SLH
EST. 1875

ANNUAL REPORT 2022-2023

ELEVATING COMMUNITIES
ENRICHING LIVES

INSIDE FRONT COVER

SLH

EST. 1875

ANNUAL REPORT 2022-2023

Our Vision

To be the company of choice

Our Mission

Exceptional service,
Exceptional value for
Exceptional people

CONTENTS

Corporate Information

Directors:

Mr. W. Anthony Kelsick B.A., B. Comm., C.P.A., C.A.	Chairman and Managing Director
Mrs. Natalie Kelsick-Marshall B.A., O.C.G.C.	Executive Director
Mr. Mark A. Wilkin B.A., M.B.A.	Managing Director, Carib Brewery (St. Kitts & Nevis) Ltd
Mr. Victor O. Williams BSc., SCL	Architect & Planner
Mr. Faron T. Lawrence BSc., M.B.A.	Real Estate Developer
Mr. William Andrew Kelsick M.B.A., P.Eng	Executive Director
Mr. Christopher K. Martin B.Comm., M.B.A, Acc.Dir.	Business Strategy Consultant
Mr. Jason Kelsick B.A., M.B.A.	Consultant/CEO

Secretary:

Mr. Bernard Malcolm M.B.A., Acc. Dir.

Registered Office:

Marshall House

Independence Square West

Basseterre, St. Kitts

Auditors:

Grant Thornton

Corner Bank Street And

West Independence Square

Basseterre, St. Kitts

Bankers:

CIBC First Caribbean International

Bank St. Kitts and Nevis

SKNA National Bank, St. Kitts

Republic Bank (EC) Limited, St. Kitts

Bank of Nevis, St. Kitts and Nevis

Solicitors:

Kelsick, Wilkin and Ferdinand

Independence Square South

Basseterre, St. Kitts

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Thirty Third Annual General Meeting of the Company, as a Public Company, will be held at Caribbean Confederation Of Credit Union, Fortlands, Basseterre, St. Kitts on April 24th 2024, at 5 o'clock in the afternoon for the following purposes:

1. To receive and consider the Financial Statements for the year ended 30th, September 2023.
2. To receive and consider the Report of Auditors thereon.
3. To receive and consider the Report of Directors thereon.
4. To declare a Dividend.
5. To appoint Directors in place of those retiring.
6. To appoint Auditors and fix their remuneration.

Members may also register to attend the meeting online at https://rb.gy/0xts27. Online registration closes on **April 22nd, 2024**.

NOTE: A member is entitled to appoint a proxy to attend and, on a poll, to vote instead of him/her. A detachable form of proxy is enclosed on the last page of this booklet. Proxies must reach the Secretary or email agm@horsfords.com at least 48 hours prior to the date of the Annual General Meeting.

Marshall House
1 Independence Square West
Basseterre
St. Kitts

BY ORDER OF THE BOARD

Bernard Malcolm
Company Secretary
Dated March 20th 2024

Copies of the Annual Report may be printed from the Company's website https://tryhorsfordsfirst.com

Company Profile

S. L. Horsford & Co. Limited was founded in 1875 and incorporated in 1912.

Shares to the general public were issued in 1990, signifying its conversion to a Public Company. Today, the Company is a highly diversified business establishment involved in multiple retail, service, and manufacturing activities through its various departments and subsidiary companies. It has traded profitably since its incorporation.

S. L. Horsford & Company Limited comprises several operational departments and subsidiaries in St. Kitts and Nevis. Traded products and services include building materials, hardware, furniture, appliances, petroleum products, food, cars, trucks, insurance, shipping, car rentals, hire purchases, and consumer credit.

The key brands and principals represented include IGA, Nissan, Kia, Hyundai, SOL, Geest Line, King Ocean Services, Avis Rent-A-Car, Guardian General Insurance Limited, and Ashley Furniture.

Ocean Cold Storage (St. Kitts) Limited, S. L. Horsford Finance Company Limited, S. L. Horsford Nevis Limited, and S. L. Horsford Shipping Limited are actively trading subsidiary companies.

Associate companies include St. Kitts Masonry Products Limited, 50% owned; Carib Brewery (St. Kitts and Nevis) Limited, 20% owned; St. Kitts Developments Limited, 30% owned; and Port Services, 33% owned.

Chairman's Report

The Company experienced another strong year in 2023 as our economy continues to emerge from the Covid-19 pandemic. 2023 was, in fact, a near-record year or record year in several respects.

Income Before Taxation of $15,270,296 was an increase of $2,007,046 or 15.13% versus 2022. Similarly, Income After Taxation of $11,298,674 was greater than in 2022 by $790,332 or 7.52 %. Basic Earnings Per Share for 2023 were $0.19 versus $0.17 for 2022. Total Comprehensive Income was $10,898,857 versus $10,499,469 for 2022, an increase of $399,388 or 3.8 %.

Group Sales or Revenue for 2023 was $162,749,016 versus $147,498,080 for 2022, an increase of $15,250,936 or 10.34 %. Our Durable Goods sector increased by $6,291,133 or 10.30 %, our Automotive Sector increased by $6,804,851 or 41.84 %, and our Consumable Goods sector increased by $4,254,700 or 5.80 %.

Gross Profit increased by $5,782,515 or 16.56 % to $40,699,923.

Other Income increased by $118,098 or 1.09 % to $10,911,555.

The resulting Income Before Operating Expenses increased by $5,900,613 or 12.91 % to $51,611,478.

Operating Expenses increased by $3,187,833 or 9.16 % to $38,001,220. Employment Costs increased by $2,145,423 or 11.32 % due to wage and salary increases coming out of the Covid-19 period freezes and increased bonuses paid to all staff. Building & Insurance expenses increased by $668,011 or 13.95% due to the electricity fuel surcharges in Nevis and building maintenance activities throughout the Company.

Operating Profit increased by $2,712,780 or 24.89 %, to $13,610,258.

Share Of Results Of Associated Companies After Tax was $1,695,002, a decrease of $781,106 or 31.55 %. This decrease was experienced by both St. Kitts Masonry Products Ltd and Carib Ltd.

Finance Charges decreased by $75,372 or 68.31 % to $34,964 as the Company remained virtually debt-free during the year.

Profit Before Income Tax increased by $2,007,046 or 15.13 % to $15,270,296.

Income Tax Expenses was $3,971,622 versus $2,754,908 in 2022. The effective rate for 2023 was 29.26 % versus 25.54 % in 2022. The lower rate in 2022 was because of the non-taxable capital gain realized on the sale of our Independence Square properties.

Profit For The Year increased by $790,332 or 7.52 % to $11,298,674.

The group's solvency strengthened significantly in 2023 to a position where the Company is now free of borrowings and has an overall cash surplus.

Your Directors recommend a Final Dividend of $0.0759 Per Share, which, along with the Interim Dividend of $0.0759, will result in a Total Annual Dividend Per Share of $0.1517 ($9,150,000).

I wish to thank all our customers in both St. Kitts and Nevis for their continued loyalty and support.

I also wish to thank our staff for their support and dedication to the organization.

W. Anthony Kelsick
B.A., B. Comm., CPA, CA.

Report of the Directors

The Directors submit their Report and Audited Accounts for the year ended 30th, September 2023:

	2023	2022
Profit for the year (after providing for taxation)	$ 11,298,674	$ 10,508,342
The Board recommends a dividend of 15.17% (2022 = 14.60%)	$ 9,150,000	$ 8,801,016

In accordance with Articles 102 and 103 of the Articles of Association, Mr. Mark Wilkin and Mr. Faron Lawrence retire from the Board on rotation and, being eligible, offer themselves for re-appointment.

The Auditors, Grant Thornton, Chartered Accountants, also retire and, being eligible, offer themselves for re-appointment.

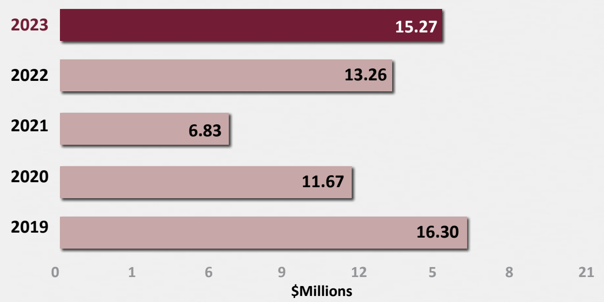
BY ORDER OF THE BOARD

Bernard Malcolm
Company Secretary

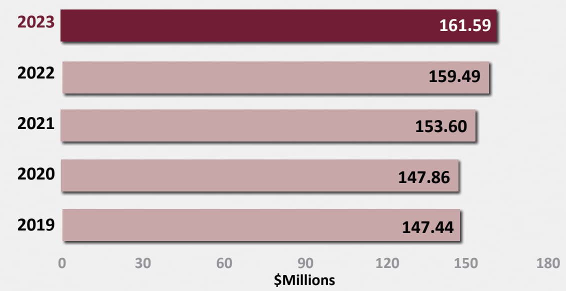
Dated March 20th 2024

Financial Highlights

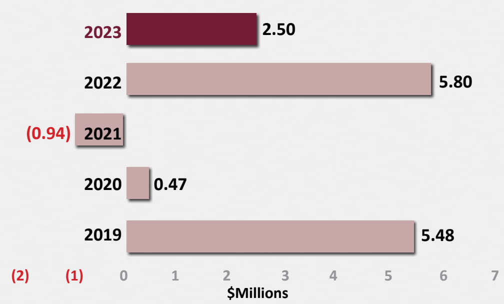
Income Before Tax



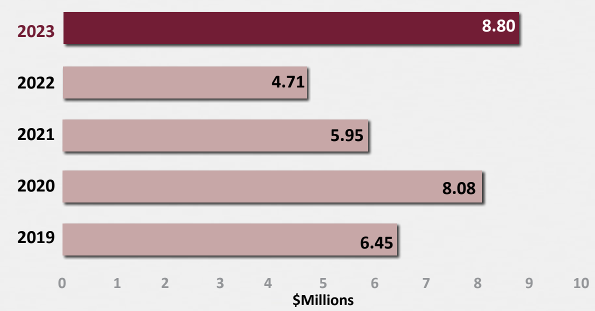
Shareholders' Equity



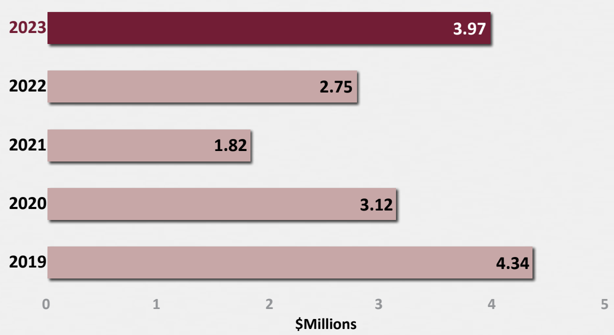
Profit Retained



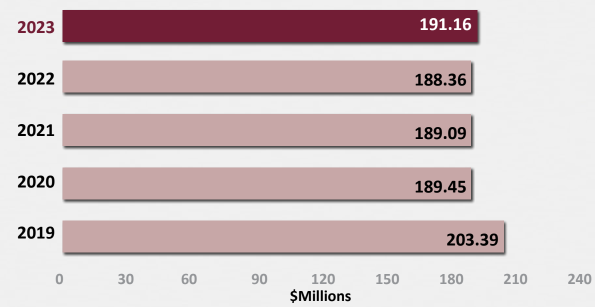
Dividends Paid



Corporation Tax



Total Assets



S. L. Horsford & Company Ltd & Rotary Club of Liamuiga Food Distribution in the McKnight Area.

Food Hamper distribution with SOL Island Auto Conaree Football Club in Conaree.

