

BETTER TOGETHER



WHO WE ARE

For over a century, A.S. Bryden and Sons Holdings Limited (“Company”) and its subsidiaries, (together “Group”, “Brydens Group”) has established itself as a preferred partner for globally recognized suppliers, with a growing portfolio of private label brands. Our success is built on our steadfast commitment to ethical business practices, unwavering dedication to customer service, nurturing and developing our people, and the continuous pursuit of innovation. In all that we undertake, we are driven by the goal of not only delivering value to our suppliers and customers but also enhancing returns for our shareholders.

CORPORATE GOVERNANCE

The Brydens Group is dedicated to maintaining a superior standard of corporate governance, making it a pillar of our business philosophy. With an unwavering commitment to transparency, accountability, and ethical conduct, we strive to ensure that every aspect of our operations adheres to the highest standards of integrity. Through continuous monitoring, evaluation, and improvement of governance practices, the Brydens Group reaffirms its pledge to uphold the trust and confidence of its stakeholders while driving sustainable growth and success.



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the first ANNUAL GENERAL MEETING of A.S. Bryden and Sons Holdings Limited will be held on 16 July, 2024 virtually at 10:00a.m. Jamaican time and 11:00a.m. Trinidad and Tobago time, for the purpose of transacting the following business:

1. To receive the Audited Accounts and the Reports of the Directors and Auditors.

To consider and if thought fit, pass the following resolution:

"THAT the Directors' Report, the Auditors' Report and the Audited Accounts for the year ended 31 December, 2023 be and are hereby adopted."

2. To fix the remuneration of Directors.

To consider and if thought fit, pass the following resolution:

"THAT the amount shown in the Audited Accounts as Directors Remuneration for the year ended 31 December, 2023 be and is hereby approved."

3. To appoint Auditors and authorize the Directors to fix the remuneration of the Auditors.

To consider and if thought fit, pass the following resolutions:

"THAT PricewaterhouseCoopers having indicated their willingness to continue in office as Auditors be re-appointed Auditors for the ensuing year."

"THAT the Directors be authorized to agree the remuneration of the Auditors."

4. Special Business

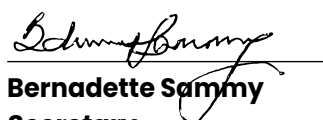
To approve and ratify the amendment of the Company's By-Laws approved by the Directors on 6 May 2024, which permit shareholders meetings to be held using electronic means, such electronic means to include video conference by which shareholders not present in the same physical location may simultaneously and instantaneously hear and communicate with each other.

Shareholders seeking further clarification of amendments can contact the Company at gcc@brydenstt.com.

5. To transact any other business which may properly be transacted at an Annual General Meeting.

DATED this 26th day of May, 2024

BY ORDER OF THE BOARD


Bernadette Sammy
Secretary

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member. Proxy forms must be lodged at the Company's registered office, 1 Ibis Avenue, San Juan, Trinidad and Tobago, not less than 48 hours before the time of the meeting.

DIRECTORS' REPORT

The Directors of A.S. Bryden and Sons Holdings Limited submit herewith their Annual Report and Audited Accounts for the year ended 31 December, 2023.

Financial Results

The Group ended the year with a profit before tax of \$165.8 million and a net profit attributable to shareholders of \$139.8 million. Details of these results, along with a comparison with the previous period's performance and the state of affairs of the Company are set out in the Management Discussion and Analysis and the Financial Statements which are included as part of the Report.

Dividend

The Company made the following ordinary dividend payments during the year:

- A dividend of \$0.0126 per share was paid during the months of December 2022 and January 2023, to shareholders on record at 21 December 2022.
- A dividend of \$0.0126 per share was paid on 28 June 2023 to shareholders on record at 23 June 2023.
- A dividend of \$0.0126 per share was paid on 18 January 2024 to shareholders on record at 29 December 2023.

The Directors do not recommend any further payment of dividend for 2023.

Directors

The Board consists of seven (7) members as listed herein:

Paul B. Scott	Richard Pandohie
Michael Conyers	Geoffrey Gordon
Melanie Subratie	Brian Wynter
Nicholas Scott	

Auditors

The Auditors, Messrs. PricewaterhouseCoopers have indicated their willingness to continue in office. The Directors recommend their re-appointment.

Audit Committee

The Board of Directors of A.S. Bryden and Sons Holdings Limited exercises its responsibilities for the Financial Statements included in this Report through its Audit Committee, which consists of non-management Board members: Mr. Brian Wynter (Chairperson), Mr. Geoffrey Gordon and Ms. Melanie Subratie.

The independent accountants and internal auditors have full and free access to the Audit Committee. The Audit Committee meets based on a pre-determined schedule to discuss accounting, auditing and financial reporting matters.

Employees

The Directors wish to express their appreciation to the employees for their loyal services throughout the year.

Submitted on behalf of the Board of Directors.



Paul B. Scott
Chairman

CORPORATE DATA

Registered Office:	1 Ibis Avenue, San Juan, Trinidad and Tobago, W.I. Tel: (868) 674-9191 Email: gcc@brydenstt.com
Auditors:	PricewaterhouseCoopers 11-13 Victoria Ave, Port of Spain, Trinidad and Tobago, W.I.
Attorneys:	M. Hamel-Smith & Company 11 Albion, Corner Dere & Albion Streets P.O. Box 219, Port-of-Spain, Trinidad & Tobago, W.I.
Bankers:	<p>Citibank Trinidad & Tobago Limited 12 Queen's Park East, Port of Spain Trinidad and Tobago, W.I.</p> <p>Citibank N.A. Jamaica 19 Hillcrest Avenue, Kingston 6, Jamaica, W.I.</p> <p>CIBC First Caribbean International Bank 74 Long Circular Road, Maraval, Port of Spain Trinidad and Tobago, W.I.</p> <p>Scotiabank Trinidad and Tobago Limited 56-58 Richmond Street, Port of Spain, Trinidad and Tobago, W.I.</p> <p>Republic Bank Limited 9-17 Park Street, Port of Spain, Trinidad and Tobago, W.I.</p> <p>RBC Royal Bank Trinidad and Tobago 7 St. Clair Avenue, Port of Spain, Trinidad and Tobago, W.I.</p> <p>JMMB Group Limited 68 Ariapita Ave, Port of Spain, Trinidad and Tobago, W.I.</p>
Registrar and Transfer Agents:	Jamaica Central Securities Depository Limited 40 Harbour Street, Kingston, Jamaica, W.I.

CONTACT INFORMATION

A.S. Bryden & Sons (Trinidad) Limited

1 Ibis Avenue, San Juan
Trinidad and Tobago, W.I.
Tel: (868) 674-9191

Bryden pi Limited

5 CTC Drive, Macoya
Trinidad and Tobago, W.I.
Tel: (868) 612-5000

FT Farfan Limited

3-5 Ibis Avenue, Ibis Acres
Trinidad and Tobago, W.I.
Tel: (868) 612-4383

Micon Marketing Limited

Fernandes Business Center, Building 23,
165-175 Eastern Main Road
Laventille, Trinidad and Tobago, W.I.
Tel: (868) 299-0070

Ibis Construction Equipment Sales & Rentals Inc. (ICON)

Lot C1 La Bonne Intention, Public Road, East
Coast Demerara, Guyana
Tel: (592) 219-4247

Bryden pi (Guyana) Inc.

