 islands.

FY 2017 was the worst year for hurricanes ever experienced by MUIL in its 41 years of operations. The year started with hurricane Matthew in October 2016, which affected the Bahamas and produced approximately $49 million of gross claims. Then in September 2017, just before the end of the FY, we saw the devastating hurricanes Irma and Maria cause significant damage to 7 of the Caribbean territories in which the company operates. We received over one thousand hurricane claims with a gross estimated value of $1.8 billion.

Our actual Operating Performance in the FY 2017 was a Net Loss of $38 million.

As a true force for good, MUIL responded rapidly to our clients and thanks to the extraordinary dedication and herculean efforts of our staff, 75 percent of the hurricane claims were settled within 3 months of the passage of the hurricanes. MUIL has once again demonstrated that we have the organisational structure necessary to respond to catastrophes within the region, pay legitimate claims in high amounts quickly, and continue our operations with a strong balance sheet bringing confidence and peace of mind to our clients.

Although the costs related to the hurricanes were very significant, they were significantly mitigated by the company's strong reinsurance program which continues to preserve the company's strong capitalisation.

MUIL was successful in re-affirming its A.M. Best A- (Excellent) rating in April 2017 for the thirteenth consecutive year. This is a reflection of the financial strength of the company and its parent, the high quality of reinsurance support and the continued performance of its core Caribbean insurance portfolio. Changes in the A.M. Best rating model have been announced but we believe the ongoing strategy of focusing on technical underwriting with skillful staff, the increased diversification of the product line, and the prudent investment strategy will serve the company well in the face of these changes.

Risk Analysis

Catastrophe Risk is the single biggest risk that MUIL takes. The reinsurance program to mitigate catastrophe risk worked together with the strength of MUIL's Balance Sheet. It also helps that MUIL's reinsurance strategy requires only "A" rated reinsurers. This assures prompt payment when large claims are made. The magnitude of the catastrophe loss was increased as a result of the necessity to buy "Third Event Cover" after 2 category 5 hurricanes in 1 week. MUIL's reinsurance programs had reinstatement provisions after the first event but not third event cover. The program did not anticipate 3 separate catastrophic events in 1 hurricane season. The Group's risk appetite will be re-examined in FY 2018 and is likely to result in a reduction in the Group loss tolerance from catastrophic events. This will guide changes to the reinsurance strategy for FY 2018.

Apart from Catastrophe Risks, the company faces significant strategic risks associated with the implementation of its new Core IT systems. The company has sought to mitigate these risks by improving the governance around implementation as well as upgrading of the project management capabilities.

The company also faces risks to its investment portfolio arising from its significant investment in Government Bonds in the territories in which it operates. During the year, the company used the opportunity to diversify its investment portfolio by increasing its international equity portfolio while gradually reducing its exposure to Government Bonds as the bonds mature.

Consumer Finance

Strategy and Performance

Our strategic imperative for the consumer loans business in Trinidad is to achieve double digit volume growth by 2020, by increasing the penetration rate within the Massy Ecosystem, as well as other targeted market segments, by providing flexible and innovative credit products coupled with a superior experience that helps our customers achieve their objectives.

The business model of our Consumer loans business in Trinidad and Tobago is highly dependent on motor vehicle sales, and has come under substantial pressure as it was impacted by an increasingly price-aggressive, competitive market and an economic climate that remains challenging. In 2017 we saw a 15 percent decline in vehicle sales. In 2018, we will focus more on product bundles with Massy Motors Ltd. and MUIL and assessing the opportunity to provide financial leases to customers.

Our Revolving Credit business in Barbados delivered on our strategic objectives of increasing the value of the portfolio and the number of active cards. This year ended with a portfolio value of $81.1 million, up 4.5 percent on last year and a 4 percent growth in the number of active cards. Additionally, we added 4 new external partners during the year and credit sales at our largest external partner grew by 35 percent .

Risk Analysis

In order to reduce the market risk in the consumer loan business in Trinidad and Tobago, we made the decision to reduce our interest expense by reducing our outstanding borrowings by $30 million or 38 percent. This contributed to an overall decline in interest expense by 2 percent .

We also took active steps to manage our credit risk. In our consumer loans business, recovery efforts were intensified with positive results; a 24 percent reduction in impaired loans and a 47 percent decline in loans past due but not impaired, year on year to fiscal 2017. The delinquency rate was also reduced in our revolving credit business.

Our core Information Technology (IT) infrastructure is scheduled for launch in our new financial year and will allow for more efficient operational processes, better analytics, enhanced AML/CTF compliance, regulatory and financial reporting and an improved customer experience. The risks associated with the implementation have been mitigated by improved governance and more robust project management.

Money Services

Strategy and Performance

In our Money Services business, our primary business activity is operating agencies for MoneyGram in Guyana and Trinidad and Tobago and Western Union in Barbados. Our strategic imperative in the remittance business is to become the major remittances representative across the Caribbean by 2020. We plan to achieve this by leveraging our anchor partner Massy Stores' regional network to increase receives and grow our cambio business to provide more flexible transaction options for our customers. The remittance businesses are an important source of foreign exchange for the Group in each of the territories in which the remittance businesses operate.

Our Guyana operation has maintained the dominant position in its market. In Trinidad and Tobago, Massy Remittance Services (Trinidad) Ltd. has over the course of the last 2 years substantially transformed its operations and is now a significant contributor of foreign exchange. During the year we continued to increase the footprint in Trinidad with the opening of a flagship location in downtown Port of Spain to improve convenience and customer reach. We also obtained a license to operate a Bureau de Change and have now opened 3 Cambio locations in Trinidad.

Risk Analysis

The money transfer business faces significant compliance risks which could pose a threat to revenue. These include the risk of de-banking, where commercial banks may decide not to continue banking relationships. However with the help of MoneyGram International we have implemented rigorous and robust systems of compliance which are continuously updated to address new developments. We also actively engage our bankers and share our AML/CFT compliance with them.

Information Technology

INFORMATION TECHNOLOGY

CORE BUSINESS

Regional Provider of
- Business ICT
- Image & Print solutions

EMPLOYEES

Total 643

REGIONAL FOOTPRINT

- Trinidad & Tobago
- Jamaica
- Guyana
- Barbados
- Antigua

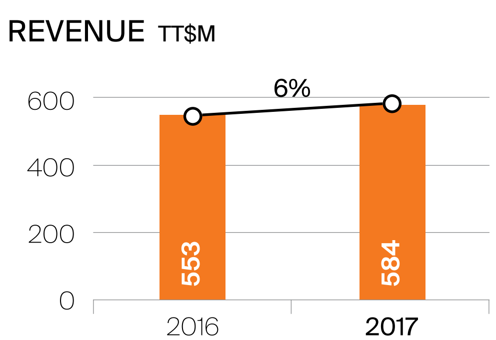
INNOVATIONS

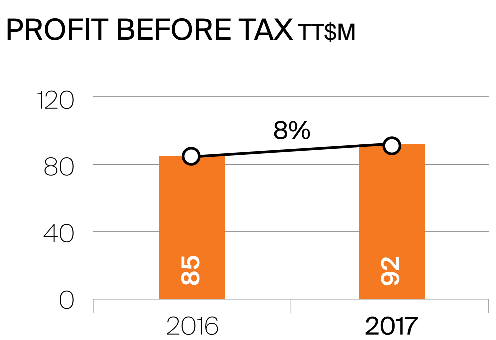
- Cloud Services
  - Infrastructure as a Service (IaaS)
  - Software as a Service (SaaS)
  - Platform as a Service (PaaS)
- IoT (Internet of Things)
- Data Analytics
- E Transactions
- Pay for Click Business Models
- Enterprise Rights Management

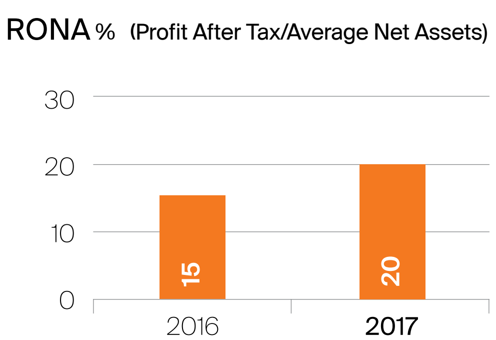
SOLUTIONS

- Self Service (ATMs)
- Enterprise Content Management
- Industry Specific Technology Solutions (Energy, Financial, Manufacturing, Healthcare, Retail, Education, Government)
- LAN, Infrastructure and Network Security
- Multi-Function Devices and Managed Print Services
- Communication Solutions (PBX/IP, Voice and Data Networks)
- Project Services

FENWICK REID
Group Senior Vice President & Executive Chairman,
Information, Technologies & Communications Business Unit







RONA (Return on Net Assets)

* 2016 - 2017% change based on segment results reported on Note 5 of the Consolidated Financial Statements

Business Model

The Information, Technology & Communications Business Unit (ITCBU) provides mainly Information Communications Technology (ICT) product and service solutions for a variety of industries including Financial, Energy, Education, Healthcare Commercial and Retail, Hospitality and Government as well as Image and Printing Solutions.

We operate across the English-speaking Caribbean with offices located in Trinidad and Tobago, Guyana, Barbados, Antigua and Jamaica and via partnerships in Suriname, Cayman Islands and Belize.

Our strategic imperatives in the ITCBU are to be first or second in every Enterprise ICT segment where we participate, to continue growing our profit mix from E-Transactions, Smart Devices, Internet of Things (IoT), Data Analytics and to expand the Managed Document Services customer base with a focus on Pay For Click business models. We will do this by continuing to attract, nurture and retain the best in-country talent, delivering outstanding customer service, proactively anticipating technology trends, being closely aligned to our top tier global principals and partnering with emerging disruptive technology companies.

Financial Year Overview (Continuing Operations)

The 2017 financial year was a challenging one for the ITCBU, particularly in the Trinidad and Tobago and Barbados markets where there were significantly reduced levels of Government and Private sector business, as well as shortages in foreign exchange impacted our business. Despite these challenges, the ITC Company in Barbados along with those in Jamaica and Guyana, showed operating profit growth over the prior year.

Discontinued Operations

In the 2017 financial year, 2 of our businesses were discontinued. After many discussions with our joint venture partner, we took a decision to sell our share of CRIF NM to CRIF; and instead focus our attention on building our core business in Jamaica given the opportunities in that market.

Massy Communications Ltd. (Massy Communications) (Formerly Three Sixty Communications Limited) was a joint venture between the Massy Group (75 percent) and eFREENET Ltd. (25 percent). In 2015, the Massy Group made the decision to launch a High-Speed Internet and High Definition Internet Protocol Television (HD IPTV) service. Although the company successfully deployed its network in a relatively short space of time, we reached a point where it was important to grow this business in a much more significant way. Given the competitive landscape for high speed broadband and TV services in Trinidad and the intense foreign capital costs of deploying fibre optic networks, we believed that the best path for success was through a partnership with another telecommunications provider who could help realize the potential of what had been created. On May 2, 2017, Massy Communications entered into a Share Purchase Agreement with Telecommunications Services of Trinidad and Tobago for the sale of the Company and following the approval of Telecommunications Authority of Trinidad and Tobago, the company was sold in July 2017.

Strategy

During the past year, we increased our Managed Services portfolio in the financial sector in Jamaica, and the Energy sector in Trinidad, consistent with our strategy of increasing our share of services with increased managed service contracts. Our Managed Print services portfolio continues to grow across the region for both the Ricoh and Sharp product lines. In the E-Transactions space, we have increased the number of points of presence in Trinidad and in Barbados with our SurePay platform, and we continue to increase the number of transactions in all territories. In the IoT and Data Analytics area we have won new projects in the Government sector and continue to create a healthy pipeline of opportunities in this area. We continue to dominate the Self-Service space with several new placements across the region, and have recently introduced an Automated Teller Machine (ATM) monitoring solution. We have also recently launched a self-checkout solution to our retail customers.

Risk Analysis

Our main risks stem from the fact that we are dependent on having an extended pipeline of new business opportunities, so Deal Flow Process Management is critical for our business. Over the past year careful analysis of our sales pipelines in all territories has helped to ensure that all the ITC companies met their targets. In the Applied Imaging Business, more stringent sales approaches have been implemented along with a supporting sales management system to improve forecasting and deal flow.

In Jamaica, a significant share of the company's revenue is derived from one customer. Over the past year there has been some diversification which has somewhat reduced the risks associated with customer concentration, however a lot of work still needs to be done.

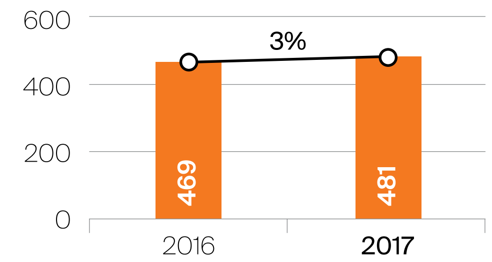
The unavailability of foreign exchange has been acute in Trinidad and Tobago and to a lesser extent in Barbados over the last year. We have attempted to mitigate this risk by executing contracts in U.S. dollars where possible.

Strong adherence to our "sustainable revenue" model ensured that our operating costs were covered by profits from recurring revenues and predictable revenue sources thereby reducing our dependency on large projects.

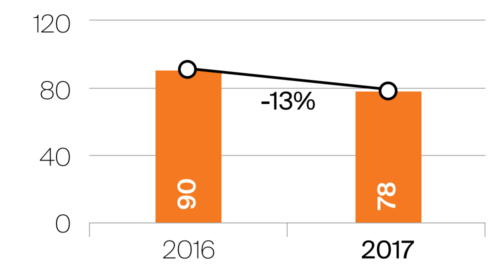
Our Applied Imaging business is coping with the technological changes in the global print industry through more aggressive growth in Managed Print Services, and diversification into adjacent new technologies such as Document Management, and Digital Rights Management.

Other Investments

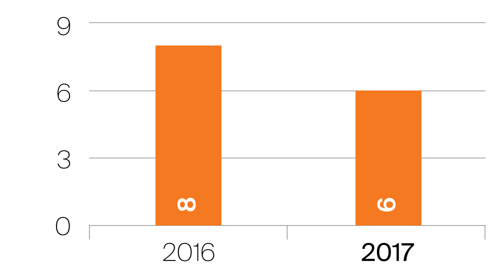
REVENUE TT$M



PROFIT BEFORE TAX TT$M



RONA % (Profit After Tax/Average Net Assets)



RONA (Return on Net Assets)

* 2016 - 2017% change based on segment results reported on Note 5 of the Consolidated Financial Statements

Barbados

Massy Properties (Barbados) Ltd.

Massy Properties (Barbados) Ltd. in Barbados fell short of its financial targets for the year as a result of sluggish land sales and low occupancy levels. The trend of commercial activity relocating from Bridgetown unfortunately continues, where several of our properties are located. To turn around performance, management has engaged in retrofitting a number of existing spaces to be more attractive to the current market conditions.

Seawell Air Services Limited (SAS)

Caribbean Airport Services Limited (CAS) (49 percent)

These Companies provide ground handling services at the Grantley Adams International Airport in Barbados and V.C. Bird International Airport in Antigua. Despite a marginal increase in revenue, both companies recorded small losses for 2017.

Roberts Manufacturing Co. Limited (Roberts Manufacturing) (50.5 percent)

Roberts Manufacturing Co. Ltd. continues to be one of the top profit contributors to the Group. In 2017, the business recorded a decline in profits after facing rising costs, while operating in a highly competitive environment in mature markets. Recognising these challenges, the company is now engaged in a strategic initiative to modernise the existing plant in order to become more efficient, as well as to support further growth in the export market.

BCB Communications Inc. (BCB) (51 percent)

BCB delivered strong profit growth over prior year primarily due to expanded marketing campaigns for a major regional client. During the year, BCB continued to seek new business opportunities from both existing and new clients. The company has recognised the growth potential in social media, and therefore has incorporated digital marketing as part of its service offering.

Trinidad and Tobago

Massy Realty (Trinidad) Ltd.

Massy Realty (Trinidad) Ltd. showed small growth this last financial year however at a lower rate than in previous years. The real estate market in Trinidad is still a sellers' market with more demand than supply of real estate for sale. In contrast, quite a lot of rental property has come on to the market due to the decline in activity in the oil and gas sector, and the resulting drop in demand for expatriate housing. We are continually challenged by our efforts to be a leader in a largely unregulated industry.

Massy Properties (Trinidad) Ltd.

Massy Properties (Trinidad) Ltd. continues to show profits despite the challenges that we face in trying to keep within our budgeted expenditure and maintain profitability in a difficult economic environment. We work consistently to maintain the value of our buildings through prudent planning and upgrades to retain our positioning in this competitive market space. Our focus this year was on security, as we attempted to provide a safe environment for both our tenants and employees.

Guyana

Massy Security (Guyana) Inc.

Massy Security (Guyana) Inc. recorded an 11 percent increase in revenue from $30.1 million to $34.3 million. However, profit remained flat at $6.2 million largely as a result of an increase in the National Minimum Wage by 26 percent.

Notwithstanding the flat Profit Before Tax (PBT), the company continued to seek greater efficiencies which have been realised through the roll out of the Master Route and Master Time software in the financial services and guarding services divisions. With the launching of the alarm monitoring and response services, the Company positioned itself as an integrated security solutions provider. The purchase of additional armoured vehicles enabled the company to meet the demands of customers and increase its response rate. With intensified customer service and Health, Safety, Security and the Environment (HSSE) initiatives, the Company is expected to improve its market positioning in the new financial year.

E. GERVASE WARNER
President & Group
Chief Executive Officer

Trinidad & Tobago

BUSINESS UNITS

- Energy & Industrial Gases
- Integrated Retail
  Retail, Loyalty & Distribution
- Automotive & Industrial Equipment
- Financial Services
  Insurance & Finance
- Technology
- Realty & Properties

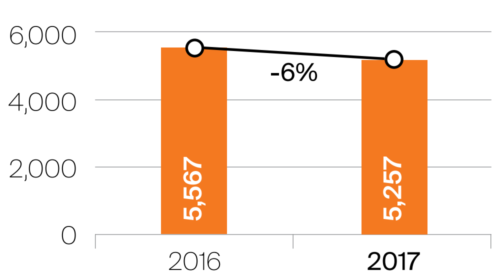
EMPLOYEES

4,800

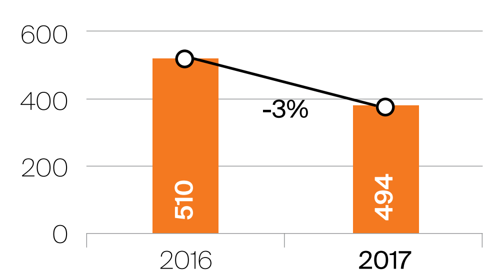
The Group was significantly challenged to maintain its growth momentum in Trinidad and Tobago in 2017. Despite moderate recovery in oil and gas and petrochemical prices, oil and gas production remained subdued in Trinidad and Tobago and many petrochemical plants experienced continued curtailment of gas supply. Trinidad and Tobago continues to run a Current Account deficit and foreign exchange shortages, as the forex earnings from the energy sector lag behind the country's appetite and ability to afford imports. The government and the upstream oil and gas producers have reached important agreements that pave the way for increased investment in upstream exploration and drilling. However, as these activities increase, upstream providers' tax shields for accelerated depreciation also increase and has resulted in decreased revenue collection from the energy sector. This has created a significant fiscal deficit which the government is funding through borrowing, drawdowns on the Heritage and Stabilisation Fund and through divestment of state assets.

The impact of the economic challenges continued to worsen in 2017. Unemployment increased with a few notable plant closures – Arcelormittal and Massy Holdings (Trinidad Ltd.)MHTL (shutdown 2 plants). Foreign exchange reserves dropped from 11 months import cover to 8 months as the Central Bank of Trinidad and Tobago increased its supply of foreign exchange into the system to lessen the blow created by the shortages being earned by the energy sector. Consumption remained weak as the government attempted to rein in its fiscal shortfall through tax increases and constrained expenditure growth. For the third consecutive year, we faced stagnation and decline in our Energy Services Line Of Business (LOB) and conducted substantial cost reduction programs in those businesses, which included retrenchment exercises.

REVENUE TT$M



PROFIT BEFORE TAX TT$M



The strength of our Group's diversity continued to buffer the shortfall experienced in the hardest hit businesses, however the shortage of foreign exchange remains a challenge. This year we were granted a license by the Central Bank of Trinidad and Tobago to operate a Bureau de Change (Cambio). Operation of the Cambio was one of the measures we undertook to mitigate the risk of reduced foreign exchange inflows. We employ several strategies including working with banks, sourcing forex through Massy Finance GFC Ltd., repatriating overseas dividends, etc. to continue to find ways to meet the Group's demand for foreign exchange to conduct its business in Trinidad and Tobago.

Improving customer service, Health, Safety, Security and the Environment (HSSE) compliance and employee engagement remain at the forefront of our Trinidad and Tobago-based businesses. At the end of the financial year, we took the decision to relocate the Massy United Insurance Ltd. Trinidad and Tobago office from Edward Street, Port of Spain to Keate Street, Port of Spain to better serve our customers. Adoption levels of the Customer Service Management System further increased in 2017. HSSE team members continued rigorous measurement and behavioural change practices to further embed an HSSE culture among employees. We also continue to implement employee engagement initiatives across all companies, on the basis of our survey results.

The Group will continue to assess appropriate investment opportunities in Trinidad and Tobago to expand its core business and to identify more foreign exchange earning and economy diversifying businesses in which it can succeed.

FRERE DELMAS
Country Manager
Massy Barbados

Barbados & The Eastern Caribbean

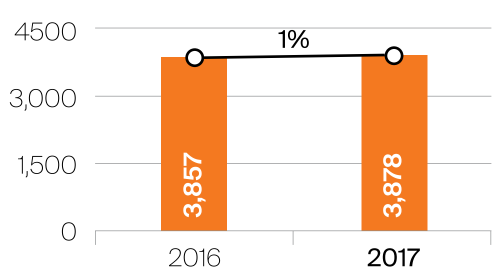
While Barbados and the Eastern Caribbean achieved marginal top line growth, Massy United Insurance Ltd. suffered losses due to a highly active hurricane season which impacted the region, resulting in an overall decline in profits for the segment.