Launch of Serta and Sealy Mattresses at Furniture & Appliances.

Launch of Sissons Paint at Building Center St Kitts.

S. L. Horsford & Co. Ltd and Gender Affairs relaunches Project Viola Initiative for Teen Mothers.

S. L. Horsford & Company Ltd joins forces with St Kitts Music Festival Committee.

DEDICATION TO SOCIAL PROGRESS AND DEVELOPMENT

S. L. Horsford & Co. Ltd Automotive Department with Department of Youth Empowerment Summer Camp 2023

S. L. Horsford & Co Ltd Sponsors Nevis Culturama 49.

DEDICATION TO SOCIAL PROGRESS AND DEVELOPMENT

S. L. Horsford & Company Ltd sponsors the St Paul's Tuff Knots Basketball Club.

S. L. Horsford & Company Ltd St Paul's United Stricker's 2023 F. A Cup Champions.

S. L. Horsford & Co Ltd joins forces with Explorers Club of MolPhil.

Nevis Center celebrates 30th Anniversary.

DEDICATION TO SOCIAL PROGRESS AND DEVELOPMENT

S. L. Horsford and Company Limited

Consolidated Financial Statements
September 30, 2023

(expressed in Eastern Caribbean dollars)

Grant Thornton
Corner Bank Street and West
Independence Square
P.O. Box 1038
Basseterre, St. Kitts
West Indies

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of
S. L. Horsford and Company Limited

Opinion

We have audited the consolidated financial statements of **S. L. Horsford and Company Limited** (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at September 30, 2023, and the consolidated statement of income, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matters *...continued*

Revenue Recognition

Description of the Matter

Revenue is one of the key performance measures used to assess business performance. There is a risk that the amount of revenues presented in the consolidated financial statements is higher than the amount that was actually earned by the Group. Revenue from sale of goods is recognised when control over the goods has been transferred to the customer, that is generally when the customer has acknowledged receipt of the goods. In our view, revenue recognition is significant to our audit because the amount is material to the consolidated financial statements. It also involves voluminous transactions, requires proper observation of cut-off procedures and testing the validity of transactions, and directly impacts the Group's profitability.

The Group's disclosure about its revenues and related receivables, and revenue recognition policies are included in Notes 4, 6 and 23.

How the Matter was Addressed in the Audit

Our audit procedures performed to address the risk of material misstatement relating to revenue recognition included the following:

- Obtained an understanding of the Group's processes and controls over revenue recognition, approval and documentation;
- Evaluated the appropriateness of the Group's revenue recognition policy in accordance with IFRS 15 and IFRS 16;
- Performed substantive analytical procedures over revenues such as but not limited to, yearly and monthly analyses of sales and sales mix composition based on our expectations, investigation of variances from our expectations, and verifying that the underlying data used in the analyses were reliable;
- Tested on a sample basis, the sales invoices, delivery receipts and cash receipts of sales transactions throughout the current year to determine the validity and occurrence of sales;
- Examined evidence of subsequent collections, and corresponding sales invoices and proof of deliveries;
- Tested sales transactions immediately prior and subsequent to the current period to determine whether the related sales transactions were recognised in the proper reporting period; and
- Evaluated the sufficiency and adequacy of disclosures in the Group's consolidated financial statements in accordance with IFRSs.

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 IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Lisa Maryse Roberts.

Grant Thornton

Chartered Accountants
March 5, 2024
Basseterre, St Kitts

S. L. Horsford and Company Limited

Consolidated Statement of Financial Position

As at September 30, 2023

(expressed in Eastern Caribbean dollars)

	Notes	2023 $	2022 $
Assets			
Current assets			
Cash	5	**8,596,489**	3,596,447
Receivables and prepayments	6	**12,869,093**	15,323,647
Inventories	7	**39,399,260**	36,985,999
Total current assets		**60,864,842**	55,906,093
Non–current assets			
Receivables	6	**13,460,655**	13,702,610
Investment in associates	10	**17,933,322**	18,541,349
Financial assets at fair value through other comprehensive income	11	**486,619**	443,007
Property and equipment	13	**98,411,706**	99,743,371
Intangible assets	12	**412**	21,424
Total non-current assets		**130,292,714**	132,451,761
Total assets		**191,157,556**	188,357,854
Current liabilities			
Defined benefit obligation	21	**303,148**	197,165
Borrowings	14	**–**	399,466
Trade and other payables	15	**17,289,806**	15,794,161
Income tax payable	16	**1,142,947**	1,298,042
Total current liabilities		**18,735,901**	17,688,834
Non–current liabilities			
Defined benefit obligation	21	**4,173,229**	4,634,511
Deferred tax liability	16	**6,663,139**	6,547,063
Total non-current liabilities		**10,836,368**	11,181,574
Total liabilities		**29,572,269**	28,870,408
Shareholders' equity			
Share capital	17	**60,296,860**	60,296,860
Reserves	19	**49,711,055**	50,110,872
Retained earnings		**51,577,372**	49,079,714
Total shareholders' equity		**161,585,287**	159,487,446
Total liabilities and shareholders' equity		**191,157,556**	188,357,854

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

Approved for issue by the Board of Directors on March 4, 2024.

Director

Director

S. L. Horsford and Company Limited

Consolidated Statement of Income

For the year ended September 30, 2023

(expressed in Eastern Caribbean dollars)

	Notes	2023 $	2022 $
Revenue		**162,749,016**	147,498,080
Cost of sales		**(122,049,093)**	(112,580,672)
Gross profit		**40,699,923**	34,917,408
Other income	**20**	**10,911,555**	10,793,457
Income before operating expenses		**51,611,478**	45,710,865
Operating expenses			
Employment costs	**21**	**(21,094,289)**	(18,948,866)
Building and insurance		**(5,455,960)**	(4,787,949)
Depreciation and amortisation	**12, 13**	**(3,959,843)**	(3,960,783)
Selling and distribution costs		**(3,259,346)**	(3,304,297)
Office expenses		**(2,353,688)**	(2,330,277)
Other expenses		**(1,370,322)**	(1,067,708)
Professional fees		**(472,868)**	(479,506)
Impairment (loss)/recovery of financial assets, net	**6**	**(34,904)**	65,999
		(38,001,220)	(34,813,387)
Operating profit		**13,610,258**	10,897,478
Share of income of associated companies	**10**	**1,695,002**	2,476,108
Finance charges	**14**	**(34,964)**	(110,336)
Profit before income tax		**15,270,296**	13,263,250
Income tax expense	**16**	**(3,971,622)**	(2,754,908)
Profit for the year		**11,298,674**	10,508,342
Earnings per share	**18**	**0.19**	0.17

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

S. L. Horsford and Company Limited

Consolidated Statement of Comprehensive Income

For the year ended September 30, 2023

(expressed in Eastern Caribbean dollars)

	Notes	2023 $	2022 $
Profit for the year		**11,298,674**	10,508,342
Other comprehensive (loss)/income			
Items that will not be reclassified subsequently to profit or loss			
Fair value gains/(losses) of financial assets at fair value through other comprehensive income	**11, 19**	**43,612**	(6,107)
Share in other comprehensive losses of associated companies	**10**	**(877,954)**	(2,766)
Remeasurement gain on defined benefit obligation	**21**	**648,545**	–
Tax expense relating to remeasurement gain on net defined benefit obligation	**16**	**(214,020)**	–
	19	**434,525**	–
Total other comprehensive loss		**(399,817)**	(8,873)
Total comprehensive income for the year		**10,898,857**	10,499,469

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

S. L. Horsford and Company Limited

Consolidated Statement of Changes in Equity

For the year ended September 30, 2023

(expressed in Eastern Caribbean dollars)

	Notes	Share capital $	Reserves $	Retained earnings $	Total $
Balance at September 30, 2021		**60,296,860**	**52,042,965**	**41,263,918**	**153,603,743**
Comprehensive income					
Profit for the year		–	–	10,508,342	10,508,342
Other comprehensive income	**19**	–	(8,873)	–	(8,873)
Transfer of revaluation surplus to retained earnings					
Revaluation surplus of land and building sold	**19**	–	(1,923,220)	1,923,220	–
Deferred tax on revaluation surplus of building sold	**16**	–	–	95,437	95,437
		–	(1,923,220)	2,018,657	95,437
Transaction with owners					
Dividends	**17**	–	–	(4,711,203)	(4,711,203)
Balance at September 30, 2022		**60,296,860**	**50,110,872**	**49,079,714**	**159,487,446**
Comprehensive income					
Profit for the year		–	–	11,298,674	11,298,674
Other comprehensive loss	**19**	–	(399,817)	–	(399,817)
Transaction with owners					
Dividends	**17**	–	–	(8,801,016)	(8,801,016)
Balance at September 30, 2023		**60,296,860**	**49,711,055**	**51,577,372**	**161,585,287**

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

S. L. Horsford and Company Limited

Consolidated Statement of Cash Flows

For the year ended September 30, 2023

(expressed in Eastern Caribbean dollars)