91 Middle & Carmichael Sts., Georgetown
Guyana
Tel: (592) 225-6370

Armstrong Health Care Inc. (AHCI)

Lot 2, Lower Estate, St Michael,
Barbados, W.I.
Tel: (246) 417-7976

Facey Trading S.V.G. Limited

4RP4+269, Glen Road, Calliaqua,
St Vincent & the Grenadines, W.I.
Tel: (784) 457-5047



SHAREHOLDERS' PROFILE

TEN LARGEST SHAREHOLDERS

1	Seprod Limited	751,660,016
2	Musson Investments Limited	143,988,213
3	Stony Hill Capital Limited	113,601,608
4	Michael Anthony Conyers	90,103,014
5	Richard Pandohie	65,826,147
6	Gerard Bruce Conyers	47,878,649
7	Caribprop Limited	41,074,270
8	Curmudgeon Limited	19,231,313
9	Caona Investments Limited	12,190,027
10	Patrick A.W. Scott	7,314,016

SHAREHOLDING OF DIRECTORS ALONG WITH THEIR CONNECTED PERSONS

1	Paul Scott Shareholding of connected persons	NIL 1,050,324,107
2	Michael Conyers	90,103,014
3	Melanie Subratie Shareholding of connected persons	NIL 1,021,439,864
4	Nicholas Scott Shareholding of connected persons	NIL 19,231,313
5	Richard Pandohie	65,826,147
6	Geoffrey Gordon	NIL
7	Brian Wynter	NIL

SHAREHOLDING OF MANAGEMENT

1	Michael Conyers	90,103,014
2	Richard Pandohie	65,826,147
3	Gerard Conyers	47,878,649
4	Bernadette Sammy	6,948,316
5	Stephen Welch	6,948,316
6	Barry Tangwell	6,948,316
7	Andrew Crooks	6,948,316
8	David Franco	6,948,316
9	Robert Scott Franco	6,948,316
10	Tiffany Reid	5,973,113
11	Damion Dodd	4,876,011



CHAIRMAN'S REPORT

Dear Fellow Shareholders,

It is with great pleasure to write this letter to our shareholders of A.S. Bryden and Sons Holdings Ltd in our first year as a public company. A.S. Bryden (ASBH) celebrated 100 years this year. An important milestone for any company. When ASB was founded in Trinidad the world looked very different, it was 1923. The world was recovering from the Spanish flu and World War I. Trinidad like the rest of the English speaking Caribbean was an outpost of the British empire which was starting to recognize that our region was probably not as compatible to their future as it had been to their past. Brydens was founded when the US was booming as the crash and depression had yet to come. In the next 40 years it would go through the global depression of the 30s, World War II and then the break up of our region into self identified countries based on the boundaries of the sea. Then the independence of these geographical islands to become independent sovereign nations. Since then multiple global recessions and crashes have occurred. During these

decades A.S. Bryden would have endured many challenges yet prospered. There are very few companies that can claim 100 years of development and growth.

In the last 100 years many great corporations have disappeared, household names such as Citigroup, AIG and GE Capital were restored in '08 by the US Government intervention as was General Motors. Natwest, Lloyds, Northern Rock by the UK Government. Therefore ASB's achievement is remarkable. Given the uniqueness of this it was important to understand how this was achieved when we were making our investment in ASB. Luckily for us it became quite clear very quickly. ASB has excellent people and I had the privilege to be able to negotiate with the former owners who were the sponsors of the Company over the last 100 years. It is one thing having great people at one period of time it is another having growth and development over 100 years which requires capacity for generations. This achievement can be attributed to the incredible stewardship of the company by the Bryden, Maingot and the Fitzwilliam

families. It is our honor to be able to continue this tradition. In 2024 we purchased the 10% of Bryden pi we did not own. This was owned by the founder of the Company Norman Tang an individual who built an organization as well many brands that have been successfully launched across our region. He will remain a director and we are grateful for his ongoing council and wisdom.

As we go into our 101st year Bryden's prospects are very exciting. We can be reassured as shareholders by the talent that exists within the Organization which is truly exceptional. We often discuss the capacity of the Organization and we are committed to ensuring that high performing individuals are supported and are as equally excited about our future. At time of writing, Brydens has broken ground on our new distribution facility in Central Trinidad. We have approved the investment in new facilities in Guyana and we have purchased a new subsidiary in Stansfeld Scott which extends our premium beverage business into Barbados. Our objective is to build a platform across our region that is focused in the three verticals: food, healthcare and premium beverages. The platforms will cover the geographies of our region executing seamlessly the objectives of our principals (our partner suppliers). Anyone can buy companies or spend money building warehouses. That's not what our Group is about. Without the exceptional talent that is required to leverage these investments we will not be able to continue in the tradition of our predecessors and maintain the growth and development for the next 100 years. Brydens will continue to grow and invest in its expansion while ensuring that it maintains a laser focus on our human capital. If we do this we will continue the trajectory of shareholder wealth that, as shareholders we expect.

Today ASB has over 1200 employees and over 54 percent of them are shareholders in the Company. No other company in our region's markets have anywhere close to this. The next highest number is Seprod (the parent of ASB) which is 27 percent. We are proud to call those individuals who took their hard earned savings to invest our partners. As Chairman of the Board we take the responsibility of managing the performance of the Company to deliver on the confidence the investors have bestowed on us very seriously. I would like to take this opportunity to thank all the employees (54 percent are now our partners as shareholders), Management and Directors for their hard work in 2023. We look forward to continuing our positive momentum in 2024.



Paul B. Scott
Chairman



BOARD OF **DIRECTORS**



P. B. SCOTT
CHAIRMAN

P.B. Scott is the CEO, Chairman and Principal Shareholder of the Musson Group. Over the last two decades, P.B. Scott has conceptualized and led the expansion of the Musson Group from a Jamaican consumer wholesale distribution business to a diversified group operating in 30 countries. The Group is a leader across the Caribbean in food, pharmaceuticals, information technology, and insurance. The Musson Group includes leading businesses such as The PBS Group, Seprod Limited, General Accident Insurance, and A.S. Brydens & Sons. He has served as CEO of Musson since 2004. Today the Musson Group has a turnover in excess of US\$1.6 billion annually and over 7,000 employees.

In addition to his private sector contributions, P.B. Scott has committed a significant amount of time to public service. He is the chairman of the Development Bank of Jamaica and has led multiple enterprise teams to divest government assets. In 2016 he was awarded the Jamaican national honor “the Order of Distinction” (CD) for service to business in the Caribbean. In 2023, he was awarded “the Order of Jamaica (OJ)” for his exceptional contribution to the Business Industry, Investment, and Philanthropy in Jamaica and the Caribbean.

The Musson Group manages two foundations in Jamaica in addition to their initiatives in the other markets it operates in. The Musson Foundation and the Seprod Foundation are solely focused on empowering Jamaican youth and uplifting our communities. The work of the foundations are guided by strategic pillars including Education, Food Security and Community which are essential for development in Jamaica.

PB Scott is a keen sailor and is married to Jennifer, an attorney at law and partner at law firm Clinton Hart. Together they have two children.