The Barbados economy is projected to have experienced a slowdown in real growth to 0.9 percent for 2017 compared to 1.6 percent in 2016, as the country continues to grapple with a high fiscal deficit and falling international reserves, which have reached their lowest levels in over a decade. During the year, government increased austerity measures by raising the National Social Responsibility Levy on imports and manufactured goods from 2 percent to 10 percent as well as by implementing a 2 percent commission on foreign exchange transactions. While these measures dampened local demand as the cost of living climbed, they yielded small success for the country's fiscal position resulting in a slight decline in the 2017 fiscal deficit to 5.5 percent of GDP. Focused on managing the debt burden, current austerity measures will remain as government attempts to reign in expenditure and generate increased revenues from taxation and the divestiture of state-owned assets. We expect local demand to remain subdued and any near term improvements in economic performance will be dependent on reducing the fiscal deficit, and continued growth in the tourism sector. Given these circumstances, we have made a decision to postpone our development plans for the Kendal Hill site, to further reduce the Group's exposure to market risk. Despite this tough economic environment, we remain confident in the Barbados economy as demonstrated by our investment in the reconstruction and modernisation of the Massy Stores Sunset Crest Supermarket which was reopened in November 2017.

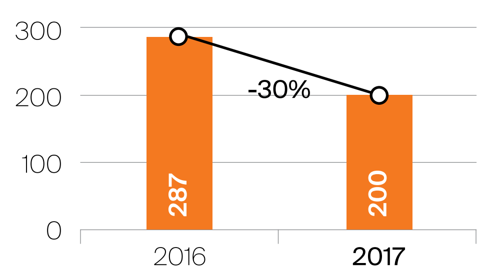
Growth in Saint Lucia has been primarily driven by a strong performance in the construction and agricultural sectors. Our retail business in Saint Lucia continues to perform well and is poised to benefit from further economic growth in 2018 as projected by the International Monetary Fund (IMF). Despite low growth in St. Vincent for 2017, we expect greater economic activity in this market as airlift continues to improve as a result of the new Argyle International Airport being fully operational. Recognising the contribution of the Eastern Caribbean to the Group, we continue to modernise our retail operations and seek new opportunities for expansion in these economies.

Moving into 2018, we will continue our emphasis on health and safety, employee engagement, training and development and customer service, while at the same time implementing further cost reduction measures and improving operational efficiencies.

REVENUE TT$M



PROFIT BEFORE TAX TT$M



DEO PERSAUD
Country Manager
Massy Guyana

Guyana

BUSINESS UNITS

- Energy & Industrial Gases
- Integrated Retail
  Retail, Loyalty & Distribution
- Automotive & Industrial Equipment
- Financial Services
  Insurance & Finance
- Technology

EMPLOYEES

840

The 2018 Guyana National Budget which was presented on November 27, projected the economy's growth rate for 2017 at 2.9 percent compared to the budgeted 3.8 percent. This underperformance is largely attributed to weak performances in the sugar, mining and quarrying sectors.

The Massy Group is optimistic about the opportunities for growth as Guyana evolves into an oil producing nation by 2020. In 2017, three additional oil discoveries in the Stabroek bloc were announced: Payara, Snoek, and Turbot – bringing the gross recoverable resources for this bloc to an estimated 2.25 - 2.75 billion oil-equivalent barrels. Massy is well placed to meet the demands of this new sector. To date, some of our companies have already been audited for qualification to become business partners by major players in the market – SBM Offshore and TechnipFMC, and the first contract issued by SBM to Guyana was awarded to Massy Services (Guyana) Ltd. for early start-up services. We have positioned ourselves to take advantage of all possible opportunities within the emerging oil and gas sector and Massy Energy Holdings (Guyana) Inc. and Massy Energy (Guyana) Inc. were both registered in 2017.

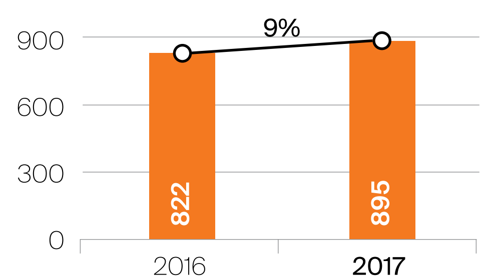
Alongside Guyana's opportunities are challenges. Our economic infrastructure is still developing, and we continue to experience high levels of emigration of our skilled people.

Earlier this year Guyana became a candidate member of the Extractive Industries Transparency Initiative (EITI) and we will support the implementation of its work plan towards our eighteen month journey to full membership.

Creating maximum value for our customers and providing quality products and services remains on our front burner. This year the Guyana National Bureau of Standards presented their Platinum Manufacturer Award for Quality to Massy Gas Products (Guyana) Ltd., and the Gold Award for Services to Massy Distribution (Guyana) Inc. Both of these companies successfully transitioned to the new ISO 9001:2015 standards in 2017.

Massy will be celebrating our 50th anniversary in 2018 having established Associated Industries Limited in 1968. We enjoy strong relationships with our stakeholders and this has been a significant factor enabling growth in Guyana. We remain committed to the continued success of Massy and the development of Guyana while fulfilling our purpose – a Force for Good, Creating Value, Transforming Life.

REVENUE TT$M



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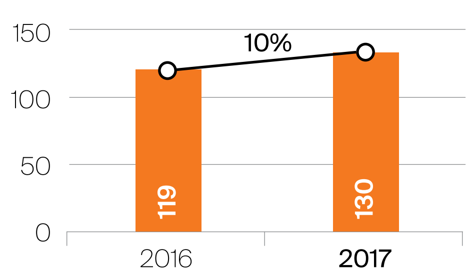


PETER GRAHAM
Country Manager
Massy Jamaica

Jamaica

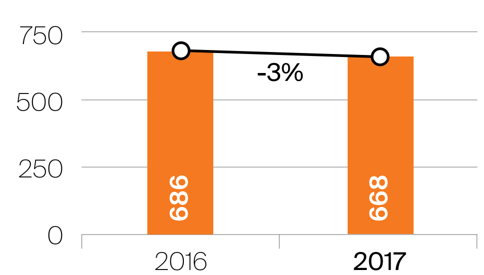
The macro-economic fundamentals continued to improve during the period under review with critical indicators trending in a positive direction. Strong growth in tourist arrivals, creation of significant employment opportunities in the Business Process Outsourcing (BPO) sector and the reopening of the largest alumina refinery all contributed to a reduction in the unemployment rate and a declining rate of depreciation of the value of the local currency. The inflation rate remained at the mid-single digit level.

The reduction in the cost of electricity has long been cited as critical to improving the competitiveness of businesses. Consistent with that objective, Liquefied Natural Gas (LNG) was introduced to the fuel mix and a 120MW power plant was converted to use LNG. A new 190MW plant is under construction. On completion, approximately 35 percent of the country's electricity generating capacity will be fueled by LNG.

All operating companies (in the Industrial Gases, Distribution & Technology sectors) recorded Profit Before Tax that represented growth over the prior year level. Strong shipments of Liquefied Petroleum Gas (LPG) and improved revenue from the Technical Support and Professional Services areas were the primary contributors. Additionally, the companies undertook important continuous improvement initiatives and commenced a process to lower spend through greater collaboration among the companies.

The strengthening of safety systems, further leadership development, enhanced customer service and expanding the focus on continuous improvement initiatives are areas that will receive attention in 2018. With the improvement in the macro-economic fundamentals in Jamaica, the Group is also looking for new investment opportunities to expand its core businesses in the country. We expect Jamaica to present continued opportunities for growth and value creation for our shareholders.

REVENUE TT$M



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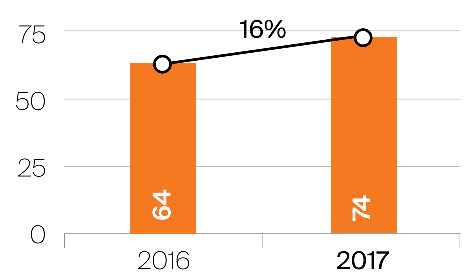


ALBERTO ROZO
Country Manager
Massy Latin America

Colombia

The Colombian economy grew by 1.8 percent in 2017, well below the previous year's growth of 2.6 percent. Analysts predict GDP growth of 2.4 percent in 2018, with much of that growth taking place in the second half of the year. In overall terms, the economy has absorbed the shock of plummeting oil prices in 2014, which in 2016 impacted both the exchange rate and inflation. Inflation has slowed at the end of 2017, ending slightly under 4.0 percent from 9 percent in July 2016, while the Central Bank has lowered the interbank interest rates from 7.75 percent at the end of 2016 to 4.75 percent in November 2017.

In line with expectations, the Consumer Confidence index reached the lowest recorded values in the first quarter of 2017, although still negative, the second quarter showed a positive trend.

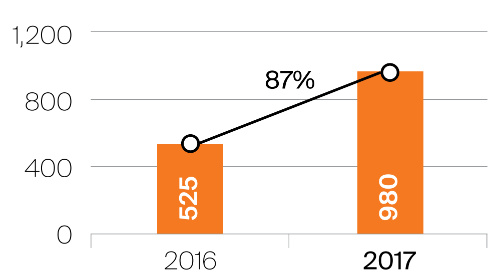
The exchange rate has stabilised at around 3,000 Colombian pesos to the U.S. dollar, and many imported goods have been successfully replaced by home grown products, especially in the agricultural sector. Industrial growth and exports have not reacted as quickly as the currency devaluation would suggest, but the improvement of oil prices in 2017 has compensated in part, for the export deficit that the country experienced in 2016. Tax reform was implemented in the first quarter of 2017 which increased the rate of Value Added Tax (VAT), and this impacted internal consumption.

The Automotive industry experienced a slowdown in 2017, however the market is not expected to decline further in 2018, but rather to show a slow recovery. Massy Motors has been able to continue to show growth due to operating efficiencies and the successful integration of dealerships acquired in 2 main cities, Bogotá and Medellín. Massy Motors continues to successfully execute on a multi-brand (6 brands) and multi-city (3 main cities) strategy in Colombia.

Massy Energy Colombia S.A.S. had a difficult year in 2017. However, in the third quarter key long term contracts were retained, and in the last quarter of 2017 new contracts were awarded providing the organisation with a strong start for 2018. Oil and gas prices showed some improvement in the second quarter of 2017, thereby giving the sector increased confidence in investment plans. The country's main producer is under pressure to increase its reserves, and has announced an investment plan for 2018 that is focused on drilling, but also includes significant improvements in production operations.

The Massy Group will maintain its strategy to derive growth in Colombia via a combination of organic growth and acquisitions in the already established Automotive, Energy and Industrial Gases sectors.

REVENUE TT$M



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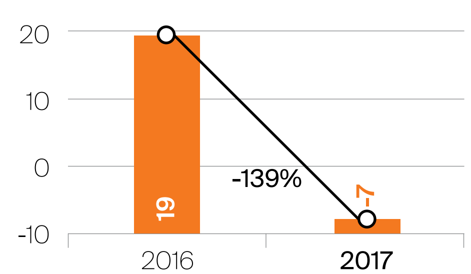


Our Responsibility to our Stakeholders

Our People

Massy encourages over 11,000 talented individuals to be the best they can be. We embrace diversity and believe that understanding different perspectives and working to create a space where people can fearlessly share ideas is important to our Group's success. We believe that when every employee is valued and can contribute in meaningful ways, the positive impact on their families, on our customers and on the community, can truly be transformative.

Our focus in 2017

Skills in the areas of Listening, Mindfulness and Emotional Intelligence are fundamental to Massy's ability to continue to deliver exceptional values based results. During 2017, in partnership with the Barry Wehmiller organisation, a three-day programme called "Listen Like a Leader" provided an instructive communication typology for participants. We also offered the 'Expectations of a Massy Leader' workshops to codify what we expect of our Leaders, and for the second year utilised 360° surveys based on these expectations as part of the assessment of our leaders. We evaluated one hundred and fifty senior executives across Massy in 2017 as an integral part of an evolving system of talent management.

In 2017, we also continued our development journey with twenty-eight mid-level supervisors and managers who were enlisted in the Group's Middle Management Programme. This evolving programme, which has been in existence for the past eleven years, continues to provide our mid-level and emerging managers with the skills and knowledge to effectively lead teams and organisational outcomes through closer alignment of their behaviors to the Group's goals and strategies. Developing self-aware, conscious leaders continues to be a key focus area of the programme's syllabus. The duration of the Middle Management programme is approximately eighteen to twenty months and participants are exposed to extensive training, facilitated by both internal and external experts in several disciplines including risk management, project management and cyber security.

We look forward to increasing our focus on increased use of technology, analytics and other forms of information sharing to support how we work going forward.

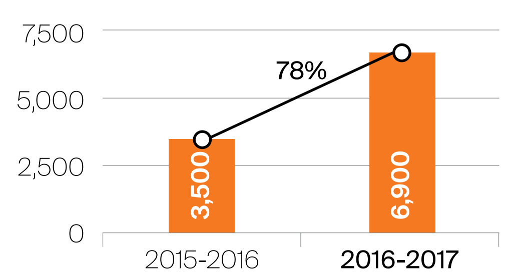
Heath, Safety, Security & the Environment (HSSE)

The Massy Group remains committed to protecting the health and safety of its employees, customers and other stakeholders. The Group has a mature HSSE Management system that is being revamped to strengthen HSSE culture in the operations of all of our businesses. In 2016/2017 extensive safety leadership training programmes were conducted throughout the Group. Going forward into the 2018 Financial Year (FY), increasing focus will be placed on process safety and reviewing the operations process designs to ensure safer functions throughout the Group. In 2016/2017, the Group also expanded its wellness initiatives.

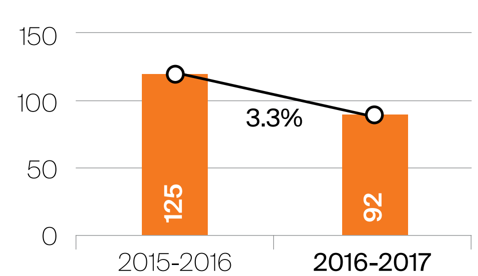
In FY 2016 -2017 the Group unfortunately experienced a workplace related fatality and a critical injury that occurred when a pressurised Ammonia gas cylinder ruptured at Massy Gas Products (Trinidad) Ltd. The Group's Management is deeply saddened by the loss of life and the critical injury, and is re-doubling their efforts to ensure that the health and safety of every single employee, customer and stakeholder on our premises continues to be at the forefront of all operations and processes.

The past year saw the inclusion of claims and insurance metrics to further gauge performance, development and intervention. Looking forward, the Group will experience a paradigm shift, with focus for HSSE being on customer and stakeholder satisfaction as drivers of performance. This customer centric focus will be all encompassing – merging classic safety performance with loss control, business continuity, property risk insurance, food safety, security, environment and health – to constitute a more holistic approach, that will be embedded into all processes and operations across the Group.

GROUP LEADERSHIP INTERVENTION – SITE VISITS



GROUP WORK-RELATED MOTOR VEHICLE ACCIDENTS



Our Customers

The Group has a vision to provide an exceptional customer experience across all industries and geographies in which we operate. This past year our committed Customer Service champions across the Group companies focused on improving customer service through enhanced training programmes, regular audits and several continuous improvement initiatives. We have implemented standardised training programmes which establish benchmarks for basic customer service skills for employees at all levels, to support the culture of service excellence across the Massy Group. We are also using data provided through our association with the American Customer Satisfaction Index (ACSI) to measure and gain insights into customer experience. The ACSI model has now been adopted across all the Business Units, and the analysis informs users of specific gaps to be addressed to better serve the needs of our customers.

Our Communities

Massy remains committed to making a difference in the communities we touch. During the year under review, the activities of our Massy Foundations (registered in Trinidad and Tobago and Barbados) continued to focus on youth, education, arts and culture, health and wellness along with support to Non-Governmental Organisations and employee assistance. The Massy Foundations in in these territories cumulatively funded approximately 400 projects, valued at just under $6 million. Audited accounts will be available in the detailed Corporate Social Responsibility report which will be published on the Massy Group website.

Youth-focused initiatives in Trinidad and Tobago included the ongoing support of our flagship Boys to Men programme, now in its twelfth year, along with ongoing support for the Annual Secondary School Anti-Bullying Conference. The Foundation also supported the inaugural National Secondary Schools Entrepreneurship Competition (NSSEC) which is a ground-breaking program with participation from sixty-three secondary schools across the country. Over three hundred students gained valuable real-world experience in entrepreneurship through a dynamic business simulation game. The Foundation assisted the Community Intervention for Transformation and Empowerment (CIT&E)'s Workplace of Tomorrow in creating educational and developmental activities to support youth leadership and promote peace and safety within the Gonzales and East Port of Spain communities. In Barbados, the Massy Foundation funded a one-year National Vocational Qualification (NVQ) pilot programme in Agricultural Entrepreneurship created by the Barbados Entrepreneurship Foundation. The programme is designed to stimulate the interest of youth in the agricultural sector, promoting the sector as a viable industry for business and employment opportunities for this target group.

The Massy Foundation (Barbados) supported the local Red Cross with the donation of grocery items over a twelve-month period. The contribution to The Meals on Wheels programme, one of the Red Cross' longstanding initiatives, provides critical support of 150 needy persons (on average) across several communities in Barbados every week-day. In partnership with the Broadway to Barbados Charitable Trust, the Massy Foundation assisted with the overall upgrade to the Queen Elizabeth Hospital's Accident and Emergency (A&E) Department with the donation of a portable ultrasound machine. The Foundation also worked alongside the University of South Florida, the Wheelchair Foundation, the Ministry of Education, and the National Cultural Foundation, as well as many other recipients.

The Massy Foundation (Trinidad) provided disaster relief to Haiti in the wake of Hurricane Matthew, as well as to flood and landslide victims across Trinidad and Tobago. The Foundation also partnered with the Living Water Community to offer relief to the region following the devastation of Hurricanes Irma and Maria, and has also committed to rebuilding a school in Dominica within the next year. Massy Stores (Saint Lucia) also mobilised significant support to the local National Emergency Management Organisation to provide relief to the Leeward Islands that were impacted by Hurricane Irma, with special focus on Dominica. In addition to providing groceries and non-food products, Massy Stores also coordinated a Hurricane Supplies Donation Drive at many of its stores across the region, while Massy Distribution facilitated the packing and shipment of relief containers. Massy United Insurance deployed staff to Dominica almost immediately following the hurricane to help expedite insurance claims.

Group companies also supported many other worthwhile programmes across the Caribbean during the year, and details of those activities will be included in a full report on The Group's Corporate Social Responsibilities (CSR) efforts published on our website at www.massygroup.com

The Board of Directors

FRERE
DELMAS

PATRICK
HYLTON

G. ANTHONY
KING

ROBERT
BERMUDEZ

WILLIAM
LUCIE-SMITH

SURESH
MAHARAJ

DAVID
O'BRIEN

E. GERVASE
WARNER

PAULA
RAJKUMARSINGH

ROBERT
RILEY

GARY
VOSS

MAXINE
WILLIAMS

RICHARD P.
YOUNG

The Board of Directors

Robert Bermudez
Chairman
Independent Non-Executive Director
Trinidad and Tobago Citizen Age 64

ROBERT BERMUDEZ is an Independent, Non-Executive Director who was elected to the Board of Massy Holdings Ltd. (formerly Neal & Massy Holdings Limited) in 1997 and was appointed Chairman in July 2014. He also serves on the Company's Governance & Compensation Committee. For approximately eighteen years he served as a Non-Executive Director at RBC Financial (Caribbean) Limited, which has a presence in 19 countries and territories across the Caribbean. He served as a Director on the Board of The Barbados Mutual Life Assurance Society (now Sagicor Life Inc.) for eight years and prior to joining the Massy Board, he served as a Non-Executive Director on the Boards of McEnearney-Alstons Limited which merged with the ANSA Group to form what is the present ANSA McAL Limited, The Trinidad Publishing Company Ltd. (now known as Guardian Media Ltd.) and the Caribbean Development Company Limited (now Carib Brewery Ltd.) – all three of which, were publicly traded companies during his respective tenures. He was also President of the Trinidad & Tobago Manufacturers' Association and also served as Chairman of the Board of the Tourism Development Company Limited.

Mr. Bermudez' breadth and depth of experience as a Director and Chairman is extensive, as is his experience as an entrepreneur. He is the Chairman of the Board of Directors of the Bermudez Group of Companies and has led the growth of the Bermudez Group from a local family-owned business to a regional business throughout the Caribbean and in Latin America. He has a strong reputation for pragmatic and shrewd business judgment and has enjoyed a distinguished career in business in Trinidad and Tobago and the Caribbean.

E. Gervase Warner
President and Group CEO
Executive Director
Trinidad and Tobago Citizen Age 52

E. GERVASE WARNER is an Executive Director of the Company and is the President and Group CEO of the Massy Group. Prior to his appointment in 2009, he served as the Executive Chairman of the Group's Energy & Industrial Gases Business Unit. Before joining Massy, Mr. Warner was a Partner at the international management consulting firm, McKinsey & Company, where he spent eleven years serving clients in the US, Latin America and Caribbean across a wide range of industries. He currently serves on the Trinidad and Tobago Board of Citigroup Merchant Bank Limited, the Arthur Lok Jack Graduate School of Business and United Way Trinidad & Tobago. Mr. Warner holds an MBA from the Harvard Graduate School of Business Administration; and also holds BSE degrees in Electrical Engineering and Computer Science Engineering from the University of Pennsylvania. A past pupil of St. Mary's College, Mr. Warner received an additional scholarship from the Government of Trinidad and Tobago in 1983.

Frere Delmas
Executive Director
Barbados Citizen Age 59

FRERE DELMAS is an Executive Director and holds the position of Executive Vice President of the Integrated Retail Business Unit in the Massy Group. He was appointed to this position in November 2015, when he was also appointed to the Board of Massy Holdings Ltd. He is also the Country Manager for the Massy Group in Barbados, a position he assumed in January 2013 and he also serves on the boards of a number of Massy's subsidiaries across the region.

Mr. Delmas has an accumulated wealth of management experience and knowledge in the supermarket industry and wholesale distribution, which he acquired during his thirty-nine year career in the field.

Prior to joining the then Barbados Shipping & Trading Co. Ltd. (BS&T), he was the Managing Director and a shareholder of Interage Ltd., which grew to be one of the foremost food and general merchandise distribution companies in Barbados. Interage Ltd. was subsequently sold to BS&T in 2000. His tenure continued as a part of the BS&T Group, and subsequently as a part of the Massy Group, following Massy's acquisition of BS&T in 2007.

His previous positions in the Group include Executive Chairman – Neal & Massy's Retail Business Unit; Executive Chairman – BS&T's Food, Retail and Distribution Division and Director of BS&T.

Prior to starting his career, Mr. Delmas pursued studies in Business Administration at Loughborough College in the UK.