	Notes	2023 $	2022 $
Cash flows from operating activities			
Profit before income tax		**15,270,296**	13,263,250
Items not affecting cash:			
Depreciation and amortisation	**12, 13**	**3,959,843**	3,960,783
Retirement expense	**21**	**510,653**	406,476
Provision for/(reversal of) inventory obsolescence	**7**	**88,150**	(13,379)
Interest expense	**14**	**34,964**	110,336
Impairment loss/(recovery) of financial assets, net	**6**	**34,904**	(65,999)
Dividend income		**–**	(1,179)
Gain on sale of property and equipment	**20**	**(289,617)**	(680,108)
Share of income of associated companies	**10**	**(1,695,002)**	(2,476,108)
Operating profit before working capital changes		**17,914,191**	14,504,072
Decrease in receivables and prepayments		**2,861,605**	1,269,996
Increase in inventories		**(2,501,411)**	(1,479,856)
Increase in trade and other payables		**1,495,645**	537,911
Net cash generated from operations		**19,770,030**	14,832,123
Income tax paid	**16**	**(4,224,661)**	(2,211,012)
Pension contribution paid	**21**	**(217,407)**	(197,165)
Net cash from operating activities		**15,327,962**	12,423,946
Cash flows (used in)/from investing activities			
Proceeds from disposals of property and equipment		**966,394**	2,973,569
Dividends received		**1,225,075**	1,458,762
Purchase of property and equipment	**13**	**(3,283,943)**	(3,019,516)
Net cash (used in)/from investing activities		**(1,092,474)**	1,412,815
Cash flows used in financing activities			
Repayments of borrowings, net		**–**	(4,928,073)
Dividends paid	**17**	**(8,801,016)**	(4,711,203)
Interest paid		**(34,964)**	(110,336)
Net cash used in financing activities		**(8,835,980)**	(9,749,612)
Net increase in cash, net of bank overdrafts		**5,399,508**	4,087,149
Net cash/(bank overdrafts) at beginning of year		**3,196,981**	(890,168)
Net cash at end of year		**8,596,489**	3,196,981
Represented by			
Cash	**5**	**8,596,489**	3,596,447
Bank overdrafts	**14**	**–**	(399,466)
		8,596,489	3,196,981

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

(expressed in Eastern Caribbean dollars)

1 Nature of operations

S. L. Horsford and Company Limited (known locally as Horsfords) or (the "Company") is a diversified trading company which deals principally in building materials and general merchandise, hardware items, food and other consumable items, motor vehicles and spare parts. The Company is also engaged in the sale of petrol products.

The Company is a diversified trading company and details of its subsidiaries and associated companies, and their main activities are set out in Note 9 and 10, respectively.

2 General information, statement of compliance with International Financial Reporting Standards (IFRS) and going concern assumption

The Company was incorporated as a Private Limited Company on January 31, 1912 under the provisions of the Companies Act 1884, (No. 20 of 1884) of the Leeward Islands. By Special Resolution dated July 30, 1990, the Company was converted into a Public Company.

In accordance with the provisions of The Companies Act (No. 22 of 1996), of the Laws of St Kitts and Nevis, the Company was re-registered as a Company with Limited Liability with its registered office located at Independence Square West, Basseterre, St Kitts, West Indies.

The accompanying consolidated financial statements are the financial statements of the Company and its subsidiaries (collectively referred as "Group") have been prepared in accordance with IFRS and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) applicable to companies reporting under IFRS on a historical cost basis, as modified by the revaluation of land and buildings and financial assets at fair value through other comprehensive income (FVOCI), which are carried at fair value. The consolidated financial statements have been prepared under the assumption that the Group operates on a going concern basis. The measurement bases are fully described in the summary of accounting policies.

3 Changes in accounting policies

New and revised standards that are effective for annual periods beginning on or after October 1, 2022

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of all such new interpretations and amendments as follows:

- Reference to the Conceptual Framework (Amendments to IFRS 3);
- COVID-19 – Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16);
- Property, Plant and Equipment: Proceeds Before Intended Use (Amendments to IAS 16);
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Annual Improvements (2018-2020 Cycle):
  - Subsidiary as a First-time Adopter (Amendments to IFRS 1);
  - Fees in the '10 per cent' Test for Derecognition of Liabilities (Amendments to IFRS 9);
  - Lease Incentives (Amendments to IFRS 16); and
  - Taxation in Fair Value Measurements (Amendments to IAS 41).

(expressed in Eastern Caribbean dollars)

3 Changes in accounting policies ... *continued*

Standards, amendments, and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

These amendments do not have significant impact on these consolidated financial statements and therefore the disclosures have not been made. Accordingly, the Group has made no changes to its accounting policies in 2023.

At the date of authorization of these consolidated financial statements, several new, but not effective, standards and amendments to existing standards, and interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Group.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's consolidated financial statements.

4 Summary of accounting policies

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarized below.

a) Basis of consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiaries as at September 30, 2023. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of September 30.

All transactions and balances between the Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

b) Investment in associates

Associates are those entities over which the Group is able to exert significant influence, but which are not subsidiaries. They are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost and subsequently adjusted to recognise changes in the Group's

(expressed in Eastern Caribbean dollars)

4 Summary of accounting policies *…continued*

b) Investment in associates *… continued*

share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The consolidated statement of income reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the consolidated statement of income. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

c) Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates (the "functional currency"). The consolidated financial statements are presented in Eastern Caribbean dollars, which is the Group's functional and presentation currency.

(ii) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Group, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign currency gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the consolidated statement of income.

d) Segment reporting

The Group has four main operating segments: Durable Goods, Automotive, Consumable Goods and Others. The executive directors monitor the operating results of its business for the purpose of making decisions about resource allocation and performance assessment. For management purpose, the Group is organized into business units based on its products as follows:

- Durable goods – sale of building materials, hardware, furniture and appliances;
- Automotive – sale of cars, car spares, car servicing and car rental income;
- Consumable goods – sale of food, related grocery items and gasoline; and
- Others – sale of items not included in the above.

Each of these operating segments is managed separately as each requires different marketing approaches and other resources. All inter-segment transfers are carried out at cost.

(expressed in Eastern Caribbean dollars)

4 Summary of accounting policies *…continued*

d) Segment reporting *… continued*

For management purposes, the Group uses the same measurement policies as those used in its consolidated financial statements. Income taxes are managed and computed on a company-wide basis and are not allocated to operating segments. The Board of Directors monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

e) Revenue recognition

The Group principally derives its revenue from sales to third parties, rendering of services, interest income, dividends and rentals.

Revenue is measured at the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts. To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when/as performance obligation(s) are satisfied.

For Step 1 to be achieved, the following five criteria must be present:
- the parties to the contract have approved the contract either in writing, orally or in accordance with other customary business practices;
- each party's rights regarding the goods or services to be transferred or performed can be identified;
- the payment terms for the goods or services to be transferred or performed can be identified;
- the contract has commercial substance (i.e., the risk, timing or amount of the future cash flows is expected to change as a result of the contract); and
- collection of the consideration in exchange of the goods and services is probable.

The Group derives revenue from sale of goods and rendering of services is either at point in time or overtime, when (or as) the Group satisfies performance obligations by rendering the promised services to its customers.

A performance obligation is satisfied at a point in time unless it meets one of the following criteria, in which case it is satisfied over time:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; and,
- the Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

(expressed in Eastern Caribbean dollars)

4 Summary of accounting policies *…continued*

e) Revenue recognition *…continued*

The transaction price allocated to performance obligations satisfied at a point in time is recognised as revenue when control of the goods or services transfers to the customer. If the performance obligation is satisfied over time, the transaction price allocated to that performance obligation is recognised as revenue as the performance obligation is satisfied.

The Group's revenue recognition criteria are outlined below.

Sales of durable, automotive and other consumer goods
Revenue from the sale of durable, automotive and other consumer goods is recognised when the Group transfers control of the assets to the customer and the amounts can be measured reliably. Invoices for goods or services transferred are due upon receipt by the customer. These revenues are recognised at a point in time.

Interest income
Interest income is recognised on the accrual basis, using the effective interest method, unless collectability is in doubt. Interest income is recognised over time.

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

Rental income
Rental income arising from operating leases on buildings is accounted for on the straight-line basis over the lease terms. Rent and lease income are recognised over time.

Other income
Other income earned from non-routine services and miscellaneous transactions are categorised as other revenue and recognised on the accrual basis.

f) Expenses

Expenses are recognised in the consolidated statement of income upon utilisation of the service or as incurred.

g) Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. Computer software meets this description. Acquired computer software licences, upgrades to software and related costs that are expected to contribute to the future economic benefit of the company are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives at a rate of 33 1/3% per annum. Costs associated with maintaining computer software programmes are recognised as an expense when incurred. Computer software is assessed for impairment whenever there are indications that they may be impaired.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

(expressed in Eastern Caribbean dollars)

4 Summary of accounting policies *…continued*

h) Property and equipment

Land and buildings comprise of mainly the warehouse, offices, and retail stores. Land and buildings are shown at fair value, based on periodic (every five years) valuations by external independent valuers, less subsequent depreciation for buildings. Accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of income during the financial period in which they are incurred. Increases in the carrying amount arising on revaluation of land and buildings are credited to revaluation reserves in equity. Decreases that offset previous increases of the same asset are charged against reserves directly in equity; all other decreases are charged to the consolidated statement of income.

Construction in progress represents construction projects that are not yet completed and is stated at cost. This includes the costs of construction and other direct costs. Construction in progress is not depreciated until such time that the relevant assets are ready for use.

Provision for depreciation of property and equipment is made using the straight line and reducing balance methods, over the useful lives of the assets.

Land is not depreciated. Depreciation rates of other assets are as follows:

Buildings	2%
Vehicles	12.5%, 15% and 20%
Furniture, fittings and equipment	6.67%, 10%, 20% and 33.33%

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted, if appropriate.

Property and equipment are periodically reviewed for impairment. 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.

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income when the asset is derecognised.

Upon disposal of revalued assets, the company has elected to transfer in full, the revaluation reserve relating to the particular asset being sold to retained earnings.

(expressed in Eastern Caribbean dollars)

4 Summary of accounting policies *…continued*

i) Leases – Group as a lessor

As a lessor, the Group classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

Leases wherein the Group substantially transfers to the lessee all risks and benefits incidental to ownership of the leased item are classified as finance leases and are presented as part of installment receivables at an amount equal to the Group's net investment in the lease. Finance income is recognised based on the pattern reflecting a constant periodic rate of return on the Group's net investment outstanding in respect of the finance lease.

Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognised in the consolidated statement of income on a straight-line basis over the lease term.

j) Financial instruments

(i) Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(ii) Classification and measurement of financial assets

At initial recognition, the Group initially measures a financial asset at its fair value plus transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset such as fees and commissions. Transaction costs of financial assets are expenses in the consolidated statement of income. Immediately after initial recognition, an expected credit loss (ECL) allowance is recognised for financial assets measured at amortised cost, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets differs from the transaction price on initial recognition, the entity recognises the difference as follows:

- When the fair value is evidenced by a quoted price in an active market for an identical asset (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

(expressed in Eastern Caribbean dollars)

4 Summary of accounting policies *…continued*

j) Financial instruments *…continued*

(ii) Classification and measurement of financial assets …continued

- In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

Financial assets are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); and
- FVOCI.

In the current and prior periods presented, the Group does not have any financial assets categorised as FVTPL.

The classification is determined by both the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

Business model
The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets.

If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of the 'other' business model and measured at FVTPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Solely payments of principal and interest (SPPI)
Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent the SPPI test. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

(expressed in Eastern Caribbean dollars)

4 Summary of accounting policies *…continued*

j) Financial instruments *…continued*

(ii) Classification and measurement of financial assets …continued

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

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of the financial asset (i.e. its amortised cost before any impairment allowance). The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

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

Financial assets at FVOCI
The classification requirements for equity instruments are described below.

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the Company for trading or as mandatorily required to be classified as FVTPL. The Group has designated equity instruments as at FVOCI on initial application of IFRS 9.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with no deduction for any disposal costs. Gains and losses arising from changes in fair value, including the foreign exchange component, are recognised in other comprehensive income, net of any effects arising from income taxes, and are reported as part of revaluation reserve account in equity. When the asset is disposed of, the cumulative gain or loss previously recognised in the revaluation reserve account is not reclassified to profit or loss but is reclassified directly to retained earnings account.

(expressed in Eastern Caribbean dollars)

4 Summary of accounting policies *…continued*

j) Financial instruments *…continued*

(ii) Classification and measurement of financial assets …continued

Financial assets at FVOCI …continued
Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial assets except for those that are subsequently identified as credit-impaired. For credit-impaired financial assets, if any, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance). The interest earned is recognised in the consolidated statement of income as part of interest income.

Any dividends earned on holding equity instruments are recognised in the consolidated statement of income as part of dividends under the other income account, when the Group's right to receive dividends is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and, the amount of the dividend can be measured reliably, unless the dividends clearly represent recovery of a part of the cost of the investment.

(iii) Impairment of financial assets

The Group uses the IFRS 9's impairment requirement which is to use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model' on its financial assets carried at amortised cost. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and

- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

(expressed in Eastern Caribbean dollars)

4 Summary of accounting policies *…continued*

j) Financial instruments *…continued*

(iii) Impairment of financial assets …continued

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The Group makes use of the lifetime expected credit loss approach in accounting for its receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating the expected credit losses, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

The Group assesses loss allowance of receivables on a collective basis as they possess shared credit risk characteristics based on the days past due. Refer to Note 23(b) for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

(iv) Financial liabilities

The Group's financial liabilities comprise primarily trade and other payables (except government-related payable), borrowings and defined benefit obligation. The Group has not designated any financial liabilities upon recognition as at FVTPL.

All financial liabilities are recognised initially at fair value. Due to their short-term nature, the carrying values of trade and other payables, demand loans, and overdrafts approximates their fair values. After the initial recognition, interest-bearing loans are subsequently measured at amortised cost using the effective interest rate method. The effective interest rate amortization is included as finance charges in the consolidated statement of income, where applicable.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or has expired.

(v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(expressed in Eastern Caribbean dollars)

4 Summary of accounting policies *...continued*

k) Impairment of non-financial assets

Non-financial 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 amounts exceed 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 sly 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.

l) Cash

Cash comprises cash on hand and cash at banks which are subject to an insignificant risk of changes in value. Cash is presented net of bank overdrafts in the consolidated statement of cash flows. Bank overdrafts are included in the short-term borrowings in current liabilities on the consolidated statement of financial position.

m) Trade receivables

Trade receivables are recognised and carried at original invoice amounts less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

n) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses incurred in bringing the inventories to their present location and condition. Costs are assigned using the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Adequate provision is made for obsolete and slow-moving items.

o) Taxation

Tax expense recognised in the consolidated statement of income comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, taxing authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from the consolidated statement of income in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

The Group follows the liability method of accounting for deferred tax whereby all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes are provided for at the current corporation tax rate. Deferred tax assets are only recognised when it is probable that taxable profits will be available against which the assets may be utilised. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

(expressed in Eastern Caribbean dollars)

4 Summary of accounting policies *...continued*

o) Taxation *...continued*

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided those rates are enacted or substantively enacted by the end of the reporting period.

p) Equity

Share capital represents the issue price of shares that have been issued.

Reserves are composed of the following:

- Capital reserves refer to the return on investments in line with the sugar rehabilitation and other reserves of the associated companies.
- Revaluation reserve – financial assets at FVOCI includes any gain or losses on revaluation of financial assets classified as FVOCI.
- Revaluation reserve – property is composed of unrealized gains and losses on revaluation of land and buildings of the Group and associated companies.
- Remeasurement of defined benefit obligation comprises the actuarial gains or losses from changes in financial assumptions and the adjustment for the IAS 19, *Employee Benefits*, adoption through equity.

All transactions with owners of the Group are recorded separately within equity.

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when approved by the directors. In the case of a final dividend, this is when approved by the shareholders at the Annual General Meeting.

q) Borrowing costs

Borrowing costs are recognised in the consolidated statement of income in the period in which they incurred using the effective interest rate method.

r) Employee benefits

Post-employment benefit – defined benefit plan
A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for any benefits from this kind of post-employment plan remains with the Group, even if plan assets for funding the defined benefit plan have been acquired. Plan assets may include assets specifically designated to a long-term benefit fund, as well as qualifying insurance policies. The Group maintains a partially funded and non-contributory post-employment defined benefit plan covering all regular full-time employees.

The liability recognised in the consolidated statement of financial position for a defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

(expressed in Eastern Caribbean dollars)

4 Summary of accounting policies *…continued*

r) Employee benefits *…continued*

Service cost on the Group's defined benefit plan and net interest expense on the defined benefit liability is included in employment costs. Gains and losses resulting from remeasurements of the net defined liability are included in other comprehensive income and are not classified to profit or loss in subsequent periods.

Short-term employee benefits
Short-term employee benefits, including holiday entitlement, are current liabilities, measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

s) Provisions

Provisions are utilized when the Group has a present obligation (legal or constructive) as a result of a past event where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. 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. Provisions are discounted to their present values, where the time value of money is material.

Warranty provisions
Provisions for warranty-related costs are recognised when the product is sold or service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty- related costs is revised annually.

Customer loyalty programme provisions
The Group operates a loyalty points programme which allows customers to accumulate points when they purchase products in the Group's retail stores. These points can be redeemed for free products subject to a minimum number of points being obtained and other specified conditions.

These provisions are calculated based on the fair value for consideration received and are recognised in the consolidated statement of income. Provisions are reviewed annually.

t) Events after the reporting date

Post year-end events that provide additional information about the Group's consolidated financial position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

u) Significant management judgment in applying accounting policies and estimation uncertainty

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported

(expressed in Eastern Caribbean dollars)

4 Summary of accounting policies *…continued*

u) Significant management judgment in applying accounting policies and estimation uncertainty *…continued*

amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated.

The estimates and assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(i) Estimation of impairment of inventories

Management recognises a provision for inventory losses when the realisable values of inventory items become lower than cost due to obsolescence or other causes. Provision for obsolescence on inventory is based on the assessment of the physical condition of inventory and the levels of obsolete or unsaleable inventory items on hand. Obsolete goods when identified are charged to the consolidated statement of income. The Group believes such estimates represent a fair charge for the level of inventory losses in a given year. The Group's policy is to review on an annual basis the condition of its inventory.

(ii) Estimation of useful lives of property and equipment

The Group estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The carrying amounts of property and equipment are presented in note 13. Based on management's assessment as at September 30, 2023 and 2022, there is no change in estimated useful lives of property and equipment during those years. Actual results, however, may vary due to changes in estimates brought about by changes in the factors mentioned above.

(iii) Fair value of land and building

Management uses valuation techniques to determine the fair value of its non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the asset. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (see note 13). Additional information is disclosed in note 19.

(iv) Measurement of the expected credit loss allowance

Management makes judgement at each statement of reporting date to determine whether financial assets are impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment.

(expressed in Eastern Caribbean dollars)

4 Summary of accounting policies *…continued*

v) Significant management judgment in applying accounting policies and estimation uncertainty *…continued*

(iv) Measurement of the expected credit loss allowance …continued

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in note 23(b).

(v) Valuation of post-employment defined benefit obligation

The determination of the Group's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates and salary rate increase. A significant change in any of these actuarial assumptions may generally affect the recognised expense and the carrying amount of the post-employment defined benefit obligation in the next reporting period.

The amounts of post-employment benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in note 21.

(vi) Estimation of current tax payable and current tax expense

The Group recognise liabilities for current taxes based on estimates of whether corporate income taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the corporate income and deferred tax provisions in the period in which the determination is made. Any deferred tax asset relating to income tax on the possible offset of losses for tax purposes and differences between accounting policies for commercial and tax purposes is recognised at current tax rates to the extent that it is probable that they can be utilised.

5 Cash

	2023 $	2022 $
Cash at banks	**8,552,586**	3,551,576
Cash on hand	**43,903**	44,871
	8,596,489	3,596,447

The Group's cash at banks is held with First Caribbean International Bank, The Bank of Nevis Limited, Republic Bank (EC) Limited and St. Kitts-Nevis-Anguilla National Bank and bears no interest.