MICHAEL CONYERS
DEPUTY CHAIRMAN

Michael Conyers is the Chairman of Micon Marketing Limited and the Deputy Chairman of The Brydens Group and, serves on the board of several companies within the Group. Previously he held the role of Managing Director of Micon Marketing Limited from 1997 to 2022. Between 1992 and 1997, he served as Managing Director at Grell Taurel Limited, part of the Neal & Massy Group and Managing Director for Trinidad Distributors Ltd in the McAl Group. He held directorships at T. Geddes Grant, Geo. F. Huggins, Marketing & Distribution Ltd, Neal & Massy Caribbean, Huggins Shipping, Caribbean Development Co. Ltd, Carib Brewery Ltd, Alston’s Marketing Ltd, Alston’s Shipping and Tobago Marketing Co. (Tamco).



RICHARD R. PANDOHIE
CEO/MANAGING DIRECTOR

Richard R. Pandohie, CD, JP, assumed the role of Chief Executive Officer and Managing Director of the Seprod Group in January 2015. He boasts a wealth of experience, having served in diverse managerial and board capacities in corporations spanning multiple industries across the Caribbean and Central America.

Noteworthy is Richard's impactful tenure as President of the Jamaica Manufacturers and Exporters' Association (JMEA), where he exhibited remarkable leadership and inspired industry-wide progress. His academic qualifications underscore his commitment to excellence, holding a Master of Business Administration degree in Corporate Finance and Operations Management from McGill University, complemented by a Bachelor of Science degree in Chemical Engineering from The University of the West Indies.

His outstanding contributions to national development in the manufacturing sector were duly recognized with the award of the Order of Distinction, Commander Class, one of the highest honors bestowed by the nation, solidifying his status as a pioneering figure in the advancement of the industry.



MELANIE M. SUBRATIE

Melanie Subratie is the Deputy Chairman of Musson (Jamaica) Limited, and is the Chairman and CEO of Stanley Motta Limited and Felton Property Management. Additionally, she is the Chairman of the Musson Foundation and the Seprod Foundation. Melanie is a director of Seprod Limited, and all of its subsidiaries, and A.S. Bryden and Sons Holdings Limited (ASBH) and all of its subsidiaries. She serves on the audit committee of Seprod and is a trustee of the Seprod Pension Fund. Melanie is the Vice-Chairman of General Accident Insurance Company Limited and T. Geddes Grant Limited, a director of Facey Group, Interlinc Limited, Eppley Limited, Eppley Caribbean Property Fund (ECPF), PBS Group and all its subsidiaries. She is also Chairman of the Audit Committee for Interlinc Limited and serves the audit committees of ECPF, Seprod, Interlinc and ASBH. A keen angel investor, she is a director of Bookfusion Limited. Melanie is a director of the Jamaica Chamber of Commerce. She is a graduate of the London School of Economics, and mother to three teenage girls.



NICHOLAS A. SCOTT

Mr. Nicholas Scott is the Chief Investment Officer of the Musson Group and serves as a director of most of its subsidiaries and affiliates. He is also the Vice Chairman of Eppley Limited and the Chairman of the Eppley Caribbean Property Fund Limited SCC. Mr. Scott is the Chairman of the Student Loan Bureau and is a former Vice-President of the Private Sector Organisation of Jamaica. He holds a B.Sc. in Economics from the Wharton School at the University of Pennsylvania, an M.B.A. from Columbia Business School and an M.P.A. from the Harvard Kennedy School of Government.



BRIAN WYNTER
OJ, CD

Honourable Brian Wynter is internationally recognized as a central banker and financial markets executive with a wide range of experience in challenging environments. He was Governor of Bank of Jamaica during Jamaica's historic turnaround, co-chair of the Economic Programme Oversight Committee, founding CEO of Jamaica's Financial Services Commission and corporate finance head and country treasurer for Citibank Jamaica. Moving seamlessly between public and private sectors, his professional experience includes stints at the International Monetary Fund's Caribbean Regional Technical Assistance Centre in Barbados and the capital markets and derivatives subsidiaries of Chase Manhattan and Schroders in New York.

Called to the bar in the UK and Jamaica, he holds a BSc (Econ) from the London School of Economics and Political Science, a Diploma in Law from The City University and a Masters in International Affairs from Columbia University School of International and Public Affairs. In 2020, he was awarded the Order of Jamaica for distinguished service to central banking and the financial sector in Jamaica.



GEOFFREY GORDON

Geoffrey Gordon dedicated nearly 30 years to The Brydens Group, ultimately rising to the position of Group Finance Director before retiring in 2022. His wealth of experience and specialized knowledge play a pivotal role in steering The Brydens Group's financial strategy to enhance long-term shareholder value. In addition to his board responsibilities, he provides consultancy services further leveraging his expertise.



DIRECTORS'

ATTENDANCE – 2023

	Brydens Group Board
Number of meetings	4
P.B. Scott	4
Michael Conyers	4
Richard Pandohie	4
Nicholas Scott	4
Melanie Subratie	4
Brian Wynter	4
Geoffrey Gordon	4

BOARD

SUB COMMITTEES

	Audit Committee
Number of meetings	1
Brian Wynter (Chairperson)	1
Melanie Subratie	1
Geoffrey Gordon	1

AUDIT COMMITTEE REPORT AS AT DECEMBER 31, 2023

Overview

The Audit Committee ("Committee") is established by the Board of Directors ("Board") as a sub-committee and its powers are delegated by the Board. The Audit Committee assists the Board in fulfilling specific oversight responsibilities, which include the Brydens Group financial reporting, internal control systems, risk management systems and the internal and external audit functions. The Board retains responsibility for decisions, performance and outcomes of the Audit Committee.

Audit Committee Members and Attendance

The Audit Committee meets at least quarterly and comprises three (3) independent Board Members, inclusive of the Chair, Mr. Brian Wynter. The table on page 19 shows the members' attendance at meetings.

Invitees to Audit Committee meetings include the Chief Financial Officer/Corporate Secretary, other members of senior management of the Brydens Group as relevant to the subject matter of meetings and external auditors. The Committee is empowered to meet with the external auditors without any member of the management team present, in order for Committee members to discuss any matters of significance relating to the audit processes.

Activities of the Audit Committee


The main objectives of the Committee include assisting the Board to discharge its responsibilities in relation to the following areas:

- Reporting of financial information;
- Application of accounting policies;

- Review of Internal control systems and procedures;
- Adequacy of risk management procedures and practices;
- Propriety of business policies and practices;
- Compliance with applicable laws, regulations, standards and best practice guidelines;
- Formal forum for communication between the Board and senior management;
- Communication between the Board and the internal and external auditors;
- Facilitating the maintenance of the independence of the external auditor;
- Providing a structured reporting line for internal audit¹ and facilitating the independence of the internal auditor; and
- Consideration of significant matters that were raised during the audit processes.

The Audit Committee was established on 16 March, 2023, and undertook the following activities for the year ended 31 December, 2023:

- Preparation of a Terms of Reference for the operations of the Committee²;
- Agreement on the approach for establishing an Internal Audit function for the Group;
- Consideration of the effectiveness of the external audit process in the context of the Group's 2022 and 2023 audits.



Brian Wynter
Chairman

¹ The Internal Audit function is expected to be established in 2024.