Patrick Hylton
Independent Non-Executive Director
Jamaica Citizen Age 54

PATRICK HYLTON is an Independent, Non-Executive Director and is the President and Group Chief Executive Officer of the recently incorporated NCB Financial Group. He joined NCB in 2002 as Deputy Group Managing Director and in 2004 he was appointed Group Managing Director and has since led the organisation to achieve record growth and profitability as well as numerous awards. His rise to national and international prominence began when he was appointed a leading role by the Government in the rehabilitation of the Jamaican financial sector during the mid-1990s. His wealth of experience in the financial services industry propelled him to the position of Managing Director of the Financial Sector Adjustment Company (FINSAC). His successful completion of that undertaking culminated in the national award of the Order of Distinction, Commander Class, being bestowed on him by the Prime Minister and Governor General of Jamaica in 2002.

Mr. Hylton is an Honours Graduate in Business Administration and an Associate of the Chartered Institute of Bankers (ACIB), London. He is a Past President of the Jamaica Bankers Association and in addition to being a Director of NCB Jamaica; he is Chairman of The Mona School of Business and Management, Harmonisation Limited and NCB Capital Markets Limited. Mr. Hylton also sits on the oversight committee appointed to monitor the implementation of Jamaica's programme with the International Monetary Fund (IMF). He is also a member of Jamaica's Economic Growth Council set up to advise the Government on proposed initiatives that are expected to yield economic growth. He sits on several boards including Guardian Holdings Limited in Trinidad. He is an avid reader and sports enthusiast with track and field holding a special place.

G. Anthony King
Independent Non-Executive Director
Barbados Citizen Age 65

G. ANTHONY KING is an Independent, Non-Executive Director whose business career spans over 40 years. Prior to his departure from the Massy Group in October 2004 to take up the appointment as Chief Executive Officer of the Barbados Shipping & Trading Company Limited (BS&T), he chaired the Group's Eastern Caribbean Group of Companies. After the acquisition of BS&T in 2008 by Massy Holdings Ltd. (then Neal & Massy Holdings Limited), Mr. King became a Group Executive Vice President but also remained as BS&T's CEO assisting the integration of BS&T's operations into the Massy organisation. With that process substantially complete, he retired as an executive of the Group during 2012. Mr. King joined the Board of Massy Holdings Ltd. in December 2008.

Mr. King is also a Director of other publicly traded companies in Barbados and at the end of 2015 retired from the Board of Banks Holdings Ltd. where he was the Chairman. Over his career he has served on the boards of various private sector organisations, including being President of the Barbados Chamber of Commerce & Industry, a Director of the Caribbean Association of Industry and Commerce (CAIC) and as a former Trustee of the Barbados Youth Business Trust. In 2015 he retired as a Director of the Barbados Private Sector Association, the island's umbrella private sector body, and in early 2016 retired as Chairman of the Tourism Development Corporation of Barbados.

William Lucie-Smith
Independent Non-Executive Director
Trinidad and Tobago Citizen Age 66

WILLIAM LUCIE-SMITH is an Independent, Non-Executive Director. He is a Chartered Accountant by profession and a former Senior Partner of PricewaterhouseCoopers (Trinidad and Tobago), where he led its Corporate Finance and Recoveries practice. Mr. Lucie-Smith has extensive experience in mergers and acquisitions, taxation and valuations and holds an MA degree from Oxford University in Philosophy, Politics and Economics. He currently serves as a Non-Executive Director on a number of boards, including Republic Financial Holdings Limited and Sagicor Financial Corporation.

Suresh Maharaj
Independent Non-Executive Director
Trinidad and Tobago Citizen Age 68

SURESH MAHARAJ is an Independent, Non-Executive Director and a highly-recognised International Senior Banking and Finance Executive with forty-three years of experience. Prior to his retirement from Citibank in 2015, he held the position of Chief Executive Officer (CEO), Citibank Caribbean and Central America, with responsibility for Citibank's Corporate, Commercial and Investment and Consumer operations in twenty-seven countries in the Caribbean, and Central America and Ecuador and served on the board of Citibank for several Central American countries. He also was CEO for Citibank, Trinidad and Jamaica and worked for 5 years in Asia as Citibank CEO for the Philippines. Mr. Maharaj is currently the Chairman of Citibank (Trinidad & Tobago) Limited and Citicorp Merchant Bank. He was also the former Chairman of the Trinidad Cement Limited from 1989 to 1995 and presided over its successful divestment from government control to the private sector, during which time a thirty-two percent annual growth in profitability was achieved. He also served as a Director of the Trinidad and Tobago Unit Trust Corporation, Bankers Association of Trinidad and Tobago, and the Bankers Association of Philippines, the American Chamber of Commerce of Trinidad and Tobago and the American Chamber of Commerce Philippines.

David O'Brien
Executive Director
Trinidad and Tobago Citizen Age 60

DAVID O'BRIEN serves as an Executive Director and is also Executive Vice President with the responsibility for both the Automotive & Industrial Equipment and Financial Services Lines of Business. He joined the Group in November 2005 and is currently the Executive Chairman on a number of boards of Massy subsidiary companies. Prior to joining the Group, he held various senior positions at Sagicor. Mr. O'Brien served as the President of the Trinidad and Tobago Chamber of Industry and Commerce in 2002 and 2003 and he also held directorships on the boards of RGM Limited, DFL Caribbean Limited, and the Tourism Development Company Limited. He was the Chairman of the North Central Regional Health Authority, a member of the Multi-Sectorial Core Group for Trinidad and Tobago's Vision 2020 and Chairman of the committee to establish the National Policy for Disabled Persons. Mr. O'Brien is also the Honorary Consul for Sweden in Trinidad and Tobago.

Paula Rajkumarsingh
Executive Director
Trinidad and Tobago Citizen Age 52

PAULA RAJKUMARSINGH, has served as an Executive Director and Group Chief Financial Officer since October 2009 and has over 15 years of senior management experience. Ms. Rajkumarsingh currently serves on the boards of CIBC First Caribbean International Bank, the Trinidad and Tobago Chamber of Commerce and the St. Joseph Convent Cluny schools. She was a member of the committee that developed the first Corporate Governance code for Trinidad and Tobago in 2013 and had served on several other boards including the Sugar Manufacturing Company Limited, a sugar cane processing company, from 2003 to 2006 and DEVCAP Private Equity Fund from 2005 to 2009. She is a fellow of the Association of Certified Accountants.

Robert Riley
Independent Non-Executive Director
Trinidad and Tobago Citizen Age 60

ROBERT RILEY is an Independent, Non-Executive Director of Massy Holdings Ltd. and Executive Director of Robert Riley Leadership and Energy Consulting, a London based international consulting firm working with CEO's and Executive Leadership teams to improve Leadership and Performance through assessment, coaching and experiential training. He is the former Group Head of Safety and Operations Risk, Culture and Capability of BP PLC (London). His career with BP spanned over 2 decades, during which time he served as the Chairman and Chief Executive Officer of BP Trinidad and Tobago LLC, Business Unit Leader and Vice President of Law and Government Affairs. In 2009 he was conferred the degree of Doctor of Laws, Honoris Causa from the University of the West Indies for his contribution to the energy sector development policy. Mr. Riley was awarded the Chaconia Gold medal for his contribution to national economic development in Trinidad and Tobago in 2003. He graduated with honours degrees in Law and Agriculture from the University of the West Indies and is an Attorney-at-Law. He was elected to the Board of Massy Holdings Ltd. effective December 17, 2014. Since October, 2016 he serves as a Director of Republic Financial Holdings Limited.

Gary Voss
Independent Non-Executive Director
Trinidad and Tobago Citizen Age 72

GARY VOSS is an Independent, Non-Executive Director of Massy Holdings Ltd. and former Chairman of Unilever Caribbean Limited. He joined Lever Brothers West Indies Limited in 1982 as Technical Director and was appointed Chairman and Managing Director in 1987. He retired from Unilever in 2001. His early career was spent with the then Texaco Pointe-a-Pierre refinery, the Caribbean Industrial Research Institute (CARIRI) and the Iron and Steel Company of Trinidad and Tobago (ISCOTT). Mr. Voss' previous posts include Superintendent, Direct Reduction at ISCOTT, Head of Engineering at CARIRI, President of the Trinidad and Tobago Manufacturers Association (TTMA) and President of the Caribbean Association of Industry and Commerce. He also served as a Director of RBC Financial (Caribbean) Limited and several of its subsidiaries up until October 2015. Mr. Voss is a Chemical Engineer by profession and holds a Bachelor of Science degree with Honours from Birmingham University in the United Kingdom.

Maxine Williams
Independent Non-Executive Director
Trinidad and Tobago Citizen Age 47

MAXINE WILLIAMS is an Independent, Non-Executive Director and the Global Director of Diversity at Facebook. In this role, she develops strategies to harness the unlimited potential of Facebook's talent while managing a high performing team of diversity programme managers from the company's headquarters in California. Prior to Facebook, she served as the Director of Diversity for a global law firm with a focus on cross-border expertise, particularly in international arbitration, project finance, banking and anti-trust. She was responsible for developing and implementing a global diversity plan for the multi-national law firm comprised of almost 2000 attorneys, two-thirds of whom were based in offices outside of the United States with clients in one hundred and fifteen countries around the world. As an attorney, she has represented clients in criminal, civil and industrial courts in Trinidad and Tobago and in the United Kingdom at the Privy Council. Ms. Williams has worked with multiple international organisations on development and human rights issues and has had a parallel career as a broadcast journalist and on-air presenter. Ms. Williams is a graduate of Yale University, she received her law degree with first class honors from Oxford University, where she was a Rhodes Scholar.

Richard P. Young
Independent Non-Executive Director
Trinidad and Tobago Citizen Age 67

RICHARD PETER YOUNG, appointed as an Independent, Non-Executive Director in December 2012, is a retired Finance professional with the designation of a Chartered Accountant. He has over forty years' experience in Accounting, Auditing, Insurance and Banking, having operated at the senior leadership level of the then Price Waterhouse Trinidad and Tobago and Scotiabank Trinidad & Tobago.

He has served as President of the Institute of Chartered Accountants of Trinidad and Tobago, Chairman of the Trinidad and Tobago Stock Exchange and President of the Bankers Association of Trinidad and Tobago.

He is a Non-Executive Director of Sagicor Financial Corporation Limited and Non-Executive Chairman of the Trinidad and Tobago Financial Centre.

Corporate Governance

The Board is committed to maintaining the highest standards of corporate governance across the Massy Group's various businesses. Good corporate governance is key to helping us to build successful businesses that can be sustained over the long term.

Strengthening the Framework for Effective Governance

Again this year, the Board of Directors, on the recommendation of the Governance & Compensation Committee (GCC), reviewed and re-confirmed the Massy Holdings Ltd. (MHL) Board of Directors' Charter and Audit Committee Charter on February 9, 2017. This year, the GCC has also sought to further strengthen the governance framework across the Group by leading the development of a Subsidiary Governance Policy for the Massy Group subsidiaries. This Policy will further guide the Massy Group subsidiary boards in terms of their duties, obligations and performance standards.

This year, the Massy Group Code of Conduct/Ethics was developed to replace an older Code of Ethics Policy. This new Code of Conduct/Ethics is a framework policy which is based on the Massy Group's core values and is underpinned by a new Conflict of Interest Policy and a new Speak Up (formerly Whistle-blower) Policy. This Policy framework will be further developed and enhanced on an on-going basis.

The Board and Executive Committee operate within a wider governance framework which ensures that decisions are taken at the right level of the business by the persons best placed to take them. The Group's Delegation of Authority Policy provides clear guidance on decision-making which fosters both high standards of governance and enables the agility of the business.

Strengthening the Composition and Performance of the Board and Board Committees:

MHL BOARD

Recruitment and Nomination

The MHL Board is comprised of thirteen (13) Directors; nine (9) Independent Non-Executive Directors and four (4) Executive Directors. In early 2017, a vacancy arose on the Board of Directors and in accordance with the Company's Nomination, Appointment and Induction Process, which was reviewed and revised this year, the GCC recommended that the Board appoint Mr. Suresh Maharaj as a Director to fill such vacancy. On April 24, 2017, the Board of Directors approved Mr. Maharaj's appointment to the Board of Directors.

Director Training

In April, the Board received presentations from a Senior Economist, Marla Dukharan, on the Caribbean Economic Outlook and Implications for Business and from the Group Risk Manager on developing a common risk language for the Group's enterprise risk framework. These presentations were key to informing the strategic agenda.

Directors also participated in a Risk Workshop, held in August of this year. The Workshop was facilitated by the Group Risk Manager - the primary objective of the workshop being; to synthesise the major risks for the Group and identify the mitigation strategies.

During this year, another Director commenced the Certificate in Corporate Governance Programme facilitated by the Caribbean Corporate Governance Institute. Two (2) Directors are currently participating in the Certificate Programme which comprises four (4) modules which include; sessions on the implementation and managing of enterprise risk; the Board's accountability to its shareholders in its reporting; the role of Corporate Governance and the Board of Directors.

Directors serving on the boards of Group subsidiary companies also received various training modules this year. Directors of subsidiaries, that are required to comply with Anti-Money Laundering and Counter Financing of Terrorism legislation, also received the required training on the duties, obligations and liabilities of directors of such regulated entities.

Board, Committee and Director Evaluation

Directors completed the annual self-evaluation of the Board, its Committees and the Directors retiring on rotation. The evaluation results were discussed and Directors were provided an opportunity to consider ways of identifying greater efficiencies, maximising strengths and highlighting areas for further development. In this regard, considerations were made to the Board to strengthen the Director Induction Process, enhance on-going training programmes for Directors and review the structure of Management's Investment Committee.

Strengthening Loyalty and Independence

The MHL Board held seven (7) meetings for the year ended September 30, 2017 to discharge its responsibilities. The average number of Directors in attendance at the Meetings was eleven (11).

Annual declarations of interests were made by MHL Board Members and Senior Management, disclosing whether they directly, indirectly or on behalf of third parties have any material interest in any transaction or matter directly affecting the Company. The GCC continues to be guided by MHL's Director Independence Policy and each year reviews the independence of its non-executive directors against the declarations.

Enhanced Disclosure and Accountability

MHL's disclosure regime continues to be strong; the Company has a well-established cycle of communication with its Shareholders based on its reporting calendar and in accordance with regulatory requirements. The Company continues to make its quarterly and annual financial disclosures regarding its performance and activities within the prescribed statutory timeframe. For the financial year, there were four (4) notifications of change filed.

Strengthening Stakeholder Relationships

The Company's Chairman, President and Group Chief Executive Officer, Group Chief Financial Officer and Corporate Secretary play key roles in maintaining relationships with Shareholders. The Company held its Annual Meeting of Shareholders on February 10, 2017 and advance notice of the Meeting was sent to all Shareholders in accordance with statutory requirements. Directors of the Company attended and actively participated at this Meeting which was structured to provide stakeholders with a substantive presentation of the Company's financial and strategic performance for the financial year. At the Meeting all Shareholders (those participating via the live stream to Barbados) were given an opportunity to question the Board, Senior Management and the Auditors on the business and the presentations made.

The Board welcomes the opportunity to openly engage with Shareholders as it recognises the importance of a continuing effective and meaningful dialogue, whether with institutional, private or employee shareholders. Each year, the Group Chief Executive and Chief Financial Officer invite institutional Shareholders to attend the Company's full-year and half-year results presentations. The presentation slides of the full-year and half-year results presentations are also made available on the Group's website at www.massygroup.com.

Board Committee Reports

The Company has two (2) constituted committees – the Governance and Compensation and the Audit Committees – from which the MHL Board receives reports on the committees' work and areas of oversight. In addition to these reports and as a matter of process, the Minutes of these Committee Meetings are tabled at MHL Board Meetings.

Report of the Audit Committee

Audit Committee Structure

The Audit Committee is comprised of five (5) Directors, of whom four (4) are Independent Directors. The Members of the Audit Committee are:

- Mr. William Lucie-Smith (Chairman)
- Mr. Patrick Hylton
- Mr. Suresh Maharaj
- Mr. Richard P. Young
- Mr. E. Gervase Warner (Ex-Officio)

The Audit Committee Charter, Internal Audit Charter and the Delegation of Authority for Non-Audit services provided by the External Auditor were last reviewed and re-confirmed by the Committee on February 8, 2017. The report of the Committee for 2017 follows: -

Meetings

The Audit Committee held five (5) meetings for the year ended September 30, 2017 to discharge its responsibilities and the average number of Committee Members in attendance at Meetings was four (4). The Committee has continued to play a key role within the Massy Group governance framework to support the Board in matters relating to financial reporting, internal control and risk management.

Structure of Internal Audit

The appointed Group Internal Auditor is responsible for the overall Group Internal Audit Function and adherence to the International Standards for the Professional Practice of Internal Auditing of The Institute of Internal Auditors. The Group Internal Auditor reports administratively to the Group Chief Executive Officer and functionally to the Audit Committee and Internal Audit has unfettered access to the Audit Committee.

Independence of Internal Audit

The Audit Committee is satisfied that the Internal Audit function has been discharged in an objective and transparent manner. Further, the Audit Committee has satisfied itself that the performance of the function is not subject to management's undue influence.

Internal Control and the Internal Audit Function

The MHL Board is responsible for the Company's system of internal controls and for reviewing its effectiveness. The ongoing monitoring of the adequacy and effectiveness of the Group's internal control systems is the primary responsibility of Internal Audit. The Audit Committee is satisfied that Management, by approved risk corrective actions, adequately remedied any weaknesses in internal controls highlighted in the internal audit reports.

External Audit

The Audit Committee reviewed and approved the External Auditor's approach to and scope of their examination of the financial statements for the 2017 financial year. The Members are satisfied that PricewaterhouseCoopers has planned the audit to obtain reasonable assurance that the financial statements are free of material misstatement and present a fair view of the financial position of the Group as at September 30, 2017 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Financial Statements

During 2017, the interim unaudited financial statements were presented to the Audit Committee at its quarterly meetings for review and recommendation for adoption by the MHL Board. The Audit Committee is satisfied that the audited financial statements contained in this Annual Report are complete, consistent with information known to its Members and in conformity with appropriate accounting principles that have been consistently applied.

Whistle-blower Policy

Internal Audit conducted a number of Whistle-blower investigations in 2017. Whistle-blower reports related to non-financial matters were cross-reported to the Governance and Compensation Committee. This year the Company reviewed and revised its Whistle-blower Policy and Process, and will be rolling out a new (Speak Up Policy) and Process in the coming year.

Report of the Governance & Compensation Committee

The GCC Committee Structure

The GCC Committee is comprised of five (5) Directors of whom four (4) are Independent Directors. This year, Director Robert Riley was appointed by the Board, to serve as a Member of the GCC on April 24, 2017.

The Members of the GCC as at September 30, 2017 were:

- Mr. Gary Voss (Chairman)
- Mr. G. Anthony King
- Mr. Robert Riley
- Mr. Robert Bermudez (Ex-Officio)
- Mr. E. Gervase Warner (Ex-Officio)

The objectives of the GCC Committee are to develop, implement and periodically review guidelines for appropriate corporate governance of the MHL Group of companies. The GCC's responsibilities include:

1 To review the size and composition of the MHL Board and its Committees and to make recommendations for new director appointments in accordance with the Nomination, Appointment and Induction Process;
2 To review and make recommendations to the MHL Board in relation to the Company's written policies addressing matters such as ethics, business conduct, conflict of interest, disclosure, insider trading and whistle-blower protection;
3 To develop, implement and oversee an evaluation process for the MHL Board, its Committees and Directors, to assess Board, Committee and Director effectiveness;
4 Approval/oversight of the remuneration, performance and incentive awards of Senior Executives; and
5 Approval and oversight of the recruitment, engagement and promotion of Senior Executives of the MHL Group.

Meetings

The GCC Committee held six (6) meetings for the year ended September 30, 2017 to discharge its responsibilities and the average number of Committee Members in attendance at Meetings was four (4). The GCC's accomplishments for the year included:

- Recommendation to the Board, that Mr. Suresh Maharaj be appointed as a new Independent, Non-Executive Director, to fill a Board vacancy, effective April 24, 2017 and further that he be appointed to serve as a Member of the Audit Committee.
- Review and recommendation for the Board's approval;
  - The Group's Code of Conduct/Ethics Policy,
  - Speak Up Policy (formerly the Whistle-blower Policy),
  - Conflict of Interest Policy,
  - Revised Director Nomination, Appointment and Induction Process, and
  - Subsidiary Governance Policy;
- Review and analysis of the results of the Board, Board Committee and Director performance evaluation and providing recommendations based on findings to the Board;
- Review of Executive Director and Executive Management Remuneration;
- Review and ratification of Directors appointed to subsidiary company boards including the appointment of Independent Directors to Subsidiary boards;
- On-going oversight for non-financial Whistle-blower matters;
- Short-Term and Long-Term Variable Incentive Plans for Executives; and
- Performance and Development Plans for Executives.

The Executive Committee

DAVID
AFFONSO

JULIE
AVEY

FRERE
DELMAS

PETER
GRAHAM

HOWARD
HALL

DAVID
JARDIM

WENDY
KERRY

BRUCE
MACKENZIE

DAVID
O'BRIEN

THOMAS
PANTIN

ANGÉLIQUE
PARISOT-POTTER

DEO
PERSAUD

PAULA
RAJKUMARSINGH

FENWICK
REID

ALBERTO
ROZO

EUGENE
TIAH

E. GERVASE
WARNER

The Directors' Report

The Directors have pleasure in submitting their Report and the Audited Financial Statements for the financial year ended September 30, 2017

Principal activities

The main activity is that of a Holding Company.

Financial results for the year	**2017**
Profit attributable to shareholders	376,228
Dividends paid	(206,237)
Profit retained for the year	169,991
Other movements on revenue reserves	(28,394)
Balance brought forward	4,170,809
Retained earnings at end of year	**4,312,406**

Dividends

The Directors declared an interim dividend of $0.52 and then a final dividend of $1.58 per share, making a total dividend of $2.10 per share for the financial year. The final dividend will be paid on or after January 25, 2018 to Shareholders whose names appear on the Register of Members of the Company at the close of business on January 11, 2018.

Directors

Pursuant to paragraph 4.4.1 and 4.6.1 of By-Law No. 1 of the Company, Messrs. Frere Delmas, Patrick Hylton, Richard P. Young and Mrs. Paula Rajkumarsingh retire from the Board by rotation and being eligible offer themselves for re-election until the close of the third Annual Meeting following this appointment.