(expressed in Eastern Caribbean dollars)

6 Receivables and prepayments

	2023 $	2022 $
Installment receivables	**22,977,567**	23,393,093
Trade receivables	**6,917,757**	6,619,291
	29,895,324	30,012,384
Allowance for expected credit losses	**(4,719,137)**	(4,640,901)
	25,176,187	25,371,483
Sundry receivables	**471,238**	81,720
Prepayments	**682,323**	3,573,054
	26,329,748	29,026,257
Less: Non-current portion of receivables	**(13,460,655)**	(13,702,610)
Current portion of receivables and prepayments	**12,869,093**	15,323,647

Receivables include amounts due from associated companies and directors amounting to $464,690 and $86,612, respectively (2022: $471,776 and $31,811) (see note 8).

The carrying value of receivables approximates the fair value.

Allowance for expected credit losses

The movement on allowance for expected credit losses of receivables is as follows:

	2023 $	2022 $
Balance at beginning of year	**4,640,901**	4,716,350
Recoveries of items previously written-off	**64,417**	2,278
Provision/(recovery) during the year, net	**34,904**	(65,999)
Write-off during the year	**(21,085)**	(11,728)
Balance at end of year	**4,719,137**	4,640,901

Installment receivables

The Group entered into finance leases covering motor vehicles and household furniture and appliances with lease terms ranging from two to eight years. Installment receivables relating to vehicles are secured by bills of sale, while the other instalment receivables are unsecured.

(expressed in Eastern Caribbean dollars)

6 Receivables and prepayments *…continued*

Installment receivables *…continued*

The future value of minimum lease payments together with the present value of minimum lease payments of hire purchase and finance leases under instalment receivables are as follows:

Future value of minimum lease payments	2023 $	2022 $
Within one year	**13,300,098**	13,541,187
Over one year but less than five years	**19,479,913**	19,832,309
Over five years	**2,907,560**	2,959,551
	35,687,571	36,333,047

Present value of minimum lease payments	2023 $	2022 $
Within one year	**9,516,912**	9,690,483
Over one year but less than five years	**11,538,447**	11,746,029
Over five years	**1,922,208**	1,956,581
	22,977,567	23,393,093

As at September 30, 2023, the provision for expected credit losses of installment receivables included a provision for uncollectible minimum lease payment receivables amounting to $3,675,818 (2022: $3,568,406).

7 Inventories

	2023 $	2022 $
Merchandise	**37,150,398**	33,141,307
Goods in transit	**2,585,282**	4,092,962
	39,735,680	37,234,269
Allowance for inventory obsolescence	**(336,420)**	(248,270)
	39,399,260	36,985,999

(expressed in Eastern Caribbean dollars)

7 Inventories *...continued*

The movement in the allowance for inventory obsolescence is as follows:

	2023 $	2022 $
Balance at beginning of year	**248,270**	261,649
Increase/(decrease) in provisioning	**88,150**	(13,379)
Balance at end of year	**336,420**	248,270

8 Related party balance and transactions

A related party relationship exists when one party has the ability to control directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between or among entities under common control, with the reporting enterprise and its key management personnel, directors and shareholders.

Related party balances

Amounts due from/to associated companies and from/to directors are shown as part of receivables (see note 6) and trade and other payables (see note 15), respectively, in the consolidated statement of financial position.

The details of these receivables and payables from/to other related parties are as follows:

	2023 $	2022 $
Due from associated companies		
St. Kitts Masonry Products Limited	**316,581**	250,262
Carib Brewery (St. Kitts & Nevis) Limited	**145,998**	221,514
Port Services Limited	**2,111**	–
	464,690	471,776
Due from directors	**86,612**	31,811
	551,302	503,587

The Group has not made any allowance for bad or doubtful debts in respect of related party debtors. A guarantee has been given on behalf of an associated company (see note 22(b)).

(expressed in Eastern Caribbean dollars)

8 Related party balance and transactions *…continued*

Related party balances *...continued*

	2023 $	2022 $
Due to associated companies:		
St. Kitts Masonry Products Limited	**238,435**	444,458
Carib Brewery (St. Kitts & Nevis) Limited	**42,505**	38,133
	280,940	482,591

Amounts due from and due to associated companies are interest-free, unsecured and have no fixed terms of repayment (see note 15).

Related party transactions

During the year the company entered the following related party transactions:

Sales and purchases with associated companies

	2023 $	2022 $
Sales	**4,681,286**	3,802,769
Purchases	**7,755,047**	7,109,071
Management fee	**48,000**	48,000

Dividends

The Company also received dividends from its associates as follows (see note 10):

	2023 $	2022 $
Associated companies:		
Carib Brewery (St. Kitts & Nevis) Limited	**825,075**	907,583
St. Kitts Masonry Products Limited	**600,000**	550,000
	1,425,075	1,457,583

Key management personnel compensation

The salaries and other benefits paid to key management personnel of the Group amounted to $1,829,838 in 2023 (2022: $1,580,458).

(expressed in Eastern Caribbean dollars)

9 Investment in subsidiaries

The Company's subsidiaries include the following companies:

Name of subsidiary	Country of incorporation and principal place of business	Principal activity	Proportion of ownership interests held by the Company 2023	2022
S. L. Horsford Nevis Limited	Nevis	Retail activities and related services	**100%**	100%
Ocean Cold Storage (St. Kitts) Limited	St. Kitts	Food distribution (wholesale)	**100%**	100%
S. L. Horsford Shipping Limited	St. Kitts	Shipping agency	**100%**	100%
Marshall Plantation Limited	St. Kitts	Investments	**100%**	100%
S. L. Horsford Finance Company Limited	St. Kitts	Car rentals, car sales and insurance agency	**100%**	100%

There are no subsidiaries with a non-controlling interest that is material to the Group. The Company has issued guarantees to certain banks in respect of the credit facilities granted to certain subsidiaries (see note 22(b)).

The Group has no interests in unconsolidated structured entities.

10 Investment in associates

Set out below are the details of the associates held directly by the Group.

Name of associate	Country of incorporation and principal place of business	Principal activity	Proportion of ownership interests held by the Group 2023	2022
Carib Brewery (St. Kitts & Nevis) Limited	St. Kitts	Engaged in manufacturing of beer and non-alcoholic beverages.	**20.1%**	20.1%
St. Kitts Masonry Products Limited	St. Kitts	Manufactures and sells ready-mix concrete and concrete blocks for the construction industry.	**50.0%**	50.0%
St. Kitts Developments Limited	St. Kitts	Land and property development	**30.0%**	30.0%
Port Services Limited	St. Kitts	Stevedoring services	**33.3%**	33.3%

(expressed in Eastern Caribbean dollars)

10 Investment in associates *...continued*

The carrying amount of investment in associates as at September 30, is shown below.

	2023 $	2022 $
Cost of investments	**3,148,436**	3,148,436
Increase in equity value over cost from acquisition to end of year	**14,784,886**	15,392,913
	17,933,322	18,541,349

Movement in investments in associated companies during the year is as follows:

	2023 $	2022 $
Balance at beginning of year	**18,541,349**	17,525,590
Share of net income of associated companies		
Profit or loss	**1,695,002**	2,476,108
Other comprehensive income – Capital reserve (note 19)	**(877,954)**	(2,766)
Dividends received (note 8)	**(1,425,075)**	(1,457,583)
Balance at end of year	**17,933,322**	18,541,349

The following illustrates the Group's carrying amount of investment in associates.

	2023 $	2022 $
Carib Brewery (St. Kitts & Nevis) Limited	**8,510,384**	8,874,438
Other associates in aggregate	**9,422,938**	9,666,911
	17,933,322	18,541,349

The following illustrates the summarized financial information of the Group's material associates:

Summarized statements of financial position as at September 30, are as follows:

September 30, 2023	**Carib Brewery (St. Kitts & Nevis) Limited** **$**	**Other associates** **$**
Current assets	**28,366,206**	**8,035,142**
Non-current assets	**36,074,126**	**15,375,625**
Current liabilities	**(17,808,924)**	**(2,485,417)**
Non-current liabilities	**(1,775,705)**	**(1,106,243)**
Net assets	**44,855,703**	**19,819,107**

(expressed in Eastern Caribbean dollars)

10 Investment in associates *...continued*

Summarized statements of financial position as at September 30, are as follows:

September 30, 2023	Carib Brewery (St. Kitts & Nevis) Limited $	Other associates $
Revenue	**66,479,835**	**19,123,014**
Costs and expenses	**(59,828,327)**	**(18,414,355)**
Net income	**6,651,508**	**708,659**
September 30, 2022		
Current assets	26,130,011	5,534,038
Non-current assets	33,333,613	16,929,252
Current liabilities	(16,104,148)	(1,304,962)
Non-current liabilities	(2,222,918)	(697,002)
Net assets	41,136,558	20,461,326
Revenue	53,136,352	19,123,014
Costs and expenses	(44,951,421)	(17,467,872)
Net income	8,184,931	1,655,142

The following illustrates the Group's share of the income/(loss) of associates.

	2023 $	2022 $
Consolidated statement of income:		
Carib Brewery (St. Kitts & Nevis) Limited	**1,338,536**	1,647,119
Other associates	**356,466**	828,989
	1,695,002	2,476,108
Consolidated statement of other comprehensive loss:		
Carib Brewery (St. Kitts & Nevis) Limited	**(877,515)**	(2,766)
Other associates	**(439)**	–
	(877,954)	(2,766)

(expressed in Eastern Caribbean dollars)

11 Financial assets at FVOCI

	2023 $	2022 $
Quoted equity securities:		
Cable & Wireless St. Kitts & Nevis Limited		
90,000 shares of $3.83 each (2022: $3.75 each)	**344,700**	337,500
BP AMOCO PLC (formerly The Standard Oil Company) Limited)		
1,354 shares of US$38.82 each (2022: US$28.55 each)	**141,918**	105,506
	486,618	443,006
Unquoted equity security:		
Federation Media Group Limited	**1**	1
	486,619	443,007

Total dividends earned from financial assets at FVOCI, shown as part of other income, amounts to $nil in 2023 (2022: $1,179).