² The Terms of Reference proposed by the Audit Committee were approved by the Board at its meeting of 06 May 2024.

MANAGEMENT TEAM



Stephen Welch
Managing Director
A.S. Bryden and Sons
(Trinidad) Limited



Andrew Crooks
Managing Director/CEO
FT Farfan Limited



Barry Tangwell
Managing Director
Bryden pi Limited



Gerard Conyers
Managing Director
Micon Marketing Limited



Bernadette Sammy
Chief Financial Officer
& Corporate Secretary



Tiffany Reid
Group Head of Human
Resources



Robert Scott Franco
Head of Shared Services
& Special Projects



David Franco
Regional Business
Development Director
Premium Beverages

REGIONAL SUBSIDIARIES



Natasha Das
Managing Director
Bpi Guyana Inc.



Sultan Kassim
General Manager
Ibis Construction Equipment
Sales & Rentals Inc. (ICON)



Harry Gibson
General Manager
Facey Trading S.V.G.
Limited



Robert Morris
General Manager
Armstrong Health
Care Inc. (AHC)



MANAGEMENT DISCUSSION & ANALYSIS

Dear Shareholders,

This is a historical moment for the Company, as we publish our first Annual Shareholders Report, this is made even more special as the Brydens Group celebrates its 100 years of legacy and achievements.

Much has already been said in the public domain about the change in ownership of the Group and its subsequent listing on the Jamaica Stock Exchange (JSE), and so I will use this opportunity to speak about the year's performance and to give some insights on our future plans.

Management Discussion & Analysis

The Company performed well, as reflected in

the chart and tables shown. The comparative period relates to twelve (12) months in 2023 versus seven (7) months in 2022 (acquisition by Seprod Limited occurred in June 2022). There was strong growth performance in the pharmaceutical (BPI) and industrial supply (FT Farfan) divisions. The premium beverage, food and hardware & housewares divisions faced strong headwinds but nonetheless delivered commendable performance. During the year, we have had to navigate foreign currency supply issues, rising prices on finished goods and destocking excess inventory post pandemic. But the reality is that these challenges are now the norm in doing business. We are confident that we have the people, portfolio and strategy to continue to deliver strong performance.



Revenue increased by TT\$1,310 million or 104%



Operating profit increased by TT\$113 million or 106%



Net profit increased by TT\$70 million or 101%



Operating profit margin held at circa 8.5% for the current and prior periods

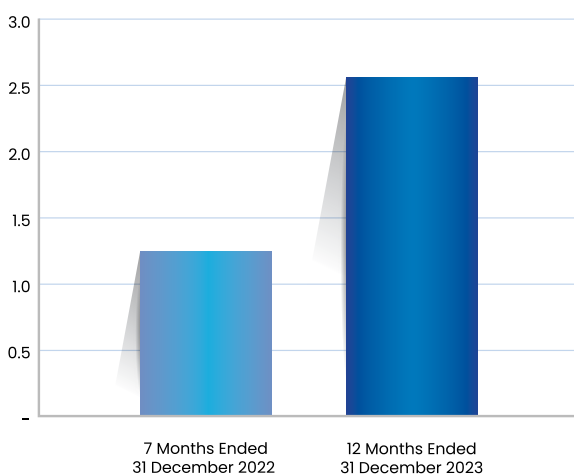


Total dividend of TT\$0.0252 per share was paid (total TT\$35 million) versus \$0.0126 (total TT\$17.5 million) in the prior period

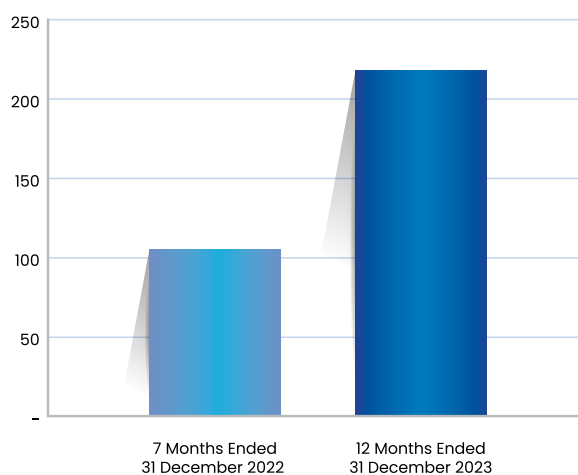
	12 Months Ended 31 December 2023	7 Months Ended 31 December 2022	Change	
	\$'000	\$'000	\$'000	%
Revenue	2,563,833	1,253,758	1,310,075	104
Operating Profit	219,645	106,427	113,218	106

2 YEAR STATISTICAL REVIEW

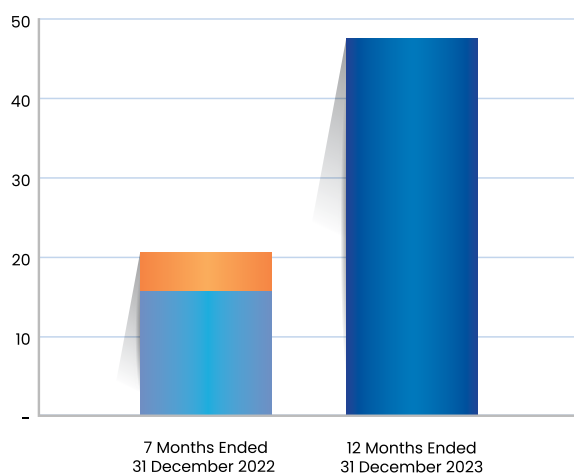
REVENUE (\$ BILLIONS)



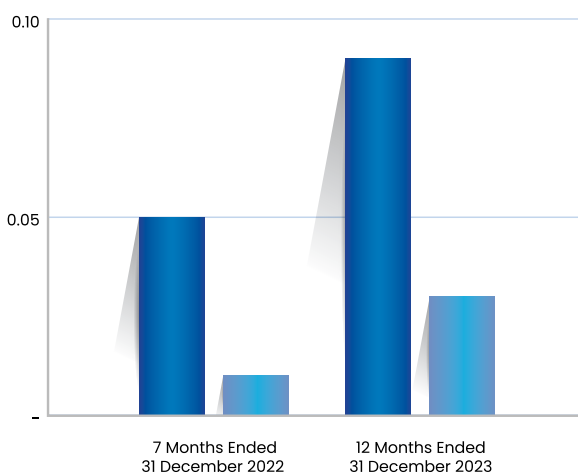
OPERATING PROFITS (\$ MILLIONS)



CAPITAL EXPENDITURE (\$ MILLIONS)



EARNINGS & DIVIDENDS PER SHARE (TT\$)



■ The Group ■ On Acquisition of Subsidiaries

■ Earnings Per Stock Unit ■ Dividends Per Stock Unit

	12 Months Ended 31 December 2023	7 Months Ended 31 December 2022	Change	% Change
Key Financial Statement Amounts (\$'000)				
Revenue	2,563,833	1,253,758	1,310,075	104.49%
Operating profit	219,645	106,427	113,218	106.38%
Profit before taxation	165,766	84,102	81,664	97.10%
Net Profit from continuing operations	139,830	69,647	70,183	100.77%
Net Profit	139,830	69,647	70,183	100.77%
Equity	671,446	564,295	107,151	18.99%
Capital Expenditure				
- the Group	(47,547)	(16,414)	(31,133)	189.67%
- the joint venture and associate	-	-	-	0.00%
- on acquisition of subsidiaries	-	(4,411)	4,411	-100.00%
- Total capital expenditure	(47,547)	(20,825)	(26,722)	128.32%
Key ratios and other information				
Earnings per stock unit (TT\$):				
- continuing operations	0.09	0.05	\$0.04	80.00%
Dividends per stock unit (TT\$)	0.03	0.01	\$0.01	86.83%
Operating profit to revenue (%)	8.57%	8.49%	0.08%	0.92%
Return on equity (%)	20.83%	12.34%	8.48%	68.73%