Pursuant to paragraphs 4.4.1, 4.6.1 and 4.8 of By-Law No. 1 of the Company, Mr. Gary Voss having attained the age of seventy-two years retires from the Board by rotation and being eligible offers himself for re-election until the close of the third Annual Meeting following this appointment.

Directors' and Senior Officers' Interests

These should be read as part of this report.

Auditors

The Auditors, PricewaterhouseCoopers, retire and being eligible offer themselves for re-appointment.

BY ORDER OF THE BOARD

Wendy Kerry
Corporate Secretary

December 20, 2017

Directors', Senior Officers' and Connected Persons' Interests

Set out below are the Directors, Senior Officers and their connected persons with interests in the shares of Massy Holdings Ltd. and the holders of the ten (10) largest blocks of shares in the Company as at September 30, 2017.

Directors and Senior Officers	Shareholding	Associates Shareholdings
Robert Bermudez	14,820	13,029
Frere Delmas	10,916	Nil
Patrick Hylton	Nil	Nil
Gerald Anthony King	75,000	Nil
William Lucie-Smith	Nil	22,897
Suresh Maharaj	Nil	Nil
David O'Brien	57,012	Nil
Paula Rajkumarsingh	157,530	Nil
Robert Riley	2,595	Nil
Gary Voss	Nil	Nil
Elliot Gervase Warner	166,294	Nil
Maxine Williams	Nil	Nil
Richard P. Young	2,000	Nil
David Affonso	12,552	Nil
Julie Avey	12,269	Nil
Shelley Boodoo	391	Nil
Natasha Elias-Wilson	17,203	Nil
Peter Graham	Nil	Nil
Howard Hall	Nil	Nil
David Jardim	139,808	Nil
Wendy Kerry	2,353	Nil
Robert Bruce Mackenzie	778	Nil
Thomas Pantin	61,392	Nil
Angelique Parisot-Potter	1,027	Nil
Doodnauth Persaud	29,492	Nil
Fenwick Reid	74,509	Nil
Alberto Rozo	Nil	Nil
Robert Sandiford	449	Nil
Eugene Tiah	14,537	Nil

Holders of the Ten (10) Largest Blocks of Shares

	Shareholder	Number of Shares as at September 30, 2017
1	The National Insurance Board of Trinidad and Tobago	19,801,051
2	RBC/RBTT Nominee Services Limited	10,374,601
3	RBC/RBTT Trust Limited	8,854,593
4	Republic Bank Limited	7,820,235
5	Trinidad and Tobago Unit Trust Corporation	5,249,916
6	First Citizens Asset Management Limited	4,288,170
7	Trintrust Limited	3,443,474
8	Guardian Life of The Caribbean Limited	3,182,641
9	National Insurance Board (Barbados)	2,800,372
10	Sagicor (Equity) Fund (Barbados)	2,029,858

Notes

1 The Indirect Beneficial Shareholding of Directors and Senior Officers corresponds to the Trinidad & Tobago Stock Exchange Rules (Rule 600) regarding the shareholdings of persons connected to Directors and Senior Officers. It includes the indirect beneficial ownership/control of shares held by; (i) entities that a person owns/controls >50 percent shares, (ii) the Director's/Senior Officer's husband or wife, and (iii) the Director's/Senior Officer's minor children

2 RBC/RBTT Nominee Services Limited holds a non-beneficial interest in 10,374,601 shares for the Neal & Massy Group Pension Employee Share Ownership Plan.

3 Paula Rajkumarsingh, a Director (together with Curtis Lee Poy), holds a non-beneficial interest in 1,158,788 shares as a co-trustee of the Neal & Massy Group Profit Sharing Plan.

4 The National Insurance Board Limited holds a substantial interest in the issued share capital of the Company. A substantial interest means one-tenth or more of the issued share capital of the Company.

5 There have been no changes to the Substantial Interests occurring between the end of the Company's financial year and one month prior to the date of the Notice convening the Annual Meeting.

6 There were no beneficial interests attached to any shares in the names of the Directors in the Company's subsidiary companies, such shares being held by the Directors as nominees of the Company or its subsidiaries.

7 At no time during, or at the end of the financial year, were any material contracts or proposed material contracts granted by the Company, or any of its subsidiary companies, to any Director or Proposed Director of the Company.

Management Proxy Circular

REPUBLIC OF TRINIDAD AND TOBAGO

THE COMPANIES ACT, CH. 81:01
[SECTION 144]

1 **Name of Company:** MASSY HOLDINGS LTD.
Company No.: M 4805 (C)

2 **Particulars of Meeting:**
Ninety Fourth Annual Meeting of Shareholders of the above named Company to be held at the Ballroom, Hilton Trinidad and Conference Centre, 1B Lady Young Road, Port-of-Spain, Trinidad at 10:00 a.m. on February 8, 2018.

3 **Solicitation:**
It is intended to vote the Proxy solicited hereby (unless the shareholder directs otherwise) in favour of all resolutions specified therein.

4 **Any Director's statement submitted pursuant to Section 76(2):**
No statement has been received from any Director pursuant to Section 76(2) of the Companies Act, Ch. 81:01.

5 **Any Auditor's statement submitted pursuant to Section 171(1):**
No statement has been received from the Auditors of the Company pursuant to Section 171(1) of the Companies Act, Ch. 81:01.

6 **Any Shareholder's proposal submitted pursuant to Sections 116(a) and 117(2):**
No proposal has been received from any Shareholder pursuant to Sections 116(a) and 117(2) of the Companies Act, Ch. 81:01.

Date	Name and Title	Signature
December 20, 2017	Wendy Kerry Corporate Secretary	

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of Massy Holdings Ltd. which comprise the statement of financial position as at September 30, 2017, the income statement, the statement of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Company 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 Company's assets, detection/prevention of fraud, and the achievement of Company operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

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

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

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

E. Gervase Warner
Chief Executive Officer

December 20, 2017

Paula Rajkumarsingh
Chief Financial Officer

December 20, 2017

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Independent Auditor's Report

To the shareholders of Massy Holdings Ltd.

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Massy Holdings Ltd. (the Company) and its subsidiaries (together, the Group) as at 30 September 2017 and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

Massy Holdings Ltd.'s consolidated financial statements comprise:

- the consolidated statement of financial position as at 30 September 2017;
- the consolidated statements of income and comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers, PO Box 550, 11-13 Victoria Avenue, Port of Spain, Trinidad, West Indies
T: (868) 299 0700, F: (868) 623 6025, www.pwc.com/tt

Our audit approach

Overview

- Overall group materiality: $37.7 million, which represents 5% of profit before tax.

- The group audit included full scope audits of seven subsidiary companies which were deemed to be financially significant components, four of which are based in Trinidad & Tobago with the others being located in Barbados, Jamaica and Guyana.
- Performed specified procedures on certain balances such as third party borrowings, loans to customers, revenue and accounts receivables in other components.

- Acquisition of dealerships in Colombia through the Massy Transportation Ltd sub-group
- Disposal of Massy Communications Ltd.
- Valuation of Goodwill
- Valuation of net retirement benefit assets
- Valuation of loss reserves on insurance contracts.

Audit scope

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

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industries in which the Group operates. Massy Holdings Ltd. is the parent of a Group of entities. The financial information of this Group is included in the consolidated financial statements of Massy Holdings Ltd. The Group is structured into five segments (see note 5 of the consolidated financial statements) and is a consolidation of over 140 separate legal entities. The Group comprises components that are entities directly held by Massy Holdings Ltd., as well as components that are sub-groups.

The following components were deemed to be individually financially significant and were subject to an audit of their complete financial information:

- Massy Transportation Group Ltd and Its Subsidiaries
- Massy Integrated Retail Ltd and Its Subsidiaries
- Massy Barbados Ltd and Its Subsidiaries
- Massy Guyana Ltd and Its Subsidiaries
- Massy Technologies Trinidad Ltd and Its Subsidiaries
- Massy Gas Products (Trinidad) Ltd and Its Subsidiaries
- Massy Gas Products (Jamaica) Ltd

Our audit approach (continued)

How we tailored our group audit scope (continued)

In addition we performed specified audit procedures on certain account balances for a further seven components.

Four of the seven financially significant components of the Group are audited by PwC Trinidad. For all other components that are in scope of the Group audit, we used component auditors from PwC network firms and non PwC firms who are familiar with the local laws and regulations to perform this audit work.

For the work performed by all component audit teams (both PwC and non-PwC) operating under our instructions, we determined the level of involvement we needed to have in the audit work at those locations to be satisfied that sufficient audit evidence has been obtained for the purpose of our opinion. We kept in regular communications with audit teams throughout the year with phone calls, discussions and meetings. We performed on-site visits to the component audit teams in Barbados and Guyana.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the 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 financial statements as a whole.

Overall group materiality	$37.7m
How we determined it	5% of profit before tax
Rationale for the materiality benchmark applied	We chose profit before 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 5% which is within the range of acceptable quantitative materiality thresholds in auditing standards.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $1.9m as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

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

Key audit matter	How our audit addressed the Key audit matter
Acquisition of dealerships in Colombia through the Massy Transportation Ltd sub-group *See Note 35 to the consolidated financial statements.* On December 23, 2016 Massy International Ltd, itself a fully-owned subsidiary of Massy Transportation Group Ltd, entered into a share purchase agreement for the following entities, which are all domiciled in Colombia: • Automontaña S.A. • Macarena de la Montaña S.A.S. • Germania Motors S.A. • AutoLux S.A.S • Seguros Automontaña Ltda. • Autogalias S.A. The Group completed the transaction as at 31 January 2017 for an amount of COP45 billion ($103.6m). We focused on this area because the accounting treatment for the provisional opening balance sheet is inherently judgmental and requires management to exercise judgement over the valuation of identified intangible assets if any, fair value adjustments on identifiable assets, completeness and accuracy of liabilities and the calculation of the residual balance, that being Goodwill. Management did not identify any intangible assets as part of this acquisition and obtained external valuation reports for material properties that formed part of the acquisition.	We obtained an understanding and evaluated completeness of the transaction by performing enquiries with management and examining all contracts, including due diligence reports associated with the acquisition. We then evaluated management's accounting treatment against the requirements of IFRS 3 "Business Combinations" and noted no exceptions. We tested the accuracy and completeness of initial opening balances by comparing the balances to the audited closing balances without material exception. The most significant area in relation to identifiable assets pertained to the fair value of property, plant and equipment. We assessed the independence and competence of management's third party consultant, the terms and scope of their engagement and the relevant industry standards under which their work was performed and their report prepared and we found no matters that would impact our audit approach. For liabilities recognised, we evaluated the assessment and calculation of material provisions to check that they reflected information that was known in relation to events that existed as at the transaction date. We recalculated the residual value recorded as Goodwill without exception. Goodwill was assessed for impairment at the end of the year (see Valuation of Goodwill below). *As a result of the above audit procedures, no material differences were noted.*

Independent Auditor's Report (Continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the Key audit matter
Disposal of Massy Communications Ltd.	

See Note 34 to the consolidated financial statements.
 	
Massy Communications Ltd, a 75% owned subsidiary, was sold to the Telecommunications Services Company of Trinidad and Tobago effective 31 July 2017, with final sales proceeds to Massy being $196.3m.
 	
At the time of disposal Massy Communications Ltd owed other entities within the Group a total of $211m, which was a combination of borrowings and accrued interest.
 	
We focused on this area due to the level of complexity associated with accounting for disposals of subsidiaries, including allocation of a share of gains/losses to a non-controlling interest, under IFRS 5 'Non-current assets held for sale and discontinued operations' and for their ceasing to be consolidated per IFRS 10 'Consolidated Financial Statements'. Additional complexity arose in relation to accounting for debt extinguishment on disposal.
	We obtained an understanding of the transaction by discussing with management and examining all contracts associated with the disposal. We also evaluated management's accounting treatment against the requirements of IFRS 5 and 10.
	
	We tested management's accounting treatment as follows:
	- inspected the elimination of Massy's interest in Massy Communications Ltd from the parent company financial statements
	- For the consolidated financial statements:
	  • traced the derecognition of assets, liabilities and non-controlling interest (including attributable other comprehensive income) to topside journal entries.
	  • agreed amounts of other comprehensive income transferred to profit or loss, or directly to retained earnings as required by other IFRSs, to supporting documentation.
	  • recalculated the resulting gain or loss, on loss of control, and agreed to profit or loss adjustments.
	- recalculated the share of results of Massy Communications Ltd up to the date of disposal and confirmed extinguishment of the amounts owed to the other entities in the Group.
	
	As a result of the above audit procedures, no material differences were noted.

Independent Auditor's Report (Continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the Key audit matter
Valuation of Goodwill	
See Notes 4.a.i) & 8 to the consolidated financial statements. Intangible assets stated on the Group's consolidated balance sheet included $238m of Goodwill. An impairment assessment of Goodwill is required annually by the accounting standards. Management calculated the recoverable amount of each cash generating unit (CGU) that Goodwill has arisen from as the higher of the value in use and fair value less costs of disposal. The value in use is based on discounted future cash flow forecasts over which the Directors make judgements on certain key inputs including discount rates and long term growth rates. There was impairment of Goodwill for specific entities as per management's Goodwill impairment assessments. We focused on this area because of the significant level of judgment required in arriving at the key assumptions used in management's impairment assessment.	We evaluated the method used by management to perform their annual Goodwill impairment assessment of each CGU and found it to be in accordance with the requirements of IAS 36 and the Group's accounting policy. The method used and approach to assumptions was also compared to the prior year and found to be consistent. In order to challenge the reasonableness of management's assumptions, including discount rates and growth percentages used, in their cash flow projections, we: • recalculated the weighted average cost of capital (WACC) used to discount the cashflows and assessed those rates to be reasonable based on knowledge of the economic environment and the risk premium associated with the respective industries and countries. • compared the cash flow forecasts used in the impairment assessment prepared by management to those presented to the Board of Directors as part of the annual budgeting process. • evaluated the reasonableness of the forecasts made by comparing past forecasts to historical results where this was available and by comparing to the current year results of the entity. We tested the mathematical accuracy of management's calculations. *As a result of the above audit procedures, no material differences were noted.*

Key audit matters (continued)

Key audit matter	How our audit addressed the Key audit matter
Valuation of net retirement benefit assets *See Notes 4.a. vi) & 15 of the consolidated financial statements.* The Group sponsors separate pension plans for its employees in Trinidad and overseas. As at 30 September 2017, the Group had a consolidated net retirement benefit asset for its Trinidad plan of $402m. The net retirement benefit asset is comprised of the value of pension assets less the pension obligation. Both components require significant judgement in relation to certain assumptions and estimates, which is why we focused our attention in this area. The following key assumptions used to calculate the obligation can have a material impact on the calculation of the liability: • salary increases • discount rates, and • mortality rates Management utilises an external actuary to perform certain calculations with respect to the estimated obligation. The pension assets consist of financial investments held at fair value, which are based on a range of inputs. While many of the inputs required can be obtained from readily available liquid market prices and rates, certain securities are based on modelled prices as observable market data is Ltd.. In these instances, management is required to make significant judgements due to the complexity in the valuation model estimates resulting in high estimation uncertainty risk.	For the pension obligation, we tested the key assumptions as follows: • We compared the discount rate used by management to the yield of a Government of Trinidad & Tobago bond of a similar period noted no material differences. • Mortality rates were compared to publicly available statistics. • Salary increases were compared to historical increases, taking into account the current economic climate. We also tested the completeness and accuracy of the census data used in the actuarial calculation by comparing it to personnel files. We assessed the independence and competence of the actuary used by management to calculate the retirement benefit obligations. For investments which were valued using a valuation technique: • We evaluated the assumptions, methodologies and models used by the Group. • We tested the significant inputs relating to yield, prices and valuation to external sources where possible and compared to similar transactions in the market place. In some cases, these resulted in a different valuation to that calculated by management. In our view, the differences were within a reasonable range of outcomes, in the context of the inherent valuation uncertainties disclosed in the financial statements. *There were no material exceptions noted in our testing of the net retirement benefit assets.*

Key audit matters (continued)

Key audit matter	How our audit addressed the Key audit matter
Valuation of loss reserves on insurance contracts *See Notes 4a. vii) and 26 to the consolidated financial statements.* As at 30 September 2017, the Group had a liability of $2.7 billion in relation to the settlement of claims related to Insurance Contracts. Included in this balance are claims in the amount of $1.98 billion in relation to two hurricanes that occurred in September 2017. The methodologies and assumptions utilised to develop incurred but not reported reserves involves a significant degree of judgement. The liabilities are based on the best-estimate ultimate cost of all claims incurred but not settled at a given date, whether reported or not, together with the related claims handling costs. There is generally less information available in relation to these claims, which can result in variability between initial estimates and final settlement. A range of methods, may be used to determine these provisions. We focused on this area because, underlying these methods are a number of explicit and implicit assumptions relating to the expected settlement amount and settlement patterns of claims and are subject to complex calculations.	As historical claims data is a key input into the actuarial estimates, we performed detailed testing over the claims case estimates and settlements. We did not identify material exceptions. We also tested the completeness and accuracy of the relevant underlying data utilised by management, and their external actuarial experts, to support the actuarial valuation, which also included key data reconciliations. We engaged our actuarial expert to assist in assessing the actuarial methodologies and assumptions in determining insurance reserves. We considered the suitability of the methodology used in setting insurance reserves against industry benchmarks, consistency with established actuarial practices and our knowledge and experience. *The assumptions used by management were found to be reasonable and the methodologies applied appropriate in the circumstances.*

Other information

Directors are responsible for the other information. The other information comprises the Chairman's report, Chief Executive Officer's report, Chief Financial Officer's report, Segment review and Country review included in Massy Holdings Ltd. annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

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

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

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

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

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

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

Independent Auditor's Report (Continued)

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

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, related safeguards.

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 Fatima Aziz-Mohammed.

PricewaterhouseCoopers

20 December 2017
Port of Spain
Trinidad
West Indies

Consolidated Statement of Financial Position

As at 30 September. Expressed in Thousands of Trinidad and Tobago dollars

	Notes	2017 $	2016 $
Assets			
Non-current assets			
Property, plant and equipment	6	**2,311,511**	2,370,886
Investment properties	7	**419,159**	417,246
Goodwill	8	**238,498**	197,075
Other intangible assets	9	**51,744**	50,783
Investments in associates and joint ventures	10	**239,305**	244,963
Financial assets	12	**859,655**	737,713
Deferred income tax assets	13	**106,976**	103,104
Instalment credit and other loans	14	**309,424**	294,780
Retirement benefit assets	15	**467,434**	452,207
		5,003,706	**4,868,757**
Current assets			
Inventories	16	**1,567,009**	1,574,748
Instalment credit and other loans	14	**177,776**	156,667
Trade and other receivables	17	**4,053,669**	2,129,112
Financial assets	12	**780,714**	147,175
Statutory deposits with regulators		**128,312**	134,244
Cash and cash equivalents	18	**1,565,945**	2,030,126
		8,273,425	**6,172,072**
Total assets		**13,277,131**	**11,040,829**
Equity			
Capital and reserves attributable to equity holders of the company			
Share capital	19	**760,607**	753,261
Retained earnings		**4,312,406**	4,170,809
Other reserves		**(150,648)**	(134,127)
		4,922,365	4,789,943
Non-controlling interests	21	**240,882**	258,349
Total equity		**5,163,247**	**5,048,292**

	Notes	2017 $	2016 $
Liabilities			
Non-current liabilities			
Borrowings	22	**1,905,591**	1,870,654
Deferred income tax liabilities	13	**234,485**	224,168
Customers' deposits	23	**105,717**	118,830
Retirement benefit obligations	15	**199,076**	174,904
Provisions for other liabilities and charges	24	**300,039**	329,518
		2,744,908	**2,718,074**
Current liabilities			
Trade and other payables	25	**1,917,609**	1,795,100
Liabilities on insurance contracts	26	**2,750,345**	757,294
Customers' deposits	23	**246,312**	264,180
Current income tax liabilities		**98,355**	110,650
Borrowings	22	**356,355**	347,239
		5,368,976	**3,274,463**
Total liabilities		**8,113,884**	**5,992,537**
Total equity and liabilities		**13,277,131**	**11,040,829**

The notes on pages 118 to 200 are an integral part of these consolidated financial statements.

On 20 December 2017 the Board of Directors of Massy Holdings Ltd. authorised these consolidated financial statements for issue.