Movements in the financial assets at FVOCI are as follows:

	2023 $	2022 $
Balance at beginning of the year	**443,007**	449,114
Unrealised fair value gains/(losses)	**43,612**	(6,107)
Balance at end of the year	**486,619**	443,007

12 Intangible assets

	Computer software $
Year ended September 30, 2022	
Opening net book amount	56,224
Amortisation for the year	(34,800)
Closing net book amount	**21,424**
At September 30, 2022	
Cost	210,306
Accumulated amortisation	(188,882)
Net book amount	**21,424**

(expressed in Eastern Caribbean dollars)

12 Intangible assets *...continued*

	Computer software $
Year ended September 30, 2023	
Opening net book amount	21,424
Disposals	(7,224)
Write back of asset disposed	7,224
Amortisation for the year	(21,012)
Closing net book amount	**412**
At September 30, 2023	
Cost	203,082
Accumulated amortisation	(202,670)
Net book amount	**412**

13 Property and Equipment

Year ended September 30, 2023	**Land and buildings $**	**Vehicles, furniture, fittings and equipment $**	**Construction in progress $**	**Total $**
Cost or valuation				
Balance at beginning of year	90,630,690	32,924,759	39,713	123,595,162
Additions	–	2,989,789	294,154	3,283,943
Disposals	–	(3,682,449)	–	(3,682,449)
Balance at end of year	**90,630,690**	**32,232,099**	**333,867**	**123,196,656**
Accumulated depreciation				
Balance at beginning of year	1,078,358	22,773,433	–	23,851,791
Depreciation	1,104,347	2,834,484	–	3,938,831
Disposals	–	(3,005,672)	–	(3,005,672)
Balance at end of year	**2,182,705**	**22,602,245**	**–**	**24,784,950**
Net book value	**88,447,985**	**9,629,854**	**333,867**	**98,411,706**

(expressed in Eastern Caribbean dollars)

13 Property and equipment *...continued*

Year ended September 30, 2022	Land and buildings $	Vehicles, furniture, fittings and equipment $	Construction in progress $	Total $
Cost or valuation				
Balance at beginning of year	92,550,002	31,720,421	–	124,270,423
Additions	138,188	2,841,615	39,713	3,019,516
Disposals	(2,057,500)	(1,637,277)	–	(3,694,777)
Balance at end of year	**90,630,690**	**32,924,759**	**39,713**	**123,595,162**
Accumulated depreciation				
Balance at beginning of year	–	21,327,124	–	21,327,124
Depreciation	1,080,525	2,845,458	–	3,925,983
Disposals	(2,167)	(1,399,149)	–	(1,401,316)
Balance at end of year	**1,078,358**	**22,773,433**	–	**23,851,791**
Net book value	**89,552,332**	**10,151,326**	**39,713**	**99,743,371**

As disclosed in note 15, the Group's land and building has been mortgaged to its principal bankers to secure bank advances.

On September 23, 2021, the Company's land and buildings were revalued by an independent property appraiser, Charterland, Charted Surveyors and Property Consultants. The independent appraiser provided the approximated market value of the land and buildings at September 30, 2021. The revaluation surplus was credited to 'Reserves' in shareholder's equity.

Additions subsequent to revaluation are stated at cost.

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

	Land $	Buildings $	Total $
At September 30, 2022			
Opening net book value	4,144,275	34,407,718	38,551,993
Additions	–	138,188	138,188
Disposal	(3,045)	–	(3,045)
Depreciation	–	(690,922)	(690,922)
Closing net book value	**4,141,230**	**33,828,381**	**37,969,611**
At September 30, 2023			
Opening net book value	4,141,230	33,828,381	37,969,611
Depreciation	–	(703,788)	(703,788)
Closing net book value	**4,141,230**	**33,124,593**	**37,265,823**

(expressed in Eastern Caribbean dollars)

14 Borrowings

	2023 $	2022 $
Bank overdrafts:		
First Caribbean International Bank (FCIB)	–	271,876
The Bank of Nevis Limited	–	65,332
St. Kitts-Nevis-Anguilla National Bank	–	62,258
	–	399,466

Bank overdrafts are secured by debentures executed by the Group totaling $56.4 million (2022: $56.4 million). The bank overdrafts bear fixed interest rates of 4.5%-6% (2022: 4.5% to 6%). The overdrafts have limits totaling $13.4 million.

The bank overdrafts are secured by the following:

The Bank of Nevis Limited:

1 First Registered Demand Mortgage Debenture dated December 30, 1975 creating a fixed and floating charge on all assets of the company, including uncalled capital and goodwill and a floating charge on all other assets. The foregoing debenture is stamped to secure $32,000,000 and ranking pari-passu with a debenture executed in favour of First Caribbean International Bank;

2 Indenture of mortgage of all properties of the company title to which is held by Deed of Conveyance and which were not included in the debenture of mortgage above;

3 Lodgement of Fire Insurance Policies which cover Buildings, Furniture, Fixtures, Equipment, Machinery and Inventories. In accordance with the terms of the pari-passu agreement, The Bank of Nevis' share of any claim on these policies is 60% and First Caribbean International Bank Limited 40% where applicable;

4 Memorandum of Deposit of all certificates of title of S. L. Horsford and Company Limited not included in first registered Demand Mortgage Debenture; and

5 Under terms of new debenture from the Company to First Caribbean International Bank, The Bank of Nevis holds all Certificates of Titles and Indentures of Mortgage in trust for The Bank of Nevis and First Caribbean International Bank in accordance with the Pari- passu arrangement.

First Caribbean International Bank:

1 Equitable charge over 1,650,150 x $1 shares in Carib Brewery (St. Kitts-Nevis) Limited.

2 Mortgage debenture registered and stamped for XCD 21 million. This debenture ranks pari passu with the debenture held by The Bank of Nevis Limited.

3 Assignment of fire and all other risks/perils insurance.

(expressed in Eastern Caribbean dollars)

14 Borrowings *...continued*

Total interest expense related to the above borrowings amounted to $34,964 for the year ended September 30, 2023 (2022: $110,336). There was no unpaid interest as at September 30, 2023 and 2022.

15 Trade and other payables

	2023 **$**	**2022** **$**
Trade payables	**11,162,122**	11,278,053
Sundry payables, provisions and accruals	**6,127,684**	4,516,108
	17,289,806	15,794,161

The carrying value of trade and other payables approximates the fair value.

Amounts due to associated companies amounting to $280,939 (2022: $447,625) arose in the normal course of trading are presented as part of trade payables.

16 Taxation

Income tax is calculated at 25% (2022: 25%) of assessable profit for the year. The charge for the year can be reconciled to the statutory rate as follows:

	2023 **$**	**2022** **$**
Profit before income tax	**15,270,296**	13,263,250
Income tax expense at effective tax rate of 25% (2022: 25%)	**3,817,574**	3,315,813
Tax effect of non-deductible expenses	**404,718**	343,900
Effect of change in tax rate	**227,124**	(139,657)
Penalties	**220**	12,089
Recognition of prior year deferred taxes on tax losses	**(9,287)**	(102,387)
Tax effect of non-taxable income	**(468,727)**	(674,850)
	3,971,622	2,754,908

In 2020, as part of the COVID-19 stimulus package, the Government of St. Kitts and Nevis granted a temporary reduction in the corporate income tax rate from 33% to 25% on the assessable income for businesses that retain at least 75% of their employees. Effective January 1, 2024, the corporate income tax rate in the Federation was permanently reduced to 25% following the 2024 budget address.

(expressed in Eastern Caribbean dollars)

16 Taxation *…continued*

Income tax expense is comprised of the following:

Income tax expense	2023 $	2022 $
Recognised in consolidated statement of income		
Current tax expense	**4,069,566**	3,174,268
Deferred tax credit	**(97,944)**	(431,449)
	3,971,622	2,742,819
Penalties	**–**	12,089
	3,971,622	2,754,908
Recognised in other comprehensive income		
Deferred tax expense relating to remeasurement gains on defined benefit obligation	**214,020**	–

Movement in the income tax payable is as follows:

	2023 $	2022 $
Balance at beginning of year	**1,298,042**	322,697
Current tax expense for the year	**4,069,566**	3,174,268
Penalties for the year	**–**	12,089
Tax paid during the year	**(4,224,661)**	(2,211,012)
Balance at end of year	**1,142,947**	1,298,042

Deferred tax expense/(credit)

The deferred tax expense/(credit) is comprised of the following:

	2023 $	2022 $
Recognised in consolidated statement of income		
Deferred tax on unutilized tax losses	**33,834**	(72,151)
Deferred tax on unutilized capital allowances	**5,657**	(20,396)
Deferred tax on depreciation of property and equipment	**(40,663)**	(269,830)
Deferred tax on retirement expense	**(96,772)**	(69,072)
	(97,944)	(431,449)
Recognised in other comprehensive income		
Deferred tax expense relating to remeasurement gains on defined benefit obligation	**214,020**	–
	116,076	(431,449)

(expressed in Eastern Caribbean dollars)

16 Taxation *…continued*

The movement in the deferred tax liability is as follows:

	2023 $	2022 $
Balance at beginning of year	**6,547,063**	7,073,949
Deferred tax related to revaluation surplus transferred to retained earnings for building sold	**–**	(95,437)
Deferred tax expense/(credit) for the year	**116,076**	(431,449)
Balance at end of year	**6,663,139**	6,547,063

Tax losses

In 2021, the Company has incurred an income tax loss amounting to $309,846 which may be carried forward and applied to reduce taxable income by an amount not exceeding one half of taxable income in any one year of assessment within 5 years following the year in which the loss was incurred. The losses are based on the income tax returns, which has not yet been assessed by the Internal Revenue Department. In 2022, deferred tax asset of $91,208 arising from the previous years tax losses were recognised. The management believes that the tax losses will likely be recovered from foreseeable taxable profits.

Movement in unutilised tax losses is as follows:

Taxable year	Beginning of year	Expired during the year	Incurred/ (utilised) during the year	End of year
2021	–	–	309,846	309,846
2022	309,846	–	(91,208)	218,638
2023	218,638	–	(102,526)	116,112

17 Equity

Share capital

	2023 $	2022 $
Authorised		
100,000,000 ordinary shares of $1 each	**100,000,000**	100,000,000
Issued and fully paid		
60,296,860 ordinary shares of $1 each	**60,296,860**	60,296,860

(expressed in Eastern Caribbean dollars)

17 Equity …*continued*

Dividends

On October 20, 2022, the Company's Board of Directors approved the declaration of an interim cash dividend amounting to $4,017,250 which was paid on October 27, 2022. The Board of Directors further approved the declaration of another cash dividend on April 27, 2023, amounting to $4,783,766 which was paid on May 4, 2023. The total dividends declared and paid in 2023 amounted to $8,801,016 (2022: $4,711,203).