2023 Highlights

- Employee ownership:** One of the ethos of the parent company is the concept of owner-mentality by its employees. We want everyone to be a beneficiary of the growth of the Company and 54 percent of the employees took the opportunity to participate in stock ownership. We believe this will ensure alignment on creating value for all stakeholders and will ensure that the many bosses who are in the business on a daily basis will hold management accountable to delivering on the growth mandate.
- Listing on the Jamaica Stock Exchange:** The Company listed on the JSE on 10 November, 2023, further cementing our commitment to sound governance, accountability, and regional expansion.
- 100th year anniversary:** We saluted 100 years in business, celebrating both the rich history and bright future of the Group, as we continue to gain momentum on this journey of transformation.



We will have an environment that attracts, excites and rewards the best talent and provides the right environment to inspire superior performance.

– RICHARD R. PANDOHIE

- **Distribution hub:** The Group commenced work on its new distribution facility, a circa US\$25 million project that will unlock efficiency, productivity and regional expansion.

What are we doing to drive growth?

We are expanding geographically...

We see our domestic market as the Caribbean and as such, we will focus on consolidating leadership positions in key markets through organic growth and synergistic acquisitions. I want to emphasize that the Caribbean is not only the English speaking countries; we intend to have effective presence in the French, Dutch and Spanish speaking countries in the region.

We are embedding technology to deliver superior service...

Our stakeholders, community and the environment are key areas of focus. We represent great brands; several of them are global leaders. Our determination to bring the best service to our stakeholders is driving us to embed technology in every facet of the business. This will create greater velocity in the way we serve our customers and principals, it will allow our people to work smarter and have better work life balance.

We are growing and attracting talent...

Being a part of a bigger group means that the Company has access to a cadre of resources that allows for knowledge sharing across and collaboration across multiple entities. This also gives the opportunity to develop and excite our people through cross-functional teams, relocation to different countries and more options to progress one's career without having to look outside the Group. Our people are, in the words of one of our Managing Directors, our secret sauce. We will have an environment that attracts, excites and rewards the best talent and provides the right environment to inspire superior performance.

Our Commitment to You

We will continue to build on the legacy of service and quality that is synonymous with the Brydens Group while leveraging our economies of scale to drive cost efficiencies, synergies and sustainable growth. The growth will not always be linear but the trajectory will be positive.

Thank you for your confidence.

Richard R. Pandohie, JP
CEO/Managing Director

2023

2022



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A.S. Bryden and Sons Holdings Limited

Statement of Management's Responsibilities

Management is responsible for the following:

Preparing and fairly presenting the accompanying consolidated financial statements of A.S. Bryden and Sons Holdings Limited ("the Group"), which comprise the consolidated statements of financial position as 31 December 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the year ended 31 December 2023, and notes, comprising material accounting policy information and other explanatory information;

- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of the Group's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that complies with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

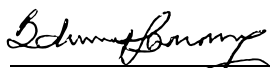
In preparing these audited consolidated financial statements, management utilised International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago ("IFRS Accounting Standards"). Where IFRS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

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

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



Richard Pandohie
Chief Executive Officer
2 April 2024



Bernadette Sammy
Chief Financial Officer
2 April 2024



Independent auditor's report

To the Shareholders of A.S. Bryden and Sons Holdings Limited

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of A.S. Bryden and Sons Holdings Limited (the Company) and its subsidiaries (together 'the Group') as at 31 December 2023, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

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

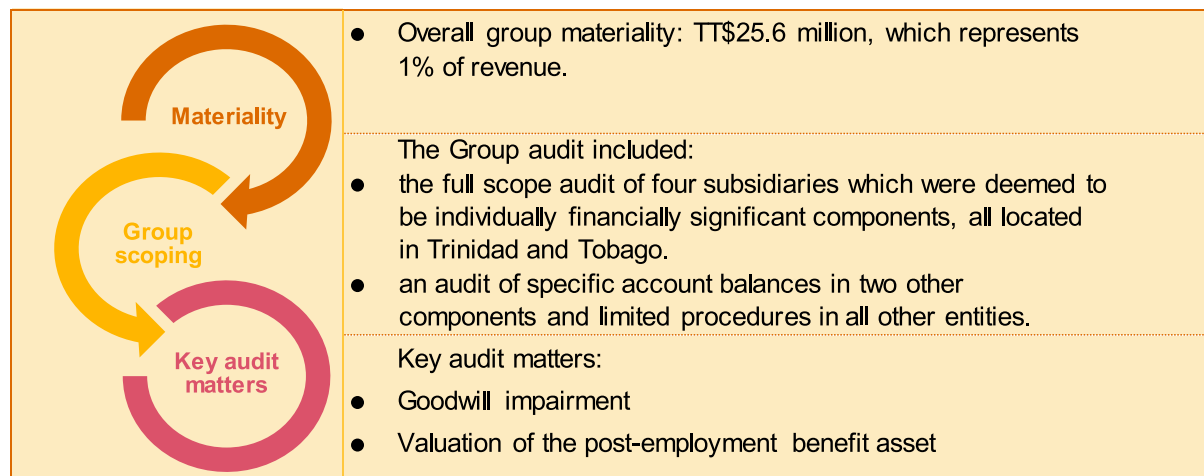
Independence

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

PricewaterhouseCoopers, PO Box 550, 11-13 Victoria Avenue, Port of Spain, 100902, Trinidad, West Indies
T: (868) 299 0700, F: (868) 623 6025, www.pwc.com/tt

Our audit approach

Overview



Audit scope

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

How we tailored our group audit scope

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

The following components were deemed to be individually financially significant and were subject to full scope audits:

- A.S. Bryden and Sons (Trinidad) Limited
- Bryden pi Limited
- FT Farfan Limited
- Micon Marketing Limited

The Group audit engagement team was the auditor for these four components and the two components subject to an audit of specific account balances. Other components were the subject of limited audit procedures.