E.G. Warner
Director

William Lucie-Smith
Director

Paula Rajkumarsingh
Director

Consolidated Income Statement

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

	Notes	2017 $	2016 $ (Restated)
Continuing Operations:			
Revenue	5	**11,763,669**	11,514,056
Operating profit before finance costs	27	**740,903**	908,964
Finance cost - net	29	**(55,604)**	(53,104)
		685,299	855,860
Share of results of associates and joint ventures	10	**68,993**	29,289
Profit before income tax		**754,292**	885,149
Income tax expense	30	**(274,465)**	(272,260)
Profit for the year from continuing operations		**479,827**	612,889
Discontinued operations:			
Loss for the year from discontinued operations	34	**(67,986)**	(76,729)
Profit for the year		**411,841**	536,160
Owners of the parent:			
Profit for the year from continuing operations		**435,555**	566,847
Loss for the year from discontinued operations		**(59,327)**	(68,290)
		376,228	498,557
Non-controlling interests:			
Profit for the year from continuing operations		**44,272**	46,042
Loss for the year from discontinued operations		**(8,659)**	(8,439)
Profit attributable to non-controlling interests		**35,613**	37,603
Profit for the year		**411,841**	**536,160**

	Notes	2017 $	2016 $ (Restated)
Earnings per share attributable to the owners of the parent during the year (expressed in TT$ per share)			
Basic earnings per share	31		
- from continuing operations		**4.46**	5.80
- from discontinued operations		**(0.61)**	(0.70)
		3.85	5.10
Dividends per share	20	**2.10**	2.10
Dividends paid per share	20	**2.10**	2.10

The notes on pages 118 to 200 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

	Notes	2017 $	2016 $
Profit for the year		**411,841**	**536,160**
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
- remeasurement of defined benefit pension plans		**(28,406)**	5,190
		(28,406)	5,190
Items that may be subsequently reclassified to profit or loss			
- available for sale financial assets	12	**171**	(440)
- currency translation differences		**(9,325)**	147,363
		(9,154)	146,923
Other comprehensive (loss)/income for the year, net of tax		**(37,560)**	152,113
Total comprehensive income for the year		**374,281**	**688,273**
Attributable to:			
- owners of the parent		**338,542**	637,051
- non-controlling interests		**35,739**	51,222
Total comprehensive income for the year		**374,281**	**688,273**

The notes on pages 118 to 200 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

	Notes	Share capital $	Other reserves $	Retained earnings $	Total $
Balance at October 1, 2016		**753,261**	**(134,127)**	**4,170,809**	**4,789,943**
Currency translation differences		–	(9,451)	–	**(9,451)**
Purchase of non-controlling interests		–	(14,648)	–	**(14,648)**
Other reserve movements		–	7,578	12	**7,590**
Remeasurement of defined benefit pension plans		–	–	(28,406)	**(28,406)**
Profit attributable to owners of the parent		–	–	376,228	**376,228**
Employee share grant – value of employee services		7,346	–	–	**7,346**
Transactions with owners:					
Dividends paid	20	–	–	(206,237)	**(206,237)**
Balance at September 30, 2017		**760,607**	**(150,648)**	**4,312,406**	**4,922,365**
Balance at October 1, 2015		748,860	(266,071)	3,871,168	**4,353,957**
Currency translation differences		–	133,744	–	**133,744**
Other reserve movements		–	(1,800)	1,154	**(646)**
Remeasurement of defined benefit pension plans		–	–	5,190	**5,190**
Profit attributable to owners of the parent		–	–	498,557	**498,557**
Employee share grant – value of employee services		4,323	–	–	**4,323**
Share capital adjustment	19	78	–	–	**78**
Transactions with owners:					
Dividends paid	20	–	–	(205,260)	**(205,260)**
Balance at September 30, 2016		753,261	(134,127)	4,170,809	**4,789,943**

The notes on pages 118 to 200 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

	Notes	2017 $	2016 $
Cash flows from operating activities			
Operating profit after finance costs – net		**685,299**	855,860
Operating losses from discontinued operations		**(67,986)**	(33,892)
		617,313	821,968
Adjustments for:			
Dividends received from associated companies	10	**49,154**	40,421
Depreciation and impairment of property, plant and equipment and investment properties	6 and 7	**286,207**	304,427
Impairment of goodwill	8	**36,959**	1,431
Amortisation of other intangible assets		**4,736**	3,873
Gain on disposal of property, plant and equipment		**(4,094)**	(46,733)
Loss on disposal of subsidiary and associate		**56,236**	–
Increase in provision for instalment credit and other loans	14	**4,958**	3,730
Increase in market value of investments		**(12,225)**	(4,129)
Employee share grant scheme provision	19	**7,346**	4,323
Employee retirement and other benefits		**29,278**	22,066
Earnings before tax, depreciation and amortisation		**1,075,868**	1,151,377
Changes in working capital:			
Decrease in inventories		**103,233**	61,496
(Increase)/decrease in trade and other receivables		**(1,890,450)**	136,052
(Increase)/decrease in instalment credit and other loans		**(35,754)**	7,790
Increase/(decrease) in trade and other payables		**74,761**	(150,136)
Increase in liabilities on insurance contracts		**1,990,797**	25,195
(Decrease)/increase in customers' deposits		**(30,981)**	35,096
Cash generated from operations		**1,287,474**	1,266,870
Taxation paid		**(247,145)**	(229,834)
Net cash provided by operating activities		**1,040,329**	**1,037,036**

	Notes	2017 $	2016 $
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment and investment properties		**130,941**	117,213
Proceeds from sale of other investments		**154,102**	199,687
Additions to property, plant and equipment, investment properties and acquisitions	6 and 7	**(566,099)**	(500,285)
Net increase in other investments, other intangibles, non-controlling interests and investments in associates and joint ventures		**(892,270)**	(320,997)
Acquisition of Massy Motors Best Auto Ltd.		**–**	(7,001)
Sale of Massy Communications		**196,330**	–
Acquisition of Automontaña Group Colombia	35	**(78,095)**	–
Net cash used in investing activities		**(1,055,091)**	**(511,383)**
Cash flows from financing activities			
Proceeds, net of repayments from borrowings		**(268,949)**	28,831
Equity injection by non-controlling interest		**–**	6,906
Proceeds from issue of shares		**–**	78
Dividends paid to company's shareholders	20	**(206,237)**	(205,260)
Dividends paid to non-controlling interests	21	**(35,411)**	(27,721)
Net cash used in financing activities		**(510,597)**	**(197,166)**
Net (decrease)/increase in cash, cash equivalents		**(525,359)**	328,487
Cash, cash equivalents and bank overdrafts at beginning of the year		**2,019,391**	1,665,397
Effect of exchange rate changes on cash and bank overdrafts		**37,425**	25,507
Cash, cash equivalents and bank overdrafts at end of the year		**1,531,457**	**2,019,391**
Cash and short – term funds	18	**1,565,945**	2,030,126
Bank overdrafts and other short term borrowings	22	**(34,488)**	(10,735)
		1,531,457	**2,019,391**

The notes on pages 118 to 200 are an integral part of these consolidated financial statements.

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

1 General information

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

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

	Country of incorporation	Percentage equity capital held
Automotive & Industrial Equipment		
Massy Motors Ltd.	Trinidad and Tobago	100%
City Motors (1986) Limited	Trinidad and Tobago	100%
Massy Machinery Ltd.	Trinidad and Tobago	100%
Massy Automotive Components Ltd.	Trinidad and Tobago	100%
Massy Motors (Tobago) Ltd.	Trinidad and Tobago	100%
Master Serv Limited	Trinidad and Tobago	100%
Massy Industries (Guyana) Ltd.	Guyana	92.9%
Massy Motors Colombia S.A.S	Colombia	100%
Massy Pres-T-Con Holdings Ltd.	Trinidad and Tobago	86.08%
Massy Motors Best Auto Ltd.	Trinidad and Tobago	100%
Financial Services		
Massy United Insurance Ltd.	Barbados	100%
Massy Remittance Services (Trinidad) Ltd.	Trinidad and Tobago	100%
Massy Finance GFC Ltd.	Trinidad and Tobago	100%
Massycard (Barbados) Limited	Barbados	100%
Massy Services (Guyana) Ltd.	Guyana	92.9%
Massy Credit Plus Ltd.	Trinidad and Tobago	100%
Energy & Industrial Gases		
Massy Energy (Trinidad) Ltd.	Trinidad and Tobago	100%
Massy Energy Production Resources Ltd.	Trinidad and Tobago	100%
Massy Energy Engineered Solutions Ltd.	Trinidad and Tobago	100%
Massy Energy Fabric Maintenance Ltd.	Trinidad and Tobago	100%
Massy Energy Supply Chain Solutions Ltd.	Trinidad and Tobago	51%
Massy Gas Products (Trinidad) Ltd.	Trinidad and Tobago	100%
Massy Petrochemical Services Ltd.	Trinidad and Tobago	100%

1 General information *continued*

	Country of incorporation	Percentage equity capital held
Energy & Industrial Gases *continued*		
Massy Gas Products (Jamaica) Limited	Jamaica	100%
Massy Gas Products (Guyana) Ltd.	Guyana	92.9%
Massy Energy Colombia S.A.S.	Colombia	100%
Integrated Retail		
Massy Stores (Trinidad)	Trinidad and Tobago	100%
Massy Integrated Retail Ltd.	Trinidad and Tobago	100%
Arvee Foodmaster Limited	Trinidad and Tobago	100%
Athabasca Limited	Trinidad and Tobago	100%
Massy Stores (SLU) Ltd.	Saint Lucia	60%
Massy Stores (Guyana) Inc.	Guyana	100%
Massy Stores (Barbados) Ltd.	Barbados	100%
Price Low Ltd.	Trinidad and Tobago	100%
Massy Stores (SVG) Ltd.	St. Vincent	83.33%
Massy Distribution (Trinidad)	Trinidad and Tobago	100%
Massy Distribution (Jamaica) Limited	Jamaica	100%
Massy Distribution (Guyana) Inc.	Guyana	92.9%
Massy Distribution (Barbados) Ltd.	Barbados	100%
Massy Distribution (St. Lucia) Ltd.	Saint Lucia	100%
Knights Limited	Barbados	99.9%
Massy Loyalty Ltd.	Barbados	90%
Information Technology & Communications and Other Services		
Massy Technologies InfoCom (Trinidad) Ltd.	Trinidad and Tobago	100%
Massy Technologies InfoCom (Antigua) Ltd.	Antigua	100%
Massy Technologies InfoCom (Barbados) Ltd.	Barbados	100%
Massy Technologies InfoCom (Jamaica) Limited	Jamaica	100%
Massy Technologies (Guyana) Ltd.	Guyana	92.9%
Massy Technologies Applied Imaging (Trinidad) Ltd.	Trinidad and Tobago	100%
Other investments		
Massy Realty (Trinidad) Ltd.	Trinidad and Tobago	100%
Massy Properties (Trinidad) Ltd.	Trinidad and Tobago	100%
Massy (Barbados) Investments Ltd.	Barbados	100%

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

1 General information *continued*

	Country of incorporation	Percentage equity capital held
Other investments *continued*		
Massy Properties (Barbados) Ltd.	Barbados	100%
Roberts Manufacturing Co. Limited	Barbados	50.5%
T. Geddes Grant (Barbados) Limited	Barbados	100%
Seawell Air Services Limited	Barbados	100%
BCB Communications Inc.	Barbados	51%
Massy Security (Guyana) Inc	Guyana	92.9%
Head Office		
Massy Ltd.	Trinidad and Tobago	100%
Massy (Barbados) Ltd.	Barbados	100%
Massy (Guyana) Ltd.	Guyana	92.9%

2 Summary of significant accounting policies

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

a Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations. The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

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

i Standards, amendments and interpretations adopted by the Group

The Group has adopted the following new and amended standards and interpretations as of October 1, 2016:

- Annual improvements 2014 (effective annual periods beginning on or after January 1, 2016). These set of amendments impacts 4 standards:
  - IFRS 5, 'Non-current assets held for sale and discontinued operations' regarding methods of disposal.
  - IFRS 7, 'Financial instruments: Disclosures', (with consequential amendments to IFRS 1) regarding servicing contracts.

2 Summary of significant accounting policies *continued*

a Basis of preparation *continued*

i Standards, amendments and interpretations adopted by the Group continued

- Annual improvements 2014 (effective annual periods beginning on or after January 1, 2016). These set of amendments impacts 4 standards: *continued*
  - IAS 19, 'Employee benefits' regarding discount rates.
  - IAS 34, 'Interim financial reporting' regarding disclosure of information.
- Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation (effective annual periods beginning on or after January 1, 2016). This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.
- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38,'Intangible assets', on depreciation and amortization (effective annual periods beginning on or after January 1, 2016). In this amendment the IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.
- Amendment to IAS 1, 'Presentation of financial statements' on the disclosure initiative (effective annual periods beginning on or after January 1, 2016). These amendments are as part of the IASB initiative to improve presentation and disclosure in financial reports.

ii Standards, amendments and interpretations that are not yet effective for the financial year beginning October 1,2016 and not early adopted by the Group. The impact of the following standards has not yet been evaluated:

- IAS Amendments to IAS 7, Statement of cash flows on disclosure initiative (effective January 1, 2017). These amendments to IAS 7 introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved.
- Amendments to IAS 12, 'Income taxes' on Recognition of deferred tax assets for unrealized losses (effective January 1, 2017). These amendments on the recognition of deferred tax assets for unrealized losses clarify how to account for deferred tax assets related to debt instruments measured at fair value.
- Amendments to IFRS 2, 'Share based payments', on clarifying how to account for certain types of share-based payment transactions (effective January 1, 2018). This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.

2 Summary of significant accounting policies *continued*

a Basis of preparation *continued*

ii Standards, amendments and interpretations that are not yet effective for the financial year beginning October 1,2016 and not early adopted by the Group. The impact of the following standards has not yet been evaluated: continued

- IFRS 15 'Revenue from contracts with customers' (effective January 1, 2018). IFRS15, 'Revenue from contracts with customers' is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally.

- IFRS 9 'Financial instruments' (effective January 1, 2018). This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

- Amendment to IAS 40, 'Investment property' (effective January 1, 2018) relating to transfers of investment property. These amendments clarify that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition. This change must be supported by evidence.

- IFRIC 22, 'Foreign currency transactions and advance consideration' (effective January 1, 2018). This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice.

- Annual improvements 2014–2016. These amendments impact 3 standards:
  - IFRS 1, 'First-time adoption of IFRS', regarding the deletion of short-term exemptions for first-time adopters regarding IFRS 7, IAS 19, and IFRS 10 effective January 1, 2018.
  - IFRS 12, 'Disclosure of interests in other entities' regarding clarification of the scope of the standard. These amendments should be applied retrospectively for annual periods beginning on or after January 1, 2017.
  - IAS 28, 'Investments in associates and joint ventures' regarding measuring an associate or joint venture at fair value effective January 1, 2018.

- IFRS 17, 'Insurance contracts' (effective January 1, 2021). This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

2 Summary of significant accounting policies *continued*

a Basis of preparation *continued*

ii Standards, amendments and interpretations that are not yet effective for the financial year beginning October 1,2016 and not early adopted by the Group. The impact of the following standards has not yet been evaluated: continued

- IFRIC 23, 'Uncertainty over income tax treatments' (effective January 1, 2019). This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes' are applied where there is uncertainty over income tax treatments. The IFRS IC had clarified previously that IAS 12, not IAS 37 'Provisions, contingent liabilities and contingent assets', applies to accounting for uncertain income tax treatments. IFRIC 23 explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

- IFRS 16 'Leases' (effective January 1, 2019). This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular.

  Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognize a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, 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.

- Amendments to IFRS 4, 'Insurance contracts' regarding the implementation of IFRS 9, 'Financial instruments' (effective January 1, 2018). These amendments introduce two approaches: an overlay approach and a deferral approach. The amended standard will:
  - give all companies that issue insurance contracts the option to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and
  - give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments standard – IAS 39.

2 Summary of significant accounting policies *continued*

a Basis of preparation *continued*

iii Restatement of comparative information

The Group adjusted comparative information as a result of discontinued operations. The consolidated income statement the year ended September 30, 2016 was adjusted (Note 34). There was no impact on the statement of financial position as at September 30, 2016 and the statement of comprehensive income for the year ended September 30, 2016.

b Consolidation

i Subsidiaries

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

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

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

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a charge 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 and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

ii Transactions with non-controlling interests

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

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

iii Associates and Joint ventures

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

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

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

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

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

Dilution gains and losses arising in investments in associates are recognised in the consolidated income statement.

2 Summary of significant accounting policies *continued*

c Segment reporting

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

d Foreign currency translation

i Functional and presentation currency

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

ii Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

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

Translation differences on non-monetary items such as equities classified as available-for-sale financial assets are included in other reserves in equity.

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

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 the consolidated statement of comprehensive income.

2 Summary of significant accounting policies *continued*

d Foreign currency translation *continued*

iii Group companies continued

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

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

e Property, plant and equipment

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

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

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

Land is not depreciated.

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

Current rates of depreciation are:

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

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

2 Summary of significant accounting policies *continued*

e Property, plant and equipment *continued*

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in the consolidated income statement.

f Investment properties

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

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

The current rate of depreciation is 2%.

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

g Intangible assets

i Goodwill

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

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

2 Summary of significant accounting policies *continued*

g Intangible assets *continued*

ii Computer software

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

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

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

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

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

iii Brands

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

h Impairment of non-financial assets

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

2 Summary of significant accounting policies *continued*

i Financial assets

Classification

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

i Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the statement of financial position date.

ii Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current assets. Loans and receivables are classified as 'trade and other receivables' and 'instalment credit and other loans' in the consolidated statement of financial position.

Instalment credit and other loans are stated at principal outstanding net of unearned finance charges and specific allowance for loan losses.

Interest from instalment credit is recognised as it accrues on the reducing balance amount at the annual percentage rate. Interest earned on other forms of financing is calculated as is appropriate to individual transactions.

iii Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. Held-to-maturity financial assets are included in non-current assets.

iv Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the statement of financial position date.

2 Summary of significant accounting policies *continued*

j Recognition 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. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the consolidated income statement.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Unlisted equity securities for which fair values cannot be reliably measured have been recognised at cost less impairment. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Financial assets are de-recognised 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.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated income statement as 'gains and losses from investment securities'. Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated income statement. Dividends on available-for-sale equity instruments are recognised in the consolidated income statement when the Group's right to receive payments is established.

k Impairment of financial assets

i Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment, as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event'), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be estimated reliably.

2 Summary of significant accounting policies *continued*

k Impairment of financial assets *continued*

i Assets carried at amortised cost continued

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
  - a adverse changes in the payment status of borrowers in the portfolio; and
  - b national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence of impairment exists.

For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. The Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

ii Assets classified as available- for- sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria referred to above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the consolidated income statement. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

2 Summary of significant accounting policies *continued*

l Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

m Inventories

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

n Trade receivables

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

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

o Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

p Share capital

Ordinary shares with discretionary dividends are classified as equity.

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

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

2 Summary of significant accounting policies *continued*

q Trade payables

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

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

r Insurance

i Insurance and reinsurance contracts

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

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

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

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

ii Amounts receivable from reinsurance companies

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

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

2 Summary of significant accounting policies *continued*

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.

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

t Current and deferred income tax

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

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

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

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

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

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

2 Summary of significant accounting policies *continued*

t Current and deferred income tax *continued*

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

u Employee benefits

i Pension obligations

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

The Neal & Massy Group Pension Fund Plan, contributions to which were frozen on January 31,1990, is a defined contribution plan whose assets are held separately from those of the Group in an independently administered fund. The most recent actuarial valuation, at March 31, 2017, revealed that the plan is adequately funded. There are certain benefits payable by the Neal & Massy Group Pension Fund Plan which fall within the scope of IAS 19 (revised) – Employee Benefits.

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

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

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

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

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

2 Summary of significant accounting policies *continued*

u Employee benefits *continued*

i Pension obligations *continued*

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

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

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

ii Other post-employment obligations

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

iii Termination benefits

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

iv Bonus plans

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

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

2 Summary of significant accounting policies *continued*

u Employee benefits *continued*

iv Bonus plans continued

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

v Executive Share-based payments and Long Term Incentive Plan

a Share-based payments

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

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

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

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

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

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

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

b Long Term Incentive Plan

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

2 Summary of significant accounting policies *continued*

v Executive Share-based payments and Long Term Incentive Plan *continued*

b Long Term Incentive Plan continued

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

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

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

w Provisions

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

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

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

x Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

2 Summary of significant accounting policies *continued*

x Revenue recognition *continued*

- *Sale of goods – wholesale*

  The Group manufactures and sells a range of products in the wholesale market. Sales of goods are recognised when a Group entity has delivered products to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

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

- *Sale of goods – retail*

  The Group operates retail outlets for selling a range of products. Sales of goods are recognised when a Group entity sells a product to the customer. Retail sales are usually in cash or by credit card.

  It is the Group's policy to sell its products to the retail customer with a right to return within a stipulated number of days as required by the entities in the Group. Accumulated experience is used to estimate and provide for such returns at the time of sale.

- *Sale of services*

  The Group is engaged in providing a number of services. These services are provided on a time and material basis or as a fixed-price contract, with contract terms generally ranging from less than one year to three years.

  Revenue from time and material contracts, typically from delivering design services, is recognised under the percentage-of-completion method. Revenue is generally recognised at the contractual rates. For time contracts, the stage of completion is measured on the basis of labour hours delivered as a percentage of total hours to be delivered. For material contracts, the stage of completion is measured on the basis of direct expenses incurred as a percentage of the total expenses to be incurred.

  Revenue from fixed-price contracts for delivering design services is also recognised under the percentage-of-completion method. Revenue is generally recognised based on the services performed to date as a percentage of the total services to be performed.

2 Summary of significant accounting policies *continued*

x Revenue recognition *continued*

- *Sale of services continued*

  Revenue from fixed-price contracts is generally recognised in the period the services are provided, using a straight-line basis over the term of the contract.

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

- *Premium income*

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

- *Rental income*

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

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

- *Interest income*

  Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

- *Dividend income*

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

y Leases

Group is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

2 Summary of significant accounting policies *continued*

y Leases *continued*

Group is the lessee continued

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where, the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Group is the lessor

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

z Dividend distribution

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

3 Financial risk management

a Financial risk factors

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

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

3 Financial risk management *continued*

a Financial risk factors *continued*

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

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

i Market risk

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

a Currency risk

The Group is exposed to foreign exchange risk arising from various currency exposures. 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 values of debt, investments and other financial liabilities, denominated in currencies other than the functional currency of the entities holding them, are subject to exchange rate movements. The USD foreign exchange position as at September 30, 2017 is not significant. A 2 percent change in USD rates would lead to a TT$18 (2016: TT$20) loss/gain in the consolidated income statement.

The assets and liabilities of the Colombian subsidiaries are denominated in Colombian Pesos and are translated into Trinidad and Tobago dollars at exchange rates prevailing at the date of the consolidated statement of financial position. Exchange differences arising are recognised in the consolidated statement of comprehensive income and are included in the consolidated translation reserve. A 10% devaluation in the Colombian Peso to the US dollar would result in TT$7,725 (2016 : $7,451) loss to the statement of comprehensive income.

b Interest rate risk

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

At the end of 2017, interest rates were fixed on approximately 93% of the borrowings (2016: 98%). The impact on the consolidated income statement to a 50 basis points change in floating interest rates is $713 in 2017 (2016: $199).

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

3 Financial risk management *continued*

a Financial risk factors *continued*

i Market risk continued

c Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated statement of financial position as available-for-sale. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii Credit risk

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

The Group has no significant concentrations of credit risk and trades mainly with recognised, creditworthy third parties. It is the Group's policy that all customers trading on credit terms are subject to credit verification procedures. These procedures are elements of a structured credit control system and include an analysis of each customer's creditworthiness and the establishment of limits before credit terms are set. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The maximum exposure is the carrying amount as disclosed in Note 11.