Dividends of 15.7%% (2022: 14.60%) per ordinary share or $9,150,000 (2022: $8,801,016) in respect to the 2023 financial results has been proposed by the Directors. The separate financial statements as at and for the year ended September 30, 2023 do not reflect this proposed dividends which, if approved, will be accounted for in equity as an appropriation of retained earnings in the year ending September 30, 2024.

18 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year by the weighted average of ordinary shares outstanding during the year adjusted for events other than the issue of bonus shares:

	2023 $	2022 $
Profit for the year	**11,298,674**	10,508,342
Weighted average number of outstanding shares	**60,296,860**	60,296,860
Basic earnings per share	**0.19**	0.17

The Group has no dilutive potential ordinary shares as of September 30, 2023 and 2022.

19 Reserves

	2023 $	2022 $
Revaluation reserve – property	**46,978,832**	46,978,832
Capital reserves	**1,893,274**	2,771,228
Revaluation reserve – financial asset at FVOCI	**386,138**	342,526
Remeasurement of defined benefit obligation	**452,811**	18,286
	49,711,055	50,110,872

(expressed in Eastern Caribbean dollars)

19 Reserves *...continued*

Revaluation reserve – property

Movement in revaluation reserve – property is as follows:

	2023 $	2022 $
Balance at beginning of year	**46,978,832**	48,902,052
Revaluation surplus of land and buildings sold transferred to retained earnings, net of tax	**–**	(1,923,220)
Balance at end of year	**46,978,832**	46,978,832

Capital reserves

Movement in capital reserves is as follows:

	2023 $	2022 $
Balance at beginning of year	**2,771,228**	2,773,994
Share in other comprehensive losses of associated companies (note 10)	**(877,954)**	(2,766)
Balance at end of year	**1,893,274**	2,771,228

Revaluation reserve – financial asset at FVOCI

Movement in revaluation reserve – financial asset at FVOCI is as follows:

	2023 $	2022 $
Balance at beginning of year	**342,526**	348,633
Unrealised fair value gains/(losses) (note 11)	**43,612**	(6,107)
Balance at end of year	**386,138**	342,526

Remeasurement of defined benefit obligation

The remeasurement gain on defined benefit obligation as at September 30, 2023 amounted to $452,811 (2022: $18,286) represents the net actuarial loss as a result of changes in financial assumptions and experience adjustments, net of deferred tax.

(expressed in Eastern Caribbean dollars)

20 Other income

	2023 $	2022 $
Interest	**3,754,902**	4,057,614
Rent and lease income	**2,733,193**	2,227,402
Servicing and other related income	**2,247,272**	1,990,018
Commissions	**1,314,430**	1,167,165
Trucking revenue	**317,360**	230,147
Gain on sale of property and equipment	**289,617**	680,108
Miscellaneous	**254,781**	441,003
	10,911,555	10,793,457

21 Employment costs

a) Details of employment costs are presented below.

	2023 $	2022 $
Salaries and other staff cost	**20,583,636**	18,542,390
Post-employment defined benefit	**510,653**	406,476
	21,094,289	18,948,866

b) Defined benefit plan

The Group maintains a partially funded and non-contributory post-employment defined benefit plan covering all full-time employees.

In 2023, the Group engaged the services of an independent actuary to determine the retirement benefit costs and obligation. The amounts presented below and in the succeeding pages were derived based on the actuarial valuation report obtained from an independent actuary.

(expressed in Eastern Caribbean dollars)

21 Employment costs *…continued*

b) Defined benefit plan *...continued*

The movements in the present value of the post-employment defined benefit obligation recognised in the books are as follows:

	2023 $	2022 $
Balance at beginning of the year	**4,831,676**	4,622,365
Interest cost	**329,631**	318,695
Current service cost	**87,318**	87,781
Past service cost	**149,978**	–
Liabilities transferred out	**(56,274)**	–
Benefit payments	**(217,407)**	(197,165)
Actuarial gains	**(648,545)**	–
Balance at end of the year	**4,476,377**	4,831,676

The movements in the fair value of plan assets are presented below.

	2023 $	2022 $
Balance at beginning of the year	–	–
Employer contributions	**217,407**	197,165
Benefit payments	**(217,407)**	(197,165)
Balance at end of the year	–	–

The retirement benefit obligation as at September 30, is classified in the consolidated statement of financial position as follows:

	2023 $	2022 $
Current	**303,148**	197,165
Non-current	**4,173,229**	4,634,511
	4,476,377	4,831,676

The current portion of these liabilities represents the Group’s obligations to its current and former employees that are expected to be settled during the next 12 months. As none of the employees are eligible for early settlement of pension arrangements, the remaining part of pension obligations for defined benefit plans is considered non-current.

(expressed in Eastern Caribbean dollars)

21 Employment costs *…continued*

b) Defined benefit plan *...continued*

The components of amounts recognised in consolidated statement of income in respect of the defined benefit post-employment plan are as follows:

	2023 $	2022 $
Recognised in profit or loss		
Interest cost	**329,631**	318,695
Past service cost	**149,978**	–
Current service cost	**87,318**	87,781
Liabilities transferred out	**(56,274)**	–
	510,653	406,476
Recognised in other comprehensive income		
Gain from change in assumption	**(363,162)**	–
Gain from experience	**(285,383)**	–
Remeasurement gain on defined benefit obligation	**(648,545)**	–

In determining the amounts of the post-employment benefit obligation, the following significant assumptions were used:

	2023	2022
Discount rate	**7.50%**	7.25%
Expected rate of future salary increase rates	**5.50%**	5.25%
Future inflationary salary increase rate	**0.00%**	2.75%
Future increase in the Social Security Board ceilings for earnings	**2.00%**	1.75%

22 Commitments and contingencies

a) Letters of credit

At the year end, the Group had outstanding letters of credit totaling $400,000 (2022: $400,000).

b) Guarantees

The Group provides guarantees to certain financial institutions in connect with credit facilities extended to subsidiaries and associated company in the range of $300,000 to $3,000,000.

(expressed in Eastern Caribbean dollars)

23 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group has not entered forward contracts to reduce risk exposures. The Group's risk management focuses on actively seeking to minimise potential adverse effects on its financial performance.

The Group's risk management is coordinated by its Board of Directors and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described in the current and succeeding pages.

a) Market risk

i) Foreign currency risk

The Company conducts its operations primarily in Eastern Caribbean dollars; however, some transactions are executed in various other currencies, mainly United States Dollars. Foreign currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The exchange rate of the Eastern Caribbean dollar (EC$) to the United States dollar (US$) has been formally pegged at EC$2.70 = US$1.00 since July 1976, hence management considers foreign currency risk to be insignificant.

Substantially all of the Group's transactions and assets and liabilities are denominated in Eastern Caribbean Dollars or United States Dollars. Therefore, the Group has no significant exposure to currency risk.

ii) Interest rate risk

The Group's interest rate risk arises primarily from interest bearing liabilities held with financial institutions with respect to bank overdrafts and borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The bank overdrafts and the borrowings bear fixed interest rate of 4.5% to 6% (2022: 4.5% to 6%), which expose the Group to fair value interest rate risk. To manage interest rate risk, the Group negotiates the best rates possible and where possible considers factors such as refinancing, reviewing options and alternative financing.

Management does not believe significant interest rate risk exists at September 30, 2023. If interest rates on the Group's financial instruments were 1% higher or 1% lower with all other variables held constant, the impact on consolidated profit for the year would have been insignificant.

(expressed in Eastern Caribbean dollars)

23 Financial risk management *...continued*

a) Market risk *...continued*

iii) Price risk

The Group is exposed to equity securities price risk because of equity investments held by the Group and classified in the consolidated statement of financial position as financial assets at FVOCI. The Group's portfolio includes securities that are quoted on the Eastern Caribbean Securities Exchange, and its exposure to equity securities price risk is not material because the total of these securities is insignificant in relation to its consolidated statement of financial position and because of the limited volatility in this market. If market prices as at September 30, 2023 had been 10% higher/lower with all other variables held constant, the change in equity would have been insignificant.

b) Credit risk

Credit risk arises from cash, contractual cash flows of financial assets carried at amortised cost as well as credit exposure to customers, including outstanding receivables.

The credit risk in respect of cash balances with banks and deposits with banks are managed via diversification of bank deposits and are only with major reputable financial institutions.

The Group has made adequate allowance for impairment for any potential credit losses and the amount of the Group's maximum exposure to credit risk is indicated by the carrying amount of its financial assets.

	2023	**2022**
	$	**$**
Cash at banks	**8,552,586**	3,551,576
Receivables	**25,647,425**	25,453,203
	34,200,011	29,004,779

The Group continuously monitors the credit quality of its customers. Credit checks are performed for all credit customers. The Group's policy is to deal only with credit worthy counterparties. The Group's credit term is 30 days. The credit terms for customers as negotiated with customers are subject to an internal approval process which considers the credit worthiness of the customers. The ongoing credit risk is managed through regular review of aging analysis, together with credit limits per customer.

Receivables consist of a large number of individual customers.

Expected credit loss measurement

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

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Group.

(expressed in Eastern Caribbean dollars)

23 Financial risk management *...continued*

b) Credit risk *...continued*

Expected credit loss measurement ...continued

- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but it is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months.
- Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward looking information.

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):

	Change in credit quality since initial recognition		
	Stage 1	**Stage 2**	**Stage 3**
Risk Assessment	Initial recognition or credit risk is considered low	Significant increase in credit risk since initial recognition	Credit-impaired assets
Expected credit losses	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

Receivables

The Group applies IFRS 9 simplified model of recognising lifetime expected credit losses for receivables as these items do not have a significant financing component.

To measure the ECL, receivables have been grouped based on shared credit risk characteristics and the days past due (age buckets). The Group has therefore concluded that the expected loss rates for receivables are a reasonable approximation of the loss rates for the other assets.