Materiality

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

Our audit approach (continued)

Materiality (continued)

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

Overall Group materiality	TT\$25.6 million
How we determined it	1% of revenue
Rationale for the materiality benchmark applied	We chose revenue as the benchmark because, in our view, it is the most stable benchmark against which the performance of the Group is measured by users, and is a generally accepted benchmark. We chose 1% which is within a range of acceptable benchmark thresholds.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above TT\$1.2 million, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

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

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Goodwill impairment Refer to notes 2(e), 4 and 14 to the consolidated financial statements for disclosures of related accounting policies and balances.</p> <p>As at 31 December 2023, the Group carried a significant amount of goodwill amounting to TT\$68 million.</p> <p>In line with IAS 36 - Impairment of Assets, management performs an annual impairment assessment of goodwill. The recoverable amount of each cash generating unit (CGU) is calculated as the higher of the value-in-use (VIU) and fair value less costs of disposal (FVLCOB).</p> <p>Management determined the recoverable amount by reference to the VIU which was derived using a discounted expected cash flow approach where management makes significant judgements on certain key inputs and assumptions, including discount rates and growth rates.</p> <p>We focused on this area because of the significant level of judgment required in arriving at the key assumptions used in management's impairment assessment.</p>	<p>Our approach to addressing the matter, with the assistance of our internal expert, involved the following procedures, amongst others:</p> <ul style="list-style-type: none"> ● obtained an understanding of the methods used by management to perform its goodwill impairment assessment and assessed whether they were in compliance with IAS 36; ● recalculated the weighted average cost of capital (WACC) used to discount the expected cash flows and evaluated those rates against observable market-based inputs and our knowledge of the economic environment; ● assessed the assumptions including the growth rate by reference to historical performance of the CGU and relevant external economic industry data; ● tested the mathematical accuracy of management's impairment calculations; and ● compared management's future cash flow forecasts used in the impairment calculation to those approved by the Board of Directors as part of the annual budgeting process and strategic plans. <p>Based on the results of the procedures performed, management's goodwill impairment assessment conclusion was not unreasonable.</p>

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of the post-employment benefit asset</p> <p><i>Refer to notes 2(n) and 16 to the consolidated financial statements for disclosures of related accounting policies and balances.</i></p> <p>The Group sponsors a defined benefit pension plan. As at 31 December 2023, the Group reported on the consolidated statement of financial position, a net post-employment benefit asset of TT\$27.2 million, which represents 1.2% of total assets, comprising plan assets valued at TT\$261.0 million and an obligation of TT\$233.8 million.</p> <p>The valuation of the net post-employment benefit asset requires significant levels of judgement and technical expertise in determining appropriate assumptions.</p> <p>Changes in key assumptions could have a material impact on the calculation of the net pension asset including:</p> <ul style="list-style-type: none"> • discount rates; • mortality rates; and • salary increases. <p>Management utilises an independent external actuary to perform certain calculations with respect to the estimated obligations.</p> <p>The pension assets consist of financial investments held at fair value, which are based on a range of inputs. While many of the inputs can be obtained from readily available observable market prices and rates, certain securities are based on modelled prices as observable market data is limited. In these instances, management is required to make significant judgments due to the complexity in the valuation model estimates resulting in high estimation uncertainty risk.</p> <p>We focused our audit efforts in this area due to the degree of estimation uncertainty involved in determining the valuation of the post-employment benefit plan assets and the defined benefit obligation of the post-employment benefit plan.</p>	<p>Our approach to addressing the matter, with the assistance of our internal actuarial experts, involved the following procedures, amongst others:</p> <p>Assessed the independence and competence of the actuaries used by management to calculate the pension obligation.</p> <p>Tested the key assumptions for the defined benefit pension obligation for the current period as follows:</p> <ul style="list-style-type: none"> • compared the discount rates used by management to the yield of a Government of Trinidad and Tobago bond of a similar tenor; • compared mortality rates to relevant publicly available statistics for Trinidad and Tobago; • on a sample basis, tested the completeness and accuracy of the employee data used in the actuarial calculation by comparing it to personnel files; and • compared salary increases to historical increases, taking into account the current economic climate as well as terms specified in the existing trade union agreements. <p>For investments which were valued using a valuation model:</p> <ul style="list-style-type: none"> • evaluated the assumptions, methodologies and models used by the Group; • tested the significant inputs relating to yield, prices and valuation, on a sample basis, to external sources where available and compared to similar transactions in the marketplace; and • recalculated the valuation for a sample of modelled securities. <p>Based on the results of the procedures performed, the valuation of the post-employment benefit asset was not unreasonable.</p>

Other information

Management is responsible for the other information. The other information comprises the A.S. Bryden and Sons Holdings Limited Annual Report 2023 (but does not include the consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

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

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

When we read the A.S. Bryden and Sons Holdings Limited Annual Report 2023, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Roshni Senike.



Port of Spain
Trinidad, West Indies
2 April 2024

A.S. Bryden and Sons Holdings Limited

Consolidated Statement of Comprehensive Income For the year ended December 31, 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

	Notes	Year ended 31 December 2023 \$'000	Period ended 31 December 2022 \$'000
Revenue	5	2,563,833	1,253,758
Direct expenses	6	(1,898,845)	(895,771)
Gross profit		664,988	357,987
Administration and other operating expenses	6	(441,319)	(247,725)
Net impairment losses on trade receivables	6	(4,420)	(4,176)
Other income		396	341
Operating profit		219,645	106,427
Finance costs	8	(53,926)	(23,597)
Share of results of associate	15	47	1,272
Profit before taxation		165,766	84,102
Taxation	9	(25,936)	(14,455)
Net profit		139,830	69,647
Other comprehensive Income, net of taxes			
Items that will not be reclassified to profit or loss –			
Re-measurements of post-employment benefits, net of tax	16	22,608	(7,641)
		22,608	(7,641)
Total comprehensive income		162,438	62,006
Net profit is attributable to:			
Stockholders of the Company	10	128,766	65,367
Non-controlling interest		11,064	4,280
		139,830	69,647
Total comprehensive income is attributable to:			
Stockholders of the Company		150,495	57,916
Non-controlling interest		11,943	4,090
		162,438	62,006
Earnings per Stock Unit attributable to Stockholders of the Company – Basic and Diluted	10	\$0.09	\$0.05

The notes on pages 40 to 100 are an integral part of these consolidated financial statements.

A.S. Bryden and Sons Holdings Limited

Consolidated Statements of Financial Position

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

		As at 31 December	
	Notes	2023 \$'000	2022 \$'000
Assets			
<i>Non-current assets</i>			
Property, plant and equipment	12	272,996	255,455
Right of use assets	13	69,416	77,297
Intangible assets	14	230,124	239,909
Investment in associate	15	15,590	15,269
Post-employment benefit asset	16	27,249	29,091
Deferred tax assets	24	69,553	90,681
		<u>684,928</u>	<u>707,702</u>
<i>Current assets</i>			
Inventories	17	673,678	590,435
Trade and other receivables	18	667,707	532,889
Taxation recoverable		12,658	588
Cash and bank balances		147,604	126,719
		<u>1,501,647</u>	<u>1,250,631</u>
Liabilities			
<i>Current liabilities</i>			
Trade and other payables	19	527,958	379,578
Borrowings	22	226,012	129,742
Lease obligations	13	13,945	12,200
Loan due to parent	23	11,906	--
Taxation payable		5,444	29,075
		<u>785,265</u>	<u>550,595</u>
Net current assets		<u>716,382</u>	<u>700,036</u>
		<u>1,401,310</u>	<u>1,407,738</u>
<i>Equity attributable to stockholders of the Company</i>			
Share capital	20	387,600	387,600
Preference shares	20	123,340	123,340
Capital reserves	21	94,900	94,900
Retained earnings/(accumulated deficit)		65,606	(41,545)
		<u>671,446</u>	<u>564,295</u>
<i>Non-controlling interests</i>		<u>48,521</u>	<u>38,468</u>
		<u>719,967</u>	<u>602,763</u>
<i>Non-current liabilities</i>			
Post-employment benefit obligations	16	18,131	76,142
Borrowings	22	512,043	563,574
Lease obligations	13	60,788	69,348
Deferred tax liabilities	24	90,381	95,911
		<u>681,343</u>	<u>804,975</u>
		<u>1,401,310</u>	<u>1,407,738</u>

The notes on pages 40 to 100 are an integral part of these consolidated financial statements.