With respect to credit risk arising from the other financial assets of the Group, namely cash and cash equivalents and available-for-sale financial investments, the Group's exposure to credit risk arises principally from default of the counterparty.

iii Liquidity risk

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

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

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

3 Financial risk management *continued*

a Financial risk factors *continued*

iii Liquidity risk continued

Maturity analysis of financial liabilities

	Less than 1 year $	1 - 5 years $	More than 5 years $	Contractual cash flows $	Carrying amount $
2017					
Financial liabilities					
Bank overdraft and other short-term borrowings	34,488	–	–	34,488	34,488
Other borrowings	430,960	1,170,000	1,141,829	2,742,789	2,227,458
Customers' deposits	249,280	110,605	–	359,885	352,029
Trade payables	931,743	–	–	931,743	931,743
Liabilities on insurance contracts	2,750,345	–	–	2,750,345	2,750,345
Subtotal	**4,396,816**	**1,280,605**	**1,141,829**	**6,819,250**	**6,296,063**

	Less than 1 year $	1 - 5 years $	More than 5 years $	Contractual cash flows $	Carrying amount $
2016					
Financial liabilities					
Bank overdraft and other short-term borrowings	10,735	–	–	10,735	10,735
Other borrowings	439,692	995,041	1,494,320	2,929,053	2,207,158
Customers' deposits	267,184	125,550	–	392,734	383,010
Trade payables	864,151	–	–	864,151	864,151
Liabilities on insurance contracts	757,294	–	–	757,294	757,294
Subtotal	**2,339,056**	**1,120,591**	**1,494,320**	**4,953,967**	**4,222,348**

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 vary the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

3 Financial risk management *continued*

b Capital risk management *continued*

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

	2017 $	2016 $
Total borrowings (Note 22)	**2,261,946**	2,217,893
Less: Cash and cash equivalents (Note 18)	**(1,565,945)**	(2,030,126)
Net debt	**696,001**	187,767
Total equity	**5,163,247**	5,048,292
Total capital	**5,859,248**	**5,236,059**
Gearing ratio	**12%**	4%

c Fair value estimation

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

Level 1 Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date. The types of assets carried at level 1 fair value are equity and debt securities listed in active markets.

Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. These inputs are derived principally from or corroborated by observable market data by correlation or other means at the measurement date and for the duration of the instruments' anticipated life.

The assets generally included in this fair value hierarchy are time deposits, foreign exchange and interest rate derivatives and certain investment funds. Foreign exchange derivatives and interest rate derivatives are valued using corroborated market data. The liabilities generally included in this fair value hierarchy consist of foreign exchange derivatives and options on equity securities.

Level 3 Inputs that are unobservable for the asset or liability for which there are no active markets to determine a price. These financial instruments are held at cost being the fair value of the consideration paid for the acquisition of the investments, and are regularly assessed for impairment.

3 Financial risk management *continued*

c Fair value estimation *continued*

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price.

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

The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The following table presents the Group's assets that are measured at fair value at September 30, 2017:

	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Financial assets				
- Trading securities	135,960	70,995	354	**207,309**
- Debt securities	573,405	–	–	**573,405**
Available-for-sale financial assets				
- Equity securities	13,261	–	155,773	**169,034**
- Debt securities	1,348	–	5,660	**7,008**
	723,974	**70,995**	**161,787**	**956,756**

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

3 **Financial risk management** *continued*

c Fair value estimation *continued*

The following table presents the Group's assets that are measured at fair value at September 30, 2016:

	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Financial assets				
- Trading securities	135,728	11,447	–	**147,175**
Available-for-sale financial assets				
- Equity securities	15,905	–	162,505	**178,410**
- Debt securities	1,342	–	32,947	**34,289**
	152,975	**11,447**	**195,452**	**359,874**

4 **Critical accounting estimates and judgements**

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

a Critical accounting estimates and assumptions

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

i Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.g. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates as described in Note 8.

ii Impairment of property, plant and equipment and investment properties

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

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

a Critical accounting estimates and assumptions *continued*

ii Impairment of property, plant and equipment and investment properties continued

The assessment of whether indicators of impairment exist and the estimation of the recoverable amount both require the use of management judgement.

iii Income taxes

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

iv Fair value of financial instruments

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

v Revenue recognition

The Group uses the percentage-of-completion method in accounting for its sales of services. Use of the percentage-of-completion method requires the Group to estimate the services performed to date as a proportion of the total services to be performed.

vi Pension benefits

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

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

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 15.

4 Critical accounting estimates and judgements *continued*

a Critical accounting estimates and assumptions *continued*

vii Liabilities on insurance contracts

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

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

b Critical judgements in applying the entity's accounting policies

Impairment of available-for-sale equity investments

The Group follows the guidance of IAS 39 to determine when an available-for-sale equity investment is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

5 Segment information

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

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

The Group is organised into six main business segments:

1 Automotive and Industrial Equipment;
2 Integrated Retail;
3 Financial Services;
4 Energy and Industrial Gases;
5 Information Technology and Communications (ITC);
6 Other Investments.

5 Segment information *continued*

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

1 Automotive and Industrial Equipment

This segment derives its revenue mainly from the sale of new and used vehicles, spare parts and industrial equipment and also includes the manufacturing and sale of pre-stressed concrete products and the installation of deep foundations.

2 Integrated Retail

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

3 Financial Services

This segment includes our insurance company, Massy United Insurance Ltd. The Company acts as a primary insurer for property, motor, liability and marine risk within the Caribbean region. It also includes a financing company that accepts deposits for fixed terms and grants instalment credit secured by assets.

4 Energy and Industrial Gases

This segment derives its revenue from the sale of gas and the provision of electrical, instrumentation and construction services for offshore platforms. Revenue is also generated from the supply of technical resources, valve services and technical equipment to the energy-based industries in Trinidad and Tobago and the region.

5 ITC

This segment derives its revenue mainly from the sale, rental and provision of professional services of technology-based solutions, office interiors and the provision of long-distance communications, carrier/voice data, enterprise and broadband.

6 Other Investments

This segment earns revenue from consultancy, property management and other services.

Head Office and Other

The head office and other segment includes companies which provide management, advisory and several support services to relevant subsidiaries across the Group.

The Group's retirement benefit assets are deemed unallocated and are not considered to be segment assets but rather are managed by Head Office. These amounts are included in Head Office and Other Adjustments.

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

5 Segment information *continued*

The segment results for the year ended September 30, 2017 are as follows:

	Automotive and Industrial Equipment $	Integrated Retail $	Financial Services $	Energy and Industrial Gases $	Information Technology and Communi-cations $	Other Investments $	Head Office and Other Adjustments $	Total $
Continuing operations								
Group revenue	2,519,381	7,006,398	555,977	1,001,038	620,083	558,448	41,880	**12,303,205**
Inter-segment revenue	(32,691)	(333,639)	(2,124)	(15,795)	(36,346)	(77,061)	(41,880)	**(539,536)**
Third party revenue	**2,486,690**	**6,672,759**	**553,853**	**985,243**	**583,737**	**481,387**	**–**	**11,763,669**
Operating profit/(loss) before finance costs	191,359	368,336	620	125,903	96,736	73,977	(116,028)	**740,903**
Finance costs – net	(21,919)	(29,402)	17,444	5,531	(4,391)	4,330	(27,197)	**(55,604)**
	169,440	338,934	18,064	131,434	92,345	78,307	(143,225)	**685,299**
Share of results of associates and joint ventures net of impairment (Note 10)	–	–	–	68,851	–	142	–	**68,993**
Profit/(loss) before income tax	169,440	338,934	18,064	200,285	92,345	78,449	(143,225)	**754,292**
Taxation	(68,433)	(116,203)	(16,918)	(70,825)	(21,226)	(17,688)	36,828	**(274,465)**
Profit/(loss) for the year	**101,007**	**222,731**	**1,146**	**129,460**	**71,119**	**60,761**	**(106,397)**	**479,827**

5 Segment information *continued*

The Group's retirement benefit assets are deemed unallocated and are not considered to be segment assets but rather are managed by Head Office. These amounts are included in Head Office and Other Adjustments.

The segment results for the year ended September 30, 2016 are as follows:

	Automotive and Industrial Equipment $	Integrated Retail $	Financial Services $	Energy and Industrial Gases $	Information Technology and Communi-cations $ (Restated)	Other Investments $	Head Office and Other Adjustments $	Total $ (Restated)
Group revenue	2,336,157	7,114,679	533,890	1,033,312	591,720	544,169	1,344	**12,155,271**
Inter-segment revenue	(124,628)	(360,808)	(3,261)	(37,364)	(39,051)	(74,759)	(1,344)	**(641,215)**
Third party revenue	**2,211,529**	**6,753,871**	**530,629**	**995,948**	**552,669**	**469,410**	**–**	**11,514,056**
Operating profit/(loss) before finance costs	218,626	354,120	78,442	170,826	93,591	89,691	(96,332)	**908,964**
Finance costs – net	(14,534)	(33,286)	19,512	2,408	(6,981)	(832)	(19,391)	**(53,104)**
	204,092	320,834	97,954	173,234	86,610	88,859	(115,723)	**855,860**
Share of results of associates and joint ventures net of impairment (Note 10)	–	–	–	29,001	(1,279)	1,567	–	**29,289**
Profit/(loss) before income tax	204,092	320,834	97,954	202,235	85,331	90,426	(115,723)	**885,149**
Taxation	(65,535)	(104,013)	(28,405)	(58,410)	(21,799)	(13,760)	19,662	**(272,260)**
Profit/(loss) for the year	**138,557**	**216,821**	**69,549**	**143,825**	**63,532**	**76,666**	**(96,061)**	**612,889**

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

5 Segment information *continued*

The segment assets and liabilities at September 30, 2017 and capital expenditure for the year then ended are as follows:

	Automotive and Industrial Equipment $	Integrated Retail $	Financial Services $	Energy and Industrial Gases $	Information Technology and Communi-cations $	Other Investments $	Head Office and Other Adjustments $	Total $
Total assets	1,463,645	2,952,341	4,235,315	1,178,705	484,950	1,470,020	1,492,155	**13,277,131**
Investments in associates and joint ventures (Note 10)	–	6,740	169	180,676	–	51,720	–	**239,305**
Total liabilities	507,694	976,673	3,241,599	304,375	214,102	474,112	2,395,329	**8,113,884**
Capital expenditure	127,761	275,214	28,327	54,217	59,518	38,540	1,783	**585,360**
Other segment items included in the consolidated income statement are as follows:-								
Depreciation and impairment (Notes 6 and 7)	101,541	88,530	7,921	37,767	27,670	19,305	3,473	**286,207**
Impairment of goodwill (Note 8)	11,665	1,431	–	23,863	–	–	–	**36,959**

5 Segment information *continued*

The segment assets and liabilities at September 30, 2016 and capital expenditure for the year then ended are as follows:

	Automotive and Industrial Equipment $	Integrated Retail $	Financial Services $	Energy and Industrial Gases $	Information Technology and Communi-cations $	Other Investments $	Head Office and Other Adjustments $	Total $
Total assets	1,335,152	2,761,271	2,216,775	1,288,421	693,262	1,472,707	1,273,241	**11,040,829**
Investments in associates and joint ventures (Note 10)	–	6,720	138	182,586	2,092	53,427	–	**244,963**
Total liabilities	541,351	910,270	1,434,354	306,307	235,505	474,010	2,090,740	**5,992,537**
Capital expenditure	112,604	138,320	11,965	56,856	157,133	18,403	5,004	**500,285**
Other segment items included in the consolidated income statement are as follows:-								
Depreciation and impairment (Notes 6 and 7)	111,624	90,684	5,827	36,194	38,380	18,378	3,340	**304,427**
Impairment of goodwill (Note 8)	–	1,431	–	–	–	–	–	**1,431**

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

5 Segment information *continued*

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to third parties. Capital expenditure comprises additions to property, plant and equipment and investment properties.

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

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

	Third party revenue		Profit before income tax		Total assets		Capital expenditure	
	2017 $	2016 $ (Restated)	2017 $	2016 $ (Restated)	2017 $	2016 $	2017 $	2016 $
Trinidad and Tobago	**5,256,799**	5,567,233	**493,700**	509,605	**5,089,702**	5,268,604	**336,569**	344,526
Barbados and Eastern Caribbean	**3,878,332**	3,857,166	**199,747**	287,222	**6,254,472**	4,157,119	**195,476**	77,184
Guyana	**895,447**	821,656	**130,323**	118,648	**613,067**	571,659	**22,265**	47,707
Jamaica	**667,721**	686,290	**74,014**	63,721	**406,477**	411,344	**20,935**	23,053
Colombia	**980,014**	524,640	**(7,269)**	18,554	**534,160**	302,465	**9,551**	7,678
Other	**85,356**	57,071	**7,002**	3,122	**379,254**	329,638	**564**	137
Head Office and Other Adjustments	**–**	–	**(143,225)**	(115,723)	**–**	–	**–**	–
	11,763,669	**11,514,056**	**754,292**	**885,149**	**13,277,132**	**11,040,829**	**585,360**	**500,285**

6 Property, plant and equipment

	Freehold Property $	Leasehold property and improvements $	Plant and equipment $	Rental assets $	Furniture and fixtures $	Motor vehicles $	Capital work in progress $	Total $
At September 30, 2015								
Cost	1,194,924	262,320	1,389,030	569,029	205,253	211,574	120,419	**3,952,549**
Accumulated depreciation	(139,334)	(115,042)	(975,637)	(271,379)	(143,777)	(126,576)	(16)	**(1,771,761)**
Net book amount	**1,055,590**	**147,278**	**413,393**	**297,650**	**61,476**	**84,998**	**120,403**	**2,180,788**
Year ended September 30, 2016								
Opening net book amount	1,055,590	147,278	413,393	297,650	61,476	84,998	120,403	**2,180,788**
Additions	7,003	49,456	229,293	122,173	27,656	45,282	14,334	**495,197**
Disposals and adjustments	(1,704)	(768)	(2,313)	(58,482)	(377)	(2,209)	(2,944)	**(68,797)**
Translation adjustments	49,940	1,599	8,287	410	1,257	2,449	397	**64,339**
Transfer from capital work in progress	(1,048)	3,293	18,255	–	479	1,495	(22,474)	**–**
Depreciation charge	(20,903)	(13,996)	(99,067)	(114,268)	(22,603)	(29,790)	(14)	**(300,641)**
Closing net book amount	**1,088,878**	**186,862**	**567,848**	**247,483**	**67,888**	**102,225**	**109,702**	**2,370,886**
At September 30, 2016								
Cost	1,253,721	318,244	1,596,976	524,587	219,517	245,089	109,716	**4,267,850**
Accumulated depreciation	(164,843)	(131,382)	(1,029,128)	(277,104)	(151,629)	(142,864)	(14)	**(1,896,964)**
Net book amount	**1,088,878**	**186,862**	**567,848**	**247,483**	**67,888**	**102,225**	**109,702**	**2,370,886**

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

6 Property, plant and equipment *continued*

	Freehold Property $	Leasehold property and improvements $	Plant and equipment $	Rental assets $	Furniture and fixtures $	Motor vehicles $	Capital work in progress $	Total $
Year ended September 30, 2017								
Opening net book amount	1,088,878	186,862	567,848	247,483	67,888	102,225	109,702	**2,370,886**
Additions	68,173	11,832	128,788	117,007	12,787	36,760	204,670	**580,017**
Acquisitions of subsidiaries (Note 35)	9,848	–	8,841	–	572	–	–	**19,261**
Disposals and adjustments	(33,843)	(3,391)	(204,980)	(70,593)	(4,983)	(6,451)	(49,954)	**(374,195)**
Translation adjustments	(116)	(177)	(1,127)	(95)	(160)	(173)	(65)	**(1,913)**
Transfer from capital work in progress	14,833	46	33,261	–	(115)	13	(48,038)	**–**
Depreciation charge	(22,918)	(14,102)	(98,141)	(97,663)	(20,856)	(28,852)	(13)	**(282,545)**
Closing net book amount	**1,124,855**	**181,070**	**434,490**	**196,139**	**55,133**	**103,522**	**216,302**	**2,311,511**
At September 30, 2017								
Cost	1,284,633	314,014	1,441,270	485,558	208,212	253,568	216,330	**4,203,585**
Accumulated depreciation	(159,778)	(132,944)	(1,006,780)	(289,419)	(153,079)	(150,046)	(28)	**(1,892,074)**
Net book amount	**1,124,855**	**181,070**	**434,490**	**196,139**	**55,133**	**103,522**	**216,302**	**2,311,511**

The net book amount of property, plant and equipment includes $1,913 (2016: $1,779) in respect of motor vehicles held under finance leases.

Depreciation expense of $114,505 (2016: $132,483) has been charged in cost of sales and $168,040 (2016: $168,158) in 'selling, general and administrative expenses'.

7 Investment properties

	2017 $	2016 $
At September 30		
Cost	**472,760**	467,069
Accumulated depreciation and impairment	**(53,601)**	(49,823)
Net book amount	**419,159**	**417,246**
Opening net book amount	**417,246**	395,965
Adjustment to opening balance and other adjustments	**(33)**	(379)
Translation adjustments	**265**	20,358
Additions	**5,343**	5,088
Depreciation	**(3,662)**	(3,786)
Closing net book amount	**419,159**	**417,246**

The fair value of the investment properties amounted to $640,707 (2016: $727,486) as valued by an independent, professionally qualified valuator taking into consideration current replacement costs, land tax valuations and other valuation techniques.

The property rental income earned by the Group during the year from its investment properties, amounted to $43,666 (2016: $53,003). Direct operating expenses arising on the investment properties which generated revenue during the year amounted to $20,492 (2016: $24,312).

Direct operating expenses arising on the investment properties which did not generate revenue during the year amounted to $735 (2016: $123).

Depreciation and impairment expense has been charged in cost of sales.

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

8 Goodwill

	2017 $	2016 $
At September 30		
Cost	**357,365**	279,172
Translation adjustments	**(8,271)**	(8,460)
Accumulated impairment	**(110,596)**	(73,637)
Net book amount	**238,498**	**197,075**
Year ended September 30		
Opening net book amount	**197,075**	191,468
Adjustments	**(1,174)**	–
Translation adjustments	**189**	4,911
Additions (Note 35)	**79,367**	2,127
Impairment charge (Note 27)	**(36,959)**	(1,431)
Closing net book amount	**238,498**	**197,075**

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

A segment-level summary of the goodwill allocation is presented below.

	2017 $		2016 $	
	Trinidad and Tobago	Overseas	Trinidad and Tobago	Overseas
Automotive and Industrial Equipment	**953**	**103,187**	13,792	23,820
Energy and Industrial Gases	**10,092**	**2,485**	33,954	2,485
Integrated Retail	**2,266**	**75,571**	3,697	75,446
Financial Services	**–**	**40,673**	–	40,610
Other Investments	**–**	**3,271**	–	3,271
Total	**13,311**	**225,187**	**51,443**	**145,632**

The recoverable amount of cash generating units is determined based on value-in-use calculations.

These calculations use pre-tax cash flow projections based on financial budgets approved by Directors covering a five-year period.

8 Goodwill *continued*

Key assumptions used for value-in-use calculations:

	2017		2016	
	Growth rate	Discount rate	Growth rate	Discount rate
Automotive and Industrial Equipment	**2.2%-2.9%**	**8.31%**	0%-5%	10.07%-12.4%
Energy and Industrial Gases	**1%**	**11.82%**	0%-17%	12.09%-13.9%
Integrated Retail	**1.5%-3%**	**8.6%-9.5%**	1%-5%	7.9%-11.4%
Financial Services	**10%**	**9.7%**	5%	11.3%
Other Investments	**1.6%**	**10.04%**	2%	11.59%

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

[2] Pre-tax discount rate applied to the cash flow projections.

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

9 Other intangible assets

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

	2017 $	2016 $
Cost	**67,715**	59,934
Translation adjustments	**80**	935
Additions	**5,617**	6,846
Accumulated amortisation	**(21,668)**	(16,932)
Net book amount	**51,744**	**50,783**

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

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

10 Investments in associates and joint ventures

	2017 $	2016 $ (Restated)
Investment and advances	**73,773**	82,825
Share of post-acquisition reserves	**165,532**	162,138
	239,305	**244,963**
Balance at beginning of year	**244,963**	310,586
Additional investments and advances	**–**	1,595
Share of results before tax	**68,993**	29,289
Share of tax	**(23,921)**	(9,171)
Discontinued operations – I&G Technologies (Costa Rica)	**–**	(50,924)
Dividends received	**(49,154)**	(40,421)
Disposal of associates	**(2,103)**	–
Best Auto Ltd. – transferred from an associate to a subsidiary	**–**	(5,073)
Exchange differences	**497**	8,967
Other	**30**	115
Balance at end of year	**239,305**	**244,963**

The Group acquired a 20% stake in an IT services company based in Costa Rica in 2014. The acquisition cost the Group $64,500.

Investments in associates at September 30, 2017 include goodwill of $17,437 (2016: $18,203), net of accumulated impairment of $10,724 (2016: $9,958).

Analysis of position and results of the Group's investments in associates and joint ventures are as follows:

	2017 $	2016 $
Assets	**616,122**	653,804
Liabilities	**373,442**	433,160
Revenues	**671,126**	715,759
Net profit/(loss) after tax and impairment	**45,072**	(30,806)

10 Investments in associates and joint ventures *continued*

The Group has investments in associates whose year ends are not coterminous with September 30. These are principally:

	Country of incorporation	Reporting year end
Massy Wood Group Limited	Trinidad and Tobago	31 December
G4S Holdings Trinidad Limited	Trinidad and Tobago	31 December
G4S Security Services (Barbados) Limited	Barbados	31 December

11 Credit quality of financial assets

Credit quality – investments

	Low risk $	Standard risk $	Sub-standard risk $	Impaired $	Total $
Investments					
2017	**39,256**	**1,414,670**	**174**	**–**	**1,454,100**
2016	235,186	527,668	174	–	763,028

Credit quality – other financial assets

	Fully performing $	Past due but not impaired $	Impaired $	Provision for impairment $	Total $
2017					
Instalment credit and other loans	452,598	23,856	31,563	(20,817)	**487,200**
Trade receivables	566,337	610,029	100,232	(98,308)	**1,178,290**
	1,018,935	**633,885**	**131,795**	**(119,125)**	**1,665,490**

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

11 Credit quality of financial assets *continued*

Credit quality – other financial assets *continued*

	Fully performing $	Past due but not impaired $	Impaired $	Provision for impairment $	Total $
2016					
Instalment credit and other loans	420,266	31,633	8,473	(8,925)	**451,447**
Trade receivables	532,580	550,384	92,187	(86,411)	**1,088,740**
	952,846	**582,017**	**100,660**	**(95,336)**	**1,540,187**

The credit quality of other investments has been analysed into the following categories:

Low Risk	These comprise Sovereign Debt Investments where there has been no history of default.
Standard	These investments are current and have been serviced in accordance with the terms and conditions of the underlying agreements.
Sub-Standard	These investments are either greater than 90 days in arrears but are not considered to be impaired or have been restructured in the past year.
Impaired	These investments are non-performing.