The expected credit loss rates are based on the payment and or collection profile for receivables over the last 48 months before September 30, 2023 and October 1, 2022, respectively, as well as the corresponding historical credit losses during the period. The historical rates are adjusted to reflect current and forward looking macro economic factors affecting the customer's ability to settle the amount outstanding. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Receivables are written-off (e.i. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 120 days from the policy date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

(expressed in Eastern Caribbean dollars)

23 Financial risk management *...continued*

b) Credit risk *...continued*

Expected credit loss measurement ...continued

Receivables

On the above basis, the expected credit loss for receivables as at September 30, was determined as follows:

	Receivables ECL Staging			
	Stage 1 **$**	**Stage 2** **$**	**Stage 3** **$**	**Total** **$**
September 30, 2023				
Gross carrying amount	23,551,763	1,177,083	5,166,478	29,895,324
Expected credit loss rate	0.20%	10.75%	87.96%	
Loss allowance	**48,026**	**126,520**	**4,544,591**	**4,719,137**
September 30, 2022				
Gross carrying amount	24,311,223	872,342	4,828,819	30,012,384
Expected credit loss rate	0.72%	15.21%	89.73%	
Loss allowance	**175,293**	**132,717**	**4,332,891**	**4,640,901**

The closing balance of the receivables loss allowance as at September 30, reconciles with the receivables loss allowance opening balance (see note 6).

Other receivables

Other receivables are financial assets measured at amortised cost and considered to have low credit risk. There is no impairment allowance for these other financial assets as the counterparties have access to sufficient highly liquid assets in order to repay the receivables, if demanded at the reporting date.

c) Liquidity risk

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecasts of cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

(expressed in Eastern Caribbean dollars)

23 Financial risk management *...continued*

c) Liquidity risk *...continued*

The Group's objective is to maintain cash to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

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

	Within 1 year $	Between 1 and 5 years $	More than 5 years $	Total $
As at September 30, 2023				
Borrowings	–	–	–	–
Trade and other payables	17,289,806			17,289,806
Defined benefit obligation	303,148	1,212,592	2,960,637	4,476,377
	17,592,954	**1,212,592**	**2,960,637**	**21,766,183**
As at September 30, 2022				
Borrowings	399,466	–	–	399,466
Trade and other payables	15,794,161	–	–	15,794,161
Defined benefit obligation	197,165	788,660	3,845,851	4,831,676
	16,390,792	**788,660**	**3,845,851**	**21,025,303**

d) Fair value of financial assets

Fair value is the arm's length consideration for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties, who are under no compulsion to act and is best evidenced by a quoted market price, if one exists.

Determination of fair value
The following methods and assumptions have been used to estimate the fair value of each class of financial instruments for which it is practical to estimate a value:

Short-term financial assets and liabilities
The carrying value of these financial assets and liabilities is a reasonable estimate of their fair value because of the short maturity of these instruments. Short-term financial assets are comprised of cash on hand and at banks and receivables. Short-term financial liabilities are comprised of borrowings, trade and other payables and current portion of defined benefit obligation.

Long-term financial assets
Long-term financial assets classified as financial assets at amortised cost whose maturities are greater than 12 months after the end of the reporting period are subsequently carried at amortised cost using the effective interest method.

(expressed in Eastern Caribbean dollars)

23 Financial risk management *...continued*

d) Fair value of financial assets *...continued*

Financial liabilities
The estimated fair value of fixed-interest bearing financial liabilities not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

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

	Carrying value		**Fair value**	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
Financial assets				
Cash	**8,596,489**	3,596,447	**8,596,489**	3,596,447
Receivables	**25,647,425**	25,453,203	**25,647,425**	25,453,203
	34,243,914	29,049,650	**34,243,914**	29,049,650
Financial liabilities				
Borrowings	–	399,466	–	399,466
Trade and other payables	**17,289,806**	15,794,161	**17,289,806**	15,794,161
Defined benefit obligation	**4,476,377**	4,831,676	**4,476,377**	4,831,676
	21,766,183	21,025,303	**21,766,183**	21,025,303

e) Fair value hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1: Quoted prices in active markets for identical assets and liabilities. This level includes equity securities and debt instruments listed on exchanges.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the assets or liabilities that are not based on observable market data. This level includes

(expressed in Eastern Caribbean dollars)

23 Financial risk management *...continued*

e) Fair value hierarchy *...continued*

Fair value measurement of financial assets

The hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in valuations where possible.

	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets 2023				
Financial assets at FVOCI	**–**	**486,618**	**1**	**486,619**
Financial assets 2022				
Financial assets at FVOCI	–	443,006	1	443,007

There were no transfers between levels 1, 2, or 3 fair values during the year.

Fair value measurement of non-financial assets

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at September 30:

	Level 1 $	Level 2 $	Level 3 $	Total $
Land and buildings – 2023	**–**	**38,735,000**	**49,712,985**	**88,447,985**
Land and buildings – 2022	–	38,735,000	50,817,332	89,552,332

There were no transfers between levels 1, 2, or 3 fair values during the year.

Fair value of the Group's main property assets is estimated based on appraisals performed by independent, professionally-qualified property appraisers. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Board of Directors at each reporting date.

The appraisal was carried out using a market approach that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the land in question, including plot size, location and current use.

Land and buildings were revalued in September 2021 and difference between the carrying amounts of land and buildings and the fair values are recognised as a revaluation surplus in the revaluation reserve – property under equity (see note 19).

(expressed in Eastern Caribbean dollars)

23 Financial risk management *...continued*

f) Capital management objectives

The Group maintains a level of capital that is sufficient to meet several objectives, including an acceptable total debt-to-capital ratio to provide access to adequate funding sources to support current operations and fulfilment of its strategic plan.

The Group's capital is represented by its equity. As at September 30, 2023, the Group's equity amounted to $161,585,287 (2022: $159,487,446).

The Group manages its capital structure and makes adjustments in light of changes in activities, economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the company may issue new shares, repurchase shares for cancellation or sell assets to reduce debt.

24 Segment reporting

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. Segment performance is evaluated based on revenue and profit or loss before tax and is measured consistently with profit or loss in the consolidated financial statements. Refer to further details in note 4(d).

›pressed in Eastern Caribbean dollars)

Segment reporting *...continued*

Segment information for the reporting period is as follows:

2023	**Durable goods $**	**Automotive $**	**Consumable goods $**	**Others $**	**Unallocated/ head office $**	**Eliminations $**	**Total $**
External sales	67,386,427	23,066,965	77,615,501	–	–	(5,319,877)	162,749,016
Other income	1,894,882	5,139,366	8,120	3,869,187	–	–	10,911,555
Total revenue	69,281,309	28,206,331	77,623,621	3,869,187	–	(5,319,877)	173,660,571
Operating profit before finance charges	7,235,745	3,262,130	1,599,539	1,512,844	–	–	13,610,258
Finance charges	(34,964)	–	–	–	–	–	(34,964)
Profit before results of associated companies	7,200,781	3,262,130	1,599,539	1,512,844	–	–	13,575,294
Share of income of associated companies	359,670	–	1,338,536	(3,204)	–	–	1,695,002
Operating results before taxation	7,560,451	3,262,130	2,938,075	1,509,640	–	–	15,270,296
Taxation							(3,971,622)
Net income after taxation							11,298,674
Operating assets	58,246,897	40,996,754	32,524,139	17,734,840	46,742,652	(23,021,048)	173,224,234
Investment in associates	8,905,499	–	8,510,389	517,434	–	–	17,933,322
Total consolidated assets	67,152,396	40,996,754	41,034,528	18,252,274	46,742,652	(23,021,048)	191,157,556
Total liabilities	5,463,483	2,170,226	9,096,633	6,858,276	20,563,566	(14,579,915)	29,572,269
Capital expenditure	452,422	1,909,153	210,925	393,078	318,365	–	3,283,943
Depreciation and amortisation	1,387,261	863,215	1,330,587	378,780	–	–	3,959,843

ɪpressed in Eastern Caribbean dollars)

Segment reporting *...continued*

2022	**Durable goods $**	**Automotive $**	**Consumable goods $**	**Others $**	**Unallocated/ head office $**	**Eliminations $**	**Total $**
External sales	61,095,294	16,262,114	73,360,801	–	–	(3,220,129)	147,498,080
Other income	1,744,352	5,262,202	18,224	3,768,679	–	–	10,793,457
Total revenue	62,839,646	21,524,316	73,379,025	3,768,679	–	(3,220,129)	158,291,537
Operating profit before finance charges	5,773,106	2,584,043	1,136,547	1,403,782	–	–	10,897,478
Finance charges	(41,826)	(59,265)	(9,245)	–	–	–	(110,336)
Profit before results of associated companies	5,731,280	2,524,778	1,127,302	1,403,782	–	–	10,787,142
Share of income of associated companies	831,115	–	1,647,119	(2,126)	–	–	2,476,108
Operating results before taxation	6,562,395	2,524,778	2,774,421	1,401,656	–	–	13,263,250
Taxation							(2,754,908)
Net income after taxation							10,508,342
Operating assets	61,036,516	40,025,896	32,623,198	17,092,251	40,848,806	(21,810,162)	169,816,505
Investment in associates	9,146,268	–	8,874,443	520,638	–	–	18,541,349
Total consolidated assets	70,182,784	40,025,896	41,497,641	17,612,889	40,848,806	(21,810,162)	188,357,854
Total consolidated liabilities	4,801,894	1,691,885	8,240,812	6,536,404	20,968,442	(13,369,029)	28,870,408
Capital expenditure	903,900	633,652	334,852	1,147,112	–	–	3,019,516
Depreciation and amortisation	1,388,833	777,846	1,432,724	361,380	–	–	3,960,783

(expressed in Eastern Caribbean dollars)

24 Segment reporting *…continued*

The geographical market of the Group's revenue in 2023 and 2022 is primarily within St. Kitts and Nevis.

The totals presented above for the Group's operating segments reconcile to the key financial figures as presented in the consolidated statement of income.

25 Event after the reporting period

Effective January 1, 2024, the Government of St. Kitts and Nevis reduced the corporate income tax rate in St. Kitts and Nevis from 33% to 25% indefinitely. The impact of the decrease in the tax rate is not reflected in the deferred tax liability reported in the financial statements as of September 30, 2023. If the new tax rate were applied to calculate the deferred income taxes reported as of September 30, 2023, the Group's deferred tax liability would decrease by $1,615,306.

S L HORSFORD & CO LTD

(Incorporated in the Federation of St Christopher – Nevis, West Indies)

Proxy Form

I/We ____________________________________ of ______________________________________

a member/members of S. L. Horsford & Company Limited and entitled to ________________votes

hereby appoint ____________________________ of ______________________________________

and failing him/her____

to vote for me and on my behalf, at the Annual General Meeting of the Company, to be held on the

24th, day of April, 2024 and at every adjournment thereof.

As witness my hand this ____________________ day of __________________________ 2024.

Signature________________________________

SLH
EST. 1875

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GROUP OF COMPANIES

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