Approved for issue by the Board of Directors of A.S. Bryden and Sons Holdings Limited on 2 April 2024 and signed on its behalf by:



Paul B. Scott

Director



Richard Pandohie

Director

A.S. Bryden and Sons Holdings Limited

Consolidated Statement of Changes in Equity

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

	Attributable to Stockholders of the Company					Non-controlling Interests	Total
	Share capital \$'000	Preference shares \$'000	Capital reserve \$'000	Retained Earnings/ (Accumulated deficit) \$'000	Sub-total \$'000	\$'000	\$'000
Balance at 01 January 2023	387,600	123,340	94,900	(41,545)	564,295	38,468	602,763
Profit for the year	--	--	--	128,766	128,766	11,064	139,830
Re-measurement of post-employment benefits	--	--	--	21,729	21,729	879	22,608
Total comprehensive income	387,600	123,340	94,900	108,950	714,790	50,411	765,201
Transactions with owners:							
Dividend paid to non-controlling interest	--	--	--	--	--	(1,890)	(1,890)
Ordinary dividends declared by the Company (Note 11)	--	--	--	(35,020)	(35,020)	--	(35,020)
Preference dividends declared by the Company (Note 11)	--	--	--	(8,324)	(8,324)	--	(8,324)
Balance at 31 December 2023	387,600	123,340	94,900	65,606	671,446	48,521	719,967
At 9 May 2022	--	--	--	--	--	--	--
Profit for the 7 month period	--	--	--	65,367	65,367	4,280	69,647
Re-measurement of post-employment benefits	--	--	--	(7,451)	(7,451)	(190)	(7,641)
Total comprehensive income	--	--	--	57,916	57,916	4,090	62,006
Transactions with owners:							
On amalgamation (Note 25)	--	--	94,900	(79,293)	15,607	30,690	46,297
Change in composition of Group	--	--	--	--	--	1,204	1,204
Issue of preference shares (Note 25)	--	123,340	--	--	123,340	--	123,340
Issue of ordinary shares subsequent to amalgamation (Note 25)	285,600	--	--	--	285,600	--	285,600
Issue of shares as consideration for the acquisition of subsidiary (Note 25)	102,000	--	--	--	102,000	--	102,000
Issue of shares to non-controlling interest	--	--	--	--	--	2,484	2,484
Ordinary dividends declared by the Company (Note 11)	--	--	--	(17,500)	(17,500)	--	(17,500)
Preference dividends declared by the Company (Note 11)	--	--	--	(2,668)	(2,668)	--	(2,668)
Balance at 31 December 2022	387,600	123,340	94,900	(41,545)	564,295	38,468	602,763

The notes on pages 40 to 100 are an integral part of these consolidated financial statements.

A.S. Bryden and Sons Holdings Limited

Consolidated Statement of Cash Flows

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

	Notes	Year ended 31 December 2023 \$'000	9 May 2022 to 31 December 2022 \$'000
Cash flows from operating activities			
Net profit after taxation		139,830	69,647
Items not affecting cash resources:			
Depreciation	12, 13	41,794	21,700
Amortisation of intangible assets	14	9,785	3,936
Expenses recognised on post-employment benefit assets	7, 16	9,295	6,981
Expenses recognised on post-employment benefit obligations	7, 16	(20,613)	6,522
Loss/(gain) on disposal and other adjustments of property, plant and equipment	12	694	(1,826)
Share of results of associate, net of tax	15	(47)	(1,272)
Taxation expense	9	25,936	14,455
Interest expense	8	53,926	23,597
		<u>260,600</u>	<u>143,740</u>
Changes in operating assets and liabilities:			
Inventories		(83,245)	(210,182)
Trade and other receivables		(134,815)	(104,530)
Trade and other payables		<u>156,025</u>	<u>46,318</u>
Cash from/(used in) operations		198,565	(124,654)
Employer contributions to post-employment benefit plans	16	(12,548)	(12,356)
Taxation paid		<u>(55,532)</u>	<u>(30,964)</u>
Cash from/(used in) operating activities		<u>130,485</u>	<u>(167,974)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(47,547)	(16,414)
Proceeds on disposal of property, plant and equipment		2,038	5,593
Cash on acquisition of subsidiary	25	--	14,237
Cash (used in)/from investing activities		<u>(45,509)</u>	<u>3,416</u>
Cash flows from financing activities			
Borrowings received	22	475,538	555,240
Borrowings repaid	22	(430,799)	(89,237)
Cash on acquisition of Group		--	255,620
Lease obligations		(13,452)	(6,084)
Issue of shares by a subsidiary		--	2,484
Repurchase of shares		--	(394,489)
Ordinary dividends paid by the Company		(31,238)	(3,772)
Preference dividends paid by the Company		(8,324)	(2,668)
Ordinary dividends paid by a subsidiary		(1,890)	(2,220)
Interest paid on borrowings		<u>(53,926)</u>	<u>(23,597)</u>
Cash (used in)/from financing activities		<u>(64,091)</u>	<u>291,277</u>
Increase in cash and cash equivalents		20,885	126,719
Opening cash and cash equivalents		<u>126,719</u>	<u>--</u>
Closing cash and cash equivalents		<u><u>147,604</u></u>	<u><u>126,719</u></u>

The notes on pages 40 to 100 are an integral part of these consolidated financial statements.

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

1 Principal activities and operations

A.S. Bryden and Sons Holdings Limited ("the Company") is a holding company incorporated and domiciled in the Republic of Trinidad and Tobago, and has its registered office at 1 Ibis Avenue, San Juan. The Company is the result of an amalgamation between Bryden Group Limited (incorporated 9 May 2022) and the surviving entity, A.S. Bryden and Sons Holdings Limited. It commenced operations on 6 June 2022 being the date that these entities came under common control (Note 24).

The Company and its subsidiaries are collectively referred to as "the Group".

Effective 6 June 2022, Seprod Limited acquired a majority shareholding in the Company. Seprod Limited is incorporated and domiciled in Jamaica and is publicly listed on the Jamaica Stock Exchange.