12 Financial assets

	2017 $	2016 $
Held to maturity	**840,405**	173,913
Loans and receivables	**416,613**	351,101
Available for sale	**176,042**	212,699
Fair value through profit or loss	**207,309**	147,175
Total	**1,640,369**	**884,888**
Non-Current Financial Assets	**859,655**	737,713
Current Financial Assets	**780,714**	147,175
	1,640,369	**884,888**

12 Financial assets *continued*

a Financial assets – Held to maturity and loans and receivables

	Held to maturity $	Loans and receivables $	Total $
2017			
Beginning of the year	173,913	351,101	**525,014**
Exchange adjustments	777	1,044	**1,821**
Reclassified from available for sale and held to maturity to loans and receivables	(2,490)	35,571	**33,081**
Amortisation/change in market value	(1,238)	483	**(755)**
Additions	688,491	38,053	**726,544**
Disposals	(19,048)	(9,639)	**(28,687)**
End of the year	**840,405**	**416,613**	**1,257,018**
2016			
Beginning of the year	121,156	358,385	**479,541**
Exchange adjustments	6,970	18,149	**25,119**
Amortisation/change in market value	(1,330)	(3,249)	**(4,579)**
Additions	72,082	36,893	**108,975**
Disposals	–	(59,077)	**(59,077)**
Maturity	(24,965)	–	**(24,965)**
End of the year	**173,913**	**351,101**	**525,014**

The fair value of held to maturity financial assets and loans and receivables approximate their carrying amounts.

b Financial assets – available-for-sale investments

	2017 $	2016 $
Beginning of the year	**212,699**	146,986
Exchange differences	**190**	1,342
Reclassified from available for sale to loans and receivables	**(33,081)**	–
Change in market value/impairment charge	**(2,865)**	(168)
Additions	**–**	64,979
Disposals	**(1,072)**	–
Net gains transferred from equity to other comprehensive income	**171**	(440)
	176,042	**212,699**

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

12 Financial assets *continued*

b Financial assets – available-for-sale investments *continued*

	2017 $	2016 $
Available for sale investments include the following:		
Bonds and treasury bills	**1,348**	1,342
Quoted securities	**13,261**	15,905
Unquoted securities	**161,433**	195,452
	176,042	**212,699**
Available for sale investments are denominated in the following currencies:		
Trinidad & Tobago dollars	**281**	209
Barbados dollars	**10,279**	13,105
United States dollars	**163,793**	163,610
Other	**1,689**	35,775
	176,042	**212,699**

The maximum exposure to credit risk at the reporting date is the carrying value of the debt securities classified as available for sale.

c Financial assets – fair value through profit or loss

	2017 $	2016 $
Beginning of the year	**147,175**	121,396
Exchange differences	**437**	7,276
Adjustment to opening balance	**–**	(322)
Change in market value/impairment charge	**12,225**	4,129
Additions	**171,814**	138,596
Disposals	**(124,342)**	(123,900)
	207,309	**147,175**

13 Deferred income tax

Deferred income taxes are calculated in full, on temporary differences under the liability method using a principal tax rate of 30% (2016: 30%).

The movement in the deferred income tax account is as follows:

	2017 $	2016 $
Deferred income tax liabilities		
Balance at beginning of year	**224,168**	178,431
Charge for the year	**19,469**	27,868
Exchange adjustment	**(327)**	410
Other movements	**(8,825)**	17,459
Balance at end of year	**234,485**	**224,168**

The movement in the deferred tax liabilities during the year ended September 30, 2017 is as follows:

	30.09.16 $	Charge to consolidated income statement $	Other movements $	30.09.17 $
Accelerated depreciation	84,124	15,869	(3,949)	**96,044**
Pension plan surplus	122,647	(892)	4,357	**126,112**
Other	17,397	4,492	(9,560)	**12,329**
	224,168	**19,469**	**(9,152)**	**234,485**

The movement in the deferred tax liabilities during the year ended September 30, 2016 is as follows:

	30.09.15 $	Charge to consolidated income statement $	Other movements $	30.09.16 $
Accelerated depreciation	75,068	5,449	3,607	84,124
Pension plan surplus	100,978	8,062	13,607	122,647
Other	2,385	14,357	655	17,397
	178,431	**27,868**	**17,869**	**224,168**

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

13 Deferred income tax *continued*

Deferred income tax assets

The movement in the deferred tax assets during the year ended September 30, 2017 is as follows:

	2017 $	2016 $
Balance at beginning of year	**103,104**	67,353
Credit for the year	**20,770**	22,898
Other movements	**(16,954)**	8,393
Exchange adjustments	**56**	4,460
Balance at end of year	**106,976**	**103,104**

The movement in the deferred tax assets during the year ended September 30, 2017 is as follows:

	30.09.16 $	Credit to consolidated income statement $	Other movements $	30.09.17 $
Accelerated depreciation	26,216	437	3,769	**30,422**
Tax losses carried forward	20,593	15,404	(15,541)	**20,456**
Other	56,295	4,929	(5,126)	**56,098**
	103,104	**20,770**	**(16,898)**	**106,976**

The movement in the deferred tax assets during the year ended September 30, 2016 is as follows:

	30.09.15 $	Credit/(charge) to consolidated income statement $	Other movements $	30.09.16 $
Accelerated depreciation	22,162	(4,361)	8,415	26,216
Tax losses carried forward	8,383	13,786	(1,576)	20,593
Other	36,808	13,473	6,014	56,295
	67,353	**22,898**	**12,853**	**103,104**

Deferred income tax assets are recognised for tax losses carry-forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable.

14 Instalment credit and other loans

These represent the instalment credit and other loans granted mainly by Massy Finance GFC Ltd.

	2017 $	2016 $
Amounts due within one year	**198,360**	159,150
Between two and five years	**264,466**	261,327
Over five years	**45,191**	39,895
	508,017	460,372
Provision for losses	**(20,817)**	(8,925)
	487,200	451,447
Due within one year	**(177,776)**	(156,667)
	309,424	**294,780**

a Sectorial analysis of instalment credit and other loans

	2017 $	2016 $
Consumer	**310,687**	283,701
Manufacturing	**6,532**	8,172
Distribution	**18,563**	26,605
Construction	**41,293**	32,499
Transport	**37,611**	32,212
Agriculture	**7,844**	3,244
Petroleum	**2,058**	3,024
Residential mortgages	**5,007**	4,659
Other	**57,605**	57,331
	487,200	**451,447**

b Provision for losses

	2017 $	2016 $
Balance at beginning of year	**8,925**	7,264
Adjustment to opening balance	**6,934**	–
Charge for the year	**8,378**	3,730
Amount written off net of recoveries	**(3,420)**	(2,069)
Balance at end of year	**20,817**	**8,925**

The maximum exposure to credit risk at the reporting date is the carrying value of the instalment credit and other loans. The Group holds $570,397 (2016: $534,723) of collateral as security.

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

15 Retirement benefit assets/obligations

	2017 $	2016 $
Retirement benefit assets		
Neal & Massy Group Pension Fund Plan	**401,983**	390,061
Overseas plans – Other	**65,451**	62,146
	467,434	**452,207**

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

Neal & Massy Group Pension Fund Plan

	2017 $	2016 $
The amounts recognised in the statement of financial position are as follows:		
Fair value of plan assets	**1,697,389**	1,616,103
Present value of obligation	**(1,174,617)**	(1,138,136)
	522,772	477,967
Unutilisable asset	**(120,789)**	(87,906)
Asset in the statement of financial position	**401,983**	**390,061**
Opening present value of defined benefit obligation	**1,138,136**	1,101,280
Current service cost	**22,474**	21,263
Interest cost	**55,802**	53,996
Actuarial losses on obligation	**2,388**	4,322
Benefits paid	**(44,183)**	(42,725)
Closing present value of defined benefit obligation at September 30	**1,174,617**	**1,138,136**
The movement in the fair value of plan assets for the year is as follows:		
Opening fair value of plan assets	**1,616,103**	1,619,489
Expected return on plan assets	**75,305**	73,512
Actuarial gains/(losses) on plan assets	**50,164**	(34,173)
Benefits paid	**(44,183)**	(42,725)
Closing fair value of plan assets at September 30	**1,697,389**	**1,616,103**

15 Retirement benefit assets/obligations *continued*

	2017 $	2016 $
The amounts recognised in the consolidated income statement are as follows:		
Current service cost	**22,474**	21,263
Net interest cost	**(19,502)**	(19,517)
Total included in other income	**2,972**	**1,746**
Actuarial gains recognised in comprehensive income before tax	**(14,894)**	**(1,465)**
Movement in the asset recognised in the consolidated statement of financial position:		
Asset at beginning of year	**390,061**	390,342
Net pension expense	**(2,972)**	(1,746)
Actuarial gains	**14,894**	1,465
Asset at end of year	**401,983**	**390,061**

The principal actuarial assumptions used were:

	Per annum	Per annum
Discount rate	**5.0%**	5.0%
Future salary increases	**5.0%**	5.0%
Future pension increases – post retirement	**3.0%**	3.0%
Sensitivity	**1% increase**	**1% decrease**
To discounted rate ($)	**(169,059)**	**217,545**

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

	2017	2016
Plan assets are comprised as follows:		
Local equities/mutual funds	**41%**	42%
Local bonds/mortgages	**18%**	18%
Foreign investments	**33%**	31%
Deferred annuities/insurance policy	**6%**	7%
Short-term securities/cash/accrued income	**2%**	2%

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

15 Retirement benefit assets/obligations *continued*

	2017	2016
The average life expectancy in years of a pensioner retiring at age 60 is as follows:		
Male	**81**	82
Female	**85**	86

Overseas plans – Other

	2017 $	2016 $
The amounts recognised in the statement of financial position are as follows:		
Fair value of plan assets	**236,418**	220,524
Present value of the defined benefit obligation	**(164,654)**	(154,898)
	71,764	65,626
Unutilisable asset	**(6,313)**	(3,480)
Asset recognised in the statement of financial position	**65,451**	**62,146**
The movement in the defined benefit obligation over the year is as follows:		
Opening present value of defined benefit obligation	**154,898**	140,950
Current service cost	**3,599**	3,562
Interest cost	**11,020**	10,349
Plan participant contributions	**3,300**	3,205
Actuarial losses/gains on obligation	**3,885**	(35)
Liabilities extinguished on settlement/curtailment	**(879)**	(310)
Exchange differences on foreign plans	**(1,484)**	5,759
Benefits paid	**(9,685)**	(8,582)
Closing present value of defined benefit obligation	**164,654**	**154,898**

15 Retirement benefit assets/obligations *continued*

	2017 $	2016 $
The movement in the fair value of plan assets for the year is as follows:		
Opening fair value of plan assets	**220,524**	203,361
Income from discount rate on utilisable plan assets	**16,015**	14,819
Actual return on assets greater than/(less than) above	**6,517**	(732)
Exchange differences on foreign plans	**(1,960)**	6,864
Employer contributions	**2,237**	2,130
Plan participant contributions	**3,300**	3,205
Administration expenses	**(530)**	(541)
Benefits paid	**(9,685)**	(8,582)
Closing fair value of plan assets at September 30	**236,418**	**220,524**
The amounts recognised in the consolidated income statement are as follows:		
Current service cost	**3,599**	3,562
Net interest cost	**(4,994)**	(4,469)
Administration expenses	**530**	541
Curtailments and settlements	**(879)**	(310)
Total included in other income	**(1,744)**	**(676)**
Actual return on plan assets	**22,532**	**14,087**
Movement in the asset recognised in the consolidated statement of financial position:		
Asset at beginning of year	**62,146**	57,043
(Loss)/gain recognised in retained earnings	**(676)**	2,297
Net pension income	**1,744**	676
Employer contributions	**2,237**	2,130
Asset at end of year	**65,451**	**62,146**
Actuarial (losses)/gains recognised in the comprehensive income before tax	**(676)**	**2,297**

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

15 Retirement benefit assets/obligations *continued*

	2017 Per annum	2016 Per annum
The principal actuarial assumptions used were:		
Discount rate	**6%-9%**	6%-9%
Future salary increases	**5%-6.5%**	5%-5.5%
Future NIS increases	**4%-5.5%**	4%-5.5%
Future pension increases	**1%-5%**	1%-5%
Future bonuses	**0%-2%**	0%-1%

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

	2017 $	2016 $
Retirement benefit obligations		
Barbados Shipping & Trading (BST) – medical plan	**(98,141)**	(89,322)
Barbados Shipping & Trading (BST) – pension plan	**(50,338)**	(41,150)
Other plans	**(50,597)**	(44,432)
	(199,076)	**(174,904)**
Overseas plans – BS&T		
The amounts recognised in the statement of financial position are as follows:		
Fair value of plan assets	**554,037**	500,771
Present value of the defined benefit obligation	**(545,370)**	(541,921)
	8,667	(41,150)
Unrecognised asset due to limit	**(59,005)**	–
Liability in the statement of financial position	**(50,338)**	**(41,150)**

15 Retirement benefit assets/obligations *continued*

Overseas plans – BS&T *continued*

	2017 $	2016 $
The movement in the defined benefit obligation over the year is as follows:		
Opening present value of defined benefit obligation	**541,921**	509,156
Current service cost	**8,145**	8,152
Interest cost	**41,272**	39,953
Actuarial gains on obligation	**(9,281)**	(5,886)
Past service cost – vested benefits	**–**	(4,323)
Exchange differences on foreign plans	**1,610**	30,577
Benefits paid	**(38,297)**	(35,708)
Closing present value of defined benefit obligation at September 30	**545,370**	**541,921**
The movement in the fair value of plan assets for the year is as follows:		
Opening fair value of plan assets	**500,771**	451,189
Income from discount rate on utilisable plan assets	**38,994**	35,296
Actual return on assets greater than/(less than) above	**11,913**	6,919
Administration expenses	**(907)**	(288)
Employer contributions	**40,076**	15,716
Exchange differences	**1,487**	27,647
Benefits paid	**(38,297)**	(35,708)
Closing fair value of plan assets at September 30	**554,037**	**500,771**
The amounts recognised in the consolidated income statement are as follows:		
Current service cost	**8,145**	8,152
Net interest cost	**2,278**	4,656
Past service cost	**–**	(4,323)
Administration expenses	**907**	288
Expense recognised in the income statement	**11,330**	8,773
Actual return on plan assets	**50,907**	**42,216**

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

15 Retirement benefit assets/obligations *continued*

Overseas plans - BS&T *continued*

	2017 $	2016 $
Liability at beginning of year	**(41,150)**	(57,967)
Increase in unrecognisable asset	**(59,005)**	–
Income/(expense) recognised in other comprehensive income	**21,071**	9,874
Net pension expense	**(11,330)**	(8,773)
Contributions paid	**40,076**	15,716
Liability at end of year	**(50,338)**	**(41,150)**

	2017 Per annum	2016 Per annum
The principal actuarial assumptions used were:		
Discount rates	**7.75%**	7.75%
Future salary increases	**5.75%**	5.75%
Future NIS increases	**3.50%**	3.50%
Future pension increases - past service	**0.75%**	0.75%
Future pension increases - future service	**0.75%**	0.75%

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

The average life expectancy in years of a pensioner retiring at age 65 is as follows:		
Male	**81**	82
Female	**85**	86

BS&T – medical plans

	Per annum	Per annum
The principal actuarial assumptions used were:		
Discount rate	**7.75%**	7.75%
Annual increase in health care	**4.50%**	4.50%

16 Inventories

	2017 $	2016 $
Finished goods and goods for resale	**1,244,596**	1,218,597
Goods in transit	**222,898**	240,923
Raw materials and consumables	**89,922**	95,242
Work in progress	**9,593**	19,986
	1,567,009	**1,574,748**

The cost of inventories recognised as expense and included in 'cost of sales' amounted to $7,871,935 (2016: $7,567,463).

17 Trade and other receivables

	2017 $	2016 $
Trade receivables	**1,272,856**	1,164,682
Receivables with related parties	**3,742**	10,469
Less: provision for impairment of receivables	**(98,308)**	(86,411)
Trade receivables – net	**1,178,290**	1,088,740
Other debtors and prepayments	**2,876,812**	1,042,410
Less: provision for impairment	**(1,433)**	(2,038)
Other debtors and prepayments – net	**2,875,379**	1,040,372
	4,053,669	**2,129,112**

Included in Other debtors and prepayments is $1,914,587 of Reinsurance Recoverable on the $1,976,740 of Claims outstanding from the recent Hurricanes (note 26).

Given the short-term nature of the trade and other receivables, the fair value approximates the carrying amount of these assets. There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of regionally dispersed customers.

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

17 Trade and other receivables *continued*

Aging analysis – financial assets

	< 30 days $	Past due but not impaired 31 – 60 days $	61 – 90 days $	> 90 days $	Total $
2017					
Trade receivables	**134,730**	**147,930**	**73,861**	**253,508**	**610,029**

	< 1 year $	1 – 2 years $	> 2 years $	Total $
Instalment credit and other loans	**12,009**	**4,598**	**7,249**	**23,856**

	< 30 days $	Past due but not impaired 31 – 60 days $	61 – 90 days $	> 90 days $	Total $
2016					
Trade receivables	**101,400**	**141,964**	**53,864**	**253,156**	**550,384**

	< 1 year $	1 - 2 years $	> 2 years $	Total $
Instalment credit and other loans	**7,703**	**6,468**	**17,462**	**31,633**

Provision for impairment

	Opening Balance $	Adjustment to Opening Balance $	Provision for Impairment $	Written off during the year $	Unused Provisions Reversed $	Closing Balance $
2017						
Instalment credit and other loans	8,925	6,934	8,416	(3,420)	(38)	20,817
Trade receivables	86,411	(55)	34,864	(17,920)	(4,992)	98,308
Other debtors and prepayments	2,038	91	380	(783)	(293)	1,433
	97,374	**6,970**	**43,660**	**(22,123)**	**(5,323)**	**120,558**

17 Trade and other receivables *continued*

Provision for impairment *continued*

	Opening Balance $	Adjustment to Opening Balance $	Provision for Impairment $	Written off during the year $	Unused Provisions Reversed $	Closing Balance $
2016						
Instalment credit and other loans	7,264	–	3,730	(2,069)	–	8,925
Trade receivables	85,747	(2,636)	27,223	(13,380)	(10,543)	86,411
Other debtors and prepayments	4,516	(246)	978	(3,168)	(42)	2,038
	97,527	**(2,882)**	**31,931**	**(18,617)**	**(10,585)**	**97,374**

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

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

	2017 $	2016 $
Trinidad and Tobago dollars	**781,938**	824,176
Barbados and Eastern Caribbean dollars	**2,922,995**	972,659
Jamaican dollars	**84,066**	95,472
Guyanese dollars	**90,011**	97,123
Colombian pesos	**147,908**	111,870
Other	**26,751**	27,812
	4,053,669	**2,129,112**

18 Cash and cash equivalents

	2017 $	2016 $
Cash at bank and in hand	**1,404,313**	1,918,231
Short-term bank deposits	**161,632**	111,895
	1,565,945	**2,030,126**

The effective interest rate on short-term bank deposits was 1% (2016: 1%). These deposits have an average maturity of less than 90 days.

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

18 Cash and cash equivalents *continued*

	2017 $	2016 $
Cash, cash equivalents and bank overdrafts include the following for the purposes of the cash flow statement:		
Cash and cash equivalents	**1,565,945**	2,030,126
Bank overdrafts (Note 22)	**(34,488)**	(10,735)
Cash, net of bank overdrafts	**1,531,457**	**2,019,391**

19 Share capital

	Number of shares #	Ordinary shares $	Total $
At September 30, 2016	97,743	753,261	**753,261**
Employee share grant – value of services provided	–	7,346	**7,346**
At September 30, 2017	**97,743**	**760,607**	**760,607**
At September 30, 2015	97,741	748,860	**748,860**
Share capital adjustment	2	78	**78**
Employee share grant – value of services provided	–	4,323	**4,323**
At September 30, 2016	**97,743**	**753,261**	**753,261**

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

Share capital adjustment

The Trinidad and Tobago Central Depository (TTCD) agreed to a proposal to regularise a long-outstanding issue. In 2005, 1828 shares in the capital of the company was entered into circulation and trading and there was no documentation to support the issue of these shares. The TTCD agreed to regularise the discrepancy by purchasing the shares at the price at the time at which the issue was brought to the attention of the Company, which was $42.66 per share. In order to regularise this situation and ensure that the issued share capital was equivalent to both the registered and listed share capital the Board approved the issue of 1,828 shares of no par value, in name of the TTCD.

19 Share capital *continued*

Share grants

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

The Base Share Price will be calculated based on the average market price of the shares, for the last ten trading days, in the calendar month immediately preceding the Grant Date. Shares may vest between three and six years from the Grant Date subject to, the applicable compound annual growth rate from the Base Share Price, which must be achieved to trigger the vesting and issue of the shares. The amount recognised in the income statement of $7,346 (2016: $4,323) is the best estimate of the Award value over its specified life – i.e. until vesting or expiry.

In 2017, this plan was suspended and therefore no new share grant issued to the Executives of Massy Holdings Ltd. and its subsidiaries.

	2017	2016
Key assumptions are:		
- Share price growth – Tranches 1 and 2	**–**	5%
- Share price growth – Tranche 3	**–**	2%
- Expected life (years)	**–**	4.5
- Expected volatility	**–**	9.93%
- Annual dividend increase rate	**–**	15%

20 Dividends per share

	2017 $	2016 $
Interim paid – 52 cents per share (2016 – 51 cents)	**50,826**	49,849
Final paid – 159 cents per share (2015 – 159 cents)	**155,411**	155,411
	206,237	**205,260**

On December 20, 2017 the Board of Directors of Massy Holdings Ltd. declared a final dividend per share of $1.58, bringing the total dividends per share for the financial year ended September 30, 2017 to $2.10 (2016 - $2.10).

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

21 Non-controlling interests

	2017 $	2016 $
Balance at beginning of year	**258,349**	236,370
Additions	**–**	6,906
Disposals	**(9,110)**	–
Share of profit for the year	**35,613**	37,603
Purchase of non-controlling interests	**(7,626)**	–
Dividends	**(35,411)**	(27,721)
Other movements	**(933)**	5,191
Balance at end of year	**240,882**	**258,349**

22 Borrowings

	2017 $	2016 $
Secured advances and mortgage loans	**418,876**	428,126
Unsecured advances	**1,808,582**	1,779,032
Bank overdrafts and other short-term borrowings	**34,488**	10,735
Total borrowings	**2,261,946**	2,217,893
Less short-term borrowings	**(356,355)**	(347,239)
Medium and long-term borrowings	**1,905,591**	**1,870,654**

Short-term borrowings comprise:

	2017 $	2016 $
Bank overdrafts and other short-term borrowings	**34,488**	10,735
Current loan instalments	**321,867**	336,504
	356,355	**347,239**

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

22 Borrowings *continued*

Total borrowings include secured liabilities of $358,920 (2016: $359,048).

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

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the statement of financial position dates are as follows:

	2017 $	2016 $
6 months or less	**34,488**	10,735
6-12 months	**321,867**	336,504
1-5 years	**334,529**	294,636
Over 5 years	**1,571,062**	1,576,018
	2,261,946	**2,217,893**

The carrying amount and fair value of the borrowings are as follows:

	Carrying amount		Fair value	
	2017 $	2016 $	2017 $	2016 $
Secured advances and mortgage loans	**418,876**	428,126	**418,876**	428,126
Unsecured advances	**1,808,582**	1,779,032	**1,808,582**	1,779,032
	2,227,458	**2,207,158**	**2,227,458**	**2,207,158**

The carrying amounts of short-term borrowings and current borrowings approximate their fair value.

	2017 $	2016 $
The maturity of borrowings is as follows:		
Payable within one year	**356,355**	347,239
Payable between two and five years	**334,529**	294,636
Payable between six and ten years	**971,689**	976,678
Payable over ten years	**599,373**	599,340
	2,261,946	**2,217,893**

Interest charges on secured and unsecured loans vary from 1% to 13.71% (2016: 1.75% to 13.71%) per annum.

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

22 Borrowings *continued*

The effective interest rates were as follows:

	2017 US$ %	2017 TT$ %	2017 Other %	2016 US$ %	2016 TT$ %	2016 Other %
Secured advances and mortgage loans	**–**	**4.75-10.00**	**5.00-13.71**	4.00	1.75-10.00	4.27-13.71
Unsecured advances	**3.45**	**4.00-7.10**	**1.00-12.30**	3.45	4.00-5.25	3.25-9.40
Bank overdrafts and other short term borrowings	**–**	**7.50-9.50**	**4.90-17.75**	–	6.50-9.00	7.53-25.24

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	2017 $	2016 $
US dollars	**897**	1,015
Barbados dollars	**452,910**	344,172
Trinidad & Tobago dollars	**1,641,301**	1,780,310
Other	**166,838**	92,396
	2,261,946	**2,217,893**

23 Customers' deposits

	2017 $	2016 $
These represent the deposits for fixed terms accepted mainly by Massy Finance GFC Ltd.		
Payable within one year	**246,312**	264,180
Payable between two and five years	**105,717**	118,830
	352,029	**383,010**
Sectorial analysis of deposit balances		
Private sector	**67,607**	84,697
Consumers	**284,422**	298,313
	352,029	**383,010**

24 Provisions for other liabilities and charges

The Company maintains a self-insured program covering portions of Group life and consequential loss insurance. The amounts in excess of the self-insured levels are fully insured; subject to certain limitations and exclusions. The Company accrues its estimated liability for these self-insured programs, including estimates for insured but not reported claims, based on known claims and past claims history. The remaining balance for provisions for other liabilities and charges stem from accruals for outstanding tax claims or assessments.

25 Trade and other payables

	2017 $	2016 $
Trade creditors	**931,743**	864,151
Other payables	**985,866**	930,949
	1,917,609	**1,795,100**

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

	2017 $	2016 $
Balance at the beginning of the year	**–**	–
Current service cost	**4,106**	–
Balance at the end of the year	**4,106**	**–**

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

26 Liabilities on insurance contracts

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

	2017 $	2016 $
Outstanding claims	**2,363,253**	390,587
Unearned premiums	**387,092**	366,707
	2,750,345	**757,294**

Movement in outstanding claims reserve may be analysed as follows:

	Insurance liabilities 2017 $	Reinsurers' share 2017 $	Insurance liabilities 2016 $	Reinsurers' share 2016 $
Beginning of the year	**390,587**	**68,056**	313,436	34,361
Exchange adjustment	**926**	**(252)**	15,694	1,157
Claims incurred	**2,207,684**	**1,962,550**	299,379	118,907
Claims paid	**(235,944)**	**(70,231)**	(237,922)	(86,369)
	2,363,253	**1,960,123**	**390,587**	**68,056**

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

	Insurance liabilities 2017 $	Reinsurers' share 2017 $	Insurance liabilities 2016 $	Reinsurers' share 2016 $
Beginning of the year	**366,707**	**211,122**	377,265	249,827
Exchange adjustment	**225**	**124**	15,133	9,847
Premiums written in the year	**807,651**	**469,411**	718,882	364,983
Premiums earned in the year	**(787,491)**	**(462,883)**	(744,573)	(413,535)
	387,092	**217,774**	**366,707**	**211,122**

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

26 Liabilities on insurance contracts *continued*

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

Included in this outstanding claims balance, are claims in the amount of $1,977,740 in relation to two hurricanes that occurred in the last month of the year ended September 30, 2017.

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

26 Liabilities on insurance contracts *continued*

Claims development table

Gross	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
At end of accident year	304,950	139,831	158,586	290,922	138,754	150,558	185,358	221,491	295,802	2,220,754	
One year later	293,625	212,049	198,816	350,319	177,640	158,831	152,933	219,735	285,067	–	
Two years later	293,559	222,688	245,357	349,696	177,464	152,691	157,526	207,442	–	–	
Three years later	296,431	217,354	244,180	348,506	157,308	153,385	157,256	–	–	–	
Four years later	288,814	215,367	242,639	354,663	158,998	153,409	–	–	–	–	
Five years later	287,022	211,958	243,672	356,680	158,330	–	–	–	–	–	
Six years later	286,300	208,910	244,551	355,839	–	–	–	–	–	–	
Seven years later	286,883	209,585	244,700	–	–	–	–	–	–	–	
Eight years later	286,201	209,549	–	–	–	–	–	–	–	–	
Nine years later	285,652	–	–	–	–	–	–	–	–	–	
	285,652	**209,549**	**244,700**	**355,839**	**158,330**	**153,409**	**157,256**	**207,442**	**285,067**	**2,220,754**	**4,277,998**
Cumulative payments to date	322,330	266,139	143,929	343,541	135,183	140,915	137,793	168,381	217,811	115,660	**1,991,682**
Liability recognised	(36,678)	(56,590)	100,771	12,298	23,147	12,494	19,463	39,061	67,256	2,105,094	**2,286,316**
Liability in respect of prior years											**76,937**
Total liability											**2,363,253**
Net favourable/ (unfavourable) development	19,298	(69,718)	(86,114)	(64,917)	(19,576)	(2,851)	28,102	14,049	10,735		

26 Liabilities on insurance contracts *continued*

Claims development table

Net Claims	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
At end of accident year	166,216	137,339	155,888	142,014	103,137	91,758	114,862	169,776	189,984	241,596	
One year later	177,259	197,456	172,126	217,688	112,447	102,500	112,204	160,858	175,728	–	
Two years later	180,068	197,584	217,706	219,836	118,078	96,070	109,672	151,341	–	–	
Three years later	186,654	193,143	216,492	219,359	122,972	96,020	105,093	–	–	–	
Four years later	180,484	190,861	215,582	226,224	124,900	96,604	–	–	–	–	
Five years later	178,632	187,828	216,508	228,348	124,753	–	–	–	–	–	
Six years later	177,949	184,896	218,324	226,893	–	–	–	–	–	–	
Seven years later	178,529	185,960	218,302	–	–	–	–	–	–	–	
Eight years later	177,877	185,912	–	–	–	–	–	–	–	–	
Nine years later	177,684	–	–	–	–	–	–	–	–	–	
	177,684	**185,912**	**218,302**	**226,893**	**124,753**	**96,604**	**105,093**	**151,341**	**175,728**	**241,596**	**1,703,906**
Cumulative payments to date	214,539	242,804	117,953	129,849	99,052	164,946	87,873	114,723	120,204	93,883	**1,385,826**
Liability recognised	(36,855)	(56,892)	100,349	97,044	25,701	(68,342)	17,220	36,618	55,524	147,713	**318,080**
Liability in respect of prior years											**85,050**
Total liability											**403,130**
Net favourable/ (unfavourable) development	(11,468)	(48,573)	(62,414)	(84,879)	(21,616)	(4,846)	9,769	18,435	14,256		

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

27 Operating profit before finance costs

	2017 $	2016 $ (Restated)
Revenue	**11,763,669**	11,514,056
Cost of sales	**(8,625,621)**	(8,338,287)
Gross profit	**3,138,048**	3,175,769
Selling, general and administrative expenses	**(2,566,047)**	(2,433,789)
Other income	**168,902**	166,984
	740,903	**908,964**
Selling, general and administrative expenses include the following:		
Staff costs	**1,059,647**	999,903
Depreciation	**168,040**	157,042
Impairment of goodwill	**36,959**	1,431
Amortisation of other intangible assets	**4,736**	3,873
Directors' fees	**3,358**	4,024
Operating lease rentals	**99,206**	90,898

28 Staff costs

	2017 $	2016 $ (Restated)
Staff costs included in cost of sales, selling, general and administrative expenses are as follows:		
Wages and salaries and termination benefits	**1,368,248**	1,367,089
Share based compensation	**7,346**	4,323
Pension costs	**47,075**	30,203
	1,422,669	**1,401,615**
Average number of persons employed by the Group during the year:		
Full time	**10,090**	10,017
Part time	**1,490**	1,703
	11,580	**11,720**

29 Finance costs – net

	2017 $	2016 $ (Restated)
Interest expense	**109,057**	89,710
Interest income	**(53,453)**	(36,606)
Finance costs – net	**55,604**	**53,104**

30 Income tax expense

	2017 $	2016 $ (Restated)
Trinidad and Tobago subsidiaries	**173,342**	165,264
Overseas subsidiaries	**77,202**	97,825
Associated companies	**23,921**	9,171
	274,465	**272,260**

The Group's effective tax rate of 36% (2016 – 31%) differs from the statutory Trinidad and Tobago tax rate of 30% (2016 – 25%) as follows:

	2017 $	2016 $ (Restated)
Profit before income tax	**754,292**	**885,149**
Tax calculated at a tax rate of 30% (2016 – 25%)	**226,288**	221,287
Effect of different tax rates in other countries	**10,581**	14,242
Expenses not deductible for tax purposes/(Income) not subject to tax	**10,050**	8,550
Business levy/green fund levy/withholding taxes	**25,841**	20,192
Effect of change in tax rates	**–**	13,412
Adjustments to prior year tax provisions	**1,705**	(5,423)
Tax charge	**274,465**	**272,260**

The impact of the increase in corporation tax rate (25% to 30%) in Trinidad and Tobago in 2016 is included in effect of changes in the tax rate.

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

31 Earnings per share

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

	2017 $	2016 $ (Restated)
Profit attributable to shareholders:		
- from continuing operations	**435,555**	566,847
- from discontinued operations	**(59,327)**	(68,290)
	376,228	498,557
Weighted average number of ordinary shares in issue (thousands)	**97,743**	97,743
Basic earnings per share		
- from continuing operations	**4.46**	5.80
- from discontinued operations	**(0.61)**	(0.70)
	3.85	5.10

32 Contingencies

At September 30, 2017 the Group had contingent liabilities in respect of bonds, guarantees and other matters arising in the ordinary course of business amounting to $813,295 (2016: $798,837).

Massy Holdings Ltd. entered into guarantees with Mitsubishi Heavy Industries, Ltd (MHI) under which it guaranteed payment of 10% of Caribbean Gas Chemical Limited's payment obligations to MHI under the contracts for the engineering procurement and construction of the methanol and DME plants and 12.5% of the base equity commitment. MHL's maximum liability under guarantees is $645,461.

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

33 Commitments

Capital commitments

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

	2017 $	2016 $
Property, plant and equipment	**75,075**	**45,549**

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

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

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

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

No later than 1 year	**61,529**	49,989
Later than 1 year and no later than 5 years	**172,310**	147,381
Later than 5 years	**297,546**	208,409
	531,385	**405,779**

Operating lease commitments – where a Group company is the lessor:

Less than one year	**34,828**	38,668
One year to five years	**27,968**	42,561
Over five years	**–**	–
	62,796	**81,229**

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

34 Discontinued Operations

Massy Communications Ltd. a 75% owned subsidiary, was sold to the Telecommunications Services Company of Trinidad and Tobago effective July 31, 2017 with final sales proceeds to Massy being $196,330.

I&G Technologies Costa Rica was sold on December 16, 2016 for $1,898.

i Analysis of the result of discontinued operations is as follows:

	2017 $	2016 $
Loss for the year from discontinued operations	**(67,986)**	(76,729)
Loss attributable to non-controlling interests	**8,659**	8,439
Loss attributable to owners of the parent	**(59,327)**	(68,290)

ii Analysis of the results:

	Massy Communications Ltd. 2017 $	2016 $	I&G Technologies Costa Rica 2017 $	2016 $
Revenue	**35,812**	**20,004**	**–**	**–**
Operating loss before finance costs	**(40,998)**	(29,538)	**–**	(5,773)
Impairment provision	**(26,692)**	–	**–**	(44,973)
Finance costs – net	**(13,677)**	(4,354)	**–**	–
Loss before tax of discontinued operations	**(81,367)**	(33,892)	**–**	(50,746)
Tax	**13,381**	7,731	**–**	178
Loss for the year of discontinued operations	**(67,986)**	(26,161)	**–**	(50,568)
Loss attributable to non-controlling interests	**8,659**	8,439	**–**	–
Loss attributable to equity shareholders	**(59,327)**	**(17,722)**	**–**	**(50,568)**

34 Discontinued Operations *continued*

iii Cashflow Impact:

	Massy Communications Ltd. 2017 $	2016 $	I&G Technologies Costa Rica 2017 $	2016 $
Operating cash flows	**(682)**	(2,164)	**–**	–
Investing cash flows	**161,127**	(130,086)	**–**	–
Financing cash flow	**–**	–	**–**	–
Total cash flow	**160,445**	**(132,250)**	**–**	**–**

iv Restatement:

The consolidated income statement for September 30, 2016 was restated for the discontinued operations above. There was no impact on the consolidated statement of financial position and the consolidated statement of comprehensive income.

	Original 2016 $	Adjustment 2016 $	Restated 2016 $
Revenue	**11,534,060**	**(20,004)**	**11,514,056**
Operating profit before finance costs	879,426	29,538	908,964
Finance cost – net	(57,458)	4,354	(53,104)
	821,968	33,892	855,860
Share of results of associates and joint ventures	(21,457)	50,746	29,289
Profit before income tax	800,511	84,638	885,149
Income tax expense	(264,351)	(7,909)	(272,260)
Profit for the year from continuing operations	536,160	76,729	612,889
Owners of the parent:			
Profit for the year from continuing operations	498,557	68,290	566,847
Loss for the year from discontinued operations	–	(68,290)	(68,290)
Non-controlling interests:			
Profit for the year from continuing operations	37,603	8,439	46,042
Loss for the year from discontinued operations	–	(8,439)	(8,439)
Profit for the year	**536,160**	**–**	**536,160**

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

34 Discontinued Operations *continued*

iv Restatement: *continued*

	Original 2016 $	Adjustment 2016 $	Restated 2016 $
Basic earnings per share			
- From continuing operations	5.10	0.70	5.80
- From discontinued operations	–	(0.70)	(0.70)
	5.10	**–**	**5.10**

35 Business combinations

On February 1, 2017 the Group acquired 100% of the issued share capital of the Automontaña Group.

The acquisition has increased the Group's market share in the Automotive Industry in Colombia.

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

Purchase consideration

	2017 $
Cash paid	103,610
Total purchase consideration	**103,610**

35 Business combinations *continued*

Purchase consideration *continued*

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

	Fair Value
Cash and short term investments	25,515
Trade receivables	11,228
Inventories	96,985
Tax receivable	6,618
Other assets	384
Fixed assets	19,261
Other non-current assets	10,756
Current portion-medium and long term borrowings	(92,012)
Trade payables	(31,014)
Tax payable	(8,322)
Other liabilities	(15,156)
Total identifiable net assets acquired	24,243
Goodwill	79,367
	103,610

Acquired receivables

The fair value of acquired trade receivables is $11,228. The gross contractual amount of trade receivables due is $11,228 of which zero is expected to be uncollectible.

Revenue and profit contribution

The acquired business contributed revenues of $405,488 and net profit of $5,327 to the Group for the period from February 1 to September 30, 2017.

If the acquisition had occurred on October 1, 2016, consolidated pro-forma revenue and profit for the year ended September 30, 2017 would have been $608,232 and $7,991 respectively.

The amounts have been calculated using the subsidiary's results and adjusting them for:

- differences in the accounting policies between the group and the subsidiary, and
- the additional depreciation that would have been charged assuming the fair value adjustments to property, plant and equipment had applied from October 1, 2016, together with the consequential tax effects.

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

35 Business combinations *continued*

Purchase consideration-cash outflow

	2017 $
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	**103,610**
Less: balances acquired	
Cash	**25,515**
Net outflow of cash-investing activities	**78,095**

Acquisition-related costs

Acquisition-related costs of $2,045 that were not directly attributable to the issue of shares are included in other expenses in the income statement and in operating cash flows in the statement of cash flows.

36 Related party transactions

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

The following transactions were carried out with related parties:

	2017 $	2016 $
a Sales of goods		
Associates	**33,091**	23,811

Goods are sold on the basis of the price lists in force with non-related parties.

	2017 $	2016 $
b Purchases of goods		
Associates	**3,086**	5,996
Goods purchased from entities controlled by non-executive directors	**137,468**	132,360

Goods are bought on the basis of the price lists in force with non-related parties.

36 Related party transactions *continued*

	2017 $	2016 $
c Key management compensation		
Salaries and other short-term employee benefits	**93,327**	106,148
Post-employment benefits	**6,066**	6,900
Share-based compensation	**7,346**	4,323
	106,739	**117,371**
d Year-end balances arising from sales/purchases of goods/services		
Receivables from related parties:		
Associates	**3,647**	**5,384**
Payables to related parties:		
Associates	**1,410**	**712**
e Loans to associates		
Beginning of year	**17,338**	42,674
Loans advanced during year	**–**	–
Loans repayments received	**(2,856)**	(25,600)
Interest charged	**565**	528
Interest received	**(614)**	(264)
End of the year	**14,433**	**17,338**
f Loans from associates		
Beginning of year	**2,411**	–
Loans advanced during year	**–**	37,637
Loan repayments received	**–**	(35,226)
Interest charged	**–**	329
Interest received	**–**	(329)
Other movements	**(2,411)**	–
End of the year	**–**	**2,411**

Notes to the Consolidated Financial Statements

Year ended 30 September. Expressed in Thousands of Trinidad and Tobago dollars

36 Related party transactions *continued*

	2017 $	2016 $
g Total loans to other related parties		
Beginning of year	**144**	12,377
Loans advanced during year	**6,533**	258
Loan repayments received	**(6,533)**	(6,615)
Interest charged	**–**	9,177
Interest received	**–**	(11,437)
Other	**–**	(3,616)
End of the year	**144**	144
h Customer deposits to related parties	**9,570**	6,570

Five Year Review

As at 30 September. Expressed in Thousands of Trinidad and Tobago dollars

	2013	2014	2015	2016	2017
Income Statement Information					
Third party revenue	9,371,934	10,679,541	11,918,077	11,514,056	**11,763,669**
Operating profit before finance costs and rebranding costs	805,673	876,489	956,464	908,964	**740,903**
Operating profit before finance costs	805,673	818,580	956,823	908,964	**740,903**
Finance costs	(31,869)	(33,659)	(81,094)	(53,104)	**(55,604)**
Share of results of associates and joint ventures	47,665	48,869	46,032	29,289	**68,993**
Profit before tax	821,469	833,790	921,760	885,149	**754,292**
Effective tax rate	27.6%	27.7%	27.1%	31.0%	**36.0%**
Profit for the year from continuing operations	601,486	609,836	677,531	612,889	**479,827**
Loss for the year from discontinued operations	(4,058)	(9,737)	(9,217)	(76,729)	**(67,986)**
Profit/(loss) for the year	597,428	600,099	668,314	536,160	**411,841**
Profit attributable to owners of the parent	542,782	555,003	638,406	498,557	**376,228**
Basic earnings per share – from continuing operations ($.¢)	5.64	5.80	6.63	5.80	**4.46**
Basic loss per share – from discontinued operations ($.¢)	(0.05)	(0.11)	(0.10)	(0.70)	**(0.61)**
Total earnings per share ($.¢)	5.59	5.69	6.53	5.10	**3.85**
Balance Sheet Information					
Non current assets	3,862,735	4,366,530	4,572,670	4,868,757	**5,003,706**
Current assets	4,428,484	5,482,698	5,846,091	6,172,072	**8,273,425**
Assets of disposal group classified as held for sale	577,890	–	–	–	**–**
Total assets	8,869,109	9,849,228	10,418,761	11,040,829	**13,277,131**
Non current liabilities	1,272,537	2,608,358	2,576,560	2,718,074	**2,744,908**
Current liabilities	3,117,991	3,016,308	3,251,874	3,274,463	**5,368,976**
Liabilities of disposal group classified as held for sale	453,109	–	–	–	**–**
Total liabilities	4,843,637	5,624,666	5,828,434	5,992,537	**8,113,884**
Shareholder's equity	3,850,788	3,988,910	4,353,957	4,789,943	**4,922,365**
Non-controlling interests	174,684	235,652	236,370	258,349	**240,882**
Equity	4,025,472	4,224,562	4,590,327	5,048,292	**5,163,247**
Cash	1,112,557	1,626,044	1,679,925	2,030,126	**1,565,945**
Debt	1,309,949	2,467,307	2,169,760	2,217,893	**2,261,946**

Five Year Review

As at 30 September. Expressed in Thousands of Trinidad and Tobago dollars

	2013	2014	2015	2016	2017
Balance Sheet Quality Measures					
Working Capital	1,310,493	2,466,390	2,594,217	2,897,609	**2,904,449**
Current Ratio	1.42	1.82	1.80	1.88	**1.54**
Quick Ratio	1.00	1.31	1.32	1.40	**1.25**
Total debt to shareholder's equity	34.0%	61.9%	49.8%	46.3%	**46.0%**
Total debt to shareholder's equity and debt	25.4%	38.2%	33.3%	31.6%	**31.5%**
Cash Flow Information					
Cash flow from operating activities	504,068	395,241	1,005,804	1,037,036	**1,040,329**
Cash flow from investing activities	(380,169)	(373,239)	(431,301)	(511,383)	**(1,055,091)**
Cash flow from financing activities	(313,985)	503,934	(497,419)	(197,166)	**(510,597)**
Net increase/(decrease) in cash, cash equivalents before exchange rate changes	(190,086)	525,936	77,084	328,487	**(525,359)**





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