The Company's subsidiaries, its associate, their principal activities, their countries of incorporation and domicile and their percentage ownership (wholly owned unless otherwise indicated) are as follows:

Subsidiaries	Principal activity	Country of Incorporation and Domicile
Anthony A Pantin Limited	Dormant	Trinidad and Tobago
A.S. Bryden & Sons Insurance Limited	General insurance agency	Trinidad and Tobago
A.S. Bryden & Sons (Trinidad) Limited, and its subsidiaries	Sale of consumer products	Trinidad and Tobago
-ASB Business Solutions Limited	Dormant	Trinidad and Tobago
-Eve Products Limited	Dormant	Trinidad and Tobago
Asset Rentals Limited	Dormant	Trinidad and Tobago
Bryden pi Limited (owned 90%), and its subsidiaries	Sale of pharmaceutical and consumer products	Trinidad and Tobago
-Bpi Genethics Limited	Manufacture and sale of pharmaceutical products	Trinidad and Tobago
-Bpi Guyana Limited (owned 51%)	Sale of pharmaceutical and consumer products	Guyana
Bryden Properties Limited	Dormant	Trinidad and Tobago
FT Farfan Limited, and its subsidiary	Sale of industrial equipment	Trinidad and Tobago
-Ibis Construction Equipment Sales & Rental Limited (owned 75%)	Sale of industrial equipment	Guyana
Franco Trading & Distribution Limited	Packaging and sale of consumer products	Trinidad and Tobago
Ibis Acres Ltd.	Investments in real estate	Trinidad and Tobago
Micon Holdings Limited, and its subsidiaries*	Investments	St. Lucia
-Micon Marketing Limited	Sale of consumer products	Trinidad and Tobago
-Facey Trading Ltd (owned 75%)	Sale of consumer products	St. Vincent
Premium Brands Limited	Dormant	Trinidad and Tobago
Associate	Principal activity	Country of Incorporation and Domicile
Armstrong Healthcare Inc. (49% owned by Bryden Pi Limited)	Sale of pharmaceutical products	Barbados

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

1 Principal activities and operations (continued)

- * Effective 1 November 2022, the Company acquired 100% of the shareholding in Micon Holdings Limited, with the consideration being the issue of new shares (Note 24). This acquisition by the Company diluted Seprod Limited's shareholding in the Company from 60% to 54%.

2 Material accounting policies

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

a. Basis of preparation

(i) Compliance with IFRS

The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS® Standards
- Interpretations developed by the (IFRS) Interpretations Committee (IFRIC® Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC® Interpretations).

(ii) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, except for the measurement of land and buildings at revalued amount and defined benefit pension plan assets measured at fair value.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

New and amended standards adopted by the Group

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial period. The Group has assessed the relevance of all such new standards, interpretations and amendments and has concluded that the following are relevant to its operations:

- Definition of accounting estimates – amendments to IAS 8

This amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The importance of the distinction is that changes in accounting estimates are applied prospectively to future transactions and other future events, while changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. The amendments had no impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2 Material accounting policies (continued)

a. Basis of preparation (continued)

(ii) Historical cost convention (continued)

- Deferred tax related to assets and liabilities arising from a single transaction – amendments to IAS 12

This amendment requires companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendment applies to lease arrangements entered into by the Group as a lessee and requires that the Group recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with right-of-use assets and lease liabilities. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. The amendments resulted in changes to the disclosures relating to deferred tax assets arising on lease liabilities and deferred tax liabilities arising on right of use assets as further disclosed in Note 24.

- Disclosure of accounting policies – Amendments to IAS 1 and IFRS Practice Statement 2.

The amendments resulted in the revision of accounting policy disclosures to remove accounting policies not meeting the definition of 'material' according to the Standard.

New standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted

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

b. Basis of consolidation

Consolidation of subsidiaries

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

2 Material accounting policies (continued)

b. Basis of consolidation (continued)

Consolidation of subsidiaries (continued)

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary includes the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Intercompany transactions, balances and unrealised gains and losses on transactions between the Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Loans to subsidiaries that are intended to provide subsidiaries with a long-term source of additional capital are considered additions to the Company's investment. Accordingly, these loans are included in Investment in Subsidiaries on the Company's statement of financial position.

Transactions with non-controlling interests

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

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

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

2 Material accounting policies (continued)

b. Basis of consolidation (continued)

Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in retained earnings attributable to owners of the Company. When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

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

2 Material accounting policies (continued)

c. Revenue and income recognition

Sales of goods

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group. No significant element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice.

Revenue is recognised at a point in time when control of the goods has been established – being when the goods are delivered to the customer, the customer has full discretion over the channel and price to sell the goods and there is no unfulfilled obligation that could affect the customer's acceptance of the goods.

Delivery occurs when the goods have been transported to a specific predetermined location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed or the Group has objective evidence that all criteria for acceptance have been satisfied. A receivable is recognised when the goods are delivered, at which point in time the consideration is deemed unconditional and only the passage of time is required before the payment is due.

Interest income

Interest income on bank accounts with financial institutions is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

2 Material accounting policies (continued)

d. Foreign currency translation

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

The foreign exchange differences arising from the translation of the results and financial position of the Group's entities that have a functional currency other than Trinidad and Tobago dollars are recognised in other comprehensive income. Such exchange differences are recognised in profit or loss where the related Group entity is sold or partially sold.

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from such transactions and from the translation of foreign currency monetary assets and liabilities at the year-end exchange rates are recognised in profit or loss.

Translation differences resulting from changes in the amortised cost of foreign currency monetary assets are recognised in profit or loss. Other changes in the fair value of financial investments are recognised in other comprehensive income. Translation differences on non-monetary financial investments are reported as a component of the fair value gain or loss in other comprehensive income.

e. Property, plant and equipment

Land and buildings are initially recorded at cost and are subsequently shown at fair market value based on triennial (or earlier) valuations by external independent valuers, less subsequent depreciation of buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount. Increases in carrying amounts arising on revaluation are credited to other comprehensive income and shown in capital reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged to other comprehensive income and debited against capital reserve; all other decreases are charged to profit or loss.

All other items of property, plant and equipment continue to be carried at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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.

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

Depreciation is calculated on the straight-line basis at such rates as will write off the carrying value of the assets over the period of their expected useful lives. Land is not depreciated. The expected useful lives of other assets are as follows:

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

2 Material accounting policies (continued)

e. *Property, plant and equipment (continued)*

Buildings	40 – 50 years
Plant, equipment and furniture	3 – 10 years
Motor vehicles	4 years

Leasehold improvements are depreciated at the lower of useful life and life of the lease.

Useful lives and residual values are assessed annually.

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining profit. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

Repairs and maintenance expenditure is charged to profit or loss during the financial period in which it is incurred.

f. *Intangible assets*

Goodwill

Goodwill is recorded at cost and represents the excess of the fair value of the consideration paid over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Supplier relationships, trade names and brands

Supplier relationships, customer relationships, trade names and brands obtained by the Group in a business combination are recognised at fair value at the acquisition date. These intangible assets are deemed to have a finite useful life, and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the carrying values over their estimated useful lives. The expected useful lives are as follows: Supplier relationships - 12 years; Customer relationships - 14 years; Trade names - 20 years; and Brands - 10 to 15 years. Amortisation of intangible assets is included in administration and other operating expenses in the statement of comprehensive income.

g. *Impairment of non-financial assets*

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2 Material accounting policies (continued)

h. Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through profit or loss or through other comprehensive income);
- and those to be measured at amortised cost.

The classification depends on the business model used for managing the financial assets and, in respect of debt instruments, the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income (OCI). For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

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

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

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

Amortised cost: Debt instruments held for the collection of contractual cash flows, where those represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in the statement of comprehensive income using the effective interest rate method. Any gains or losses arising on derecognition are recognised directly in profit or loss. Impairment losses are presented as a separate line in the statement of comprehensive income.

FVOCI: Debt instruments that are held for the collection of contractual cash flows and for the selling of financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Interest income and impairment gains and losses are recognised in profit or loss. When the debt instrument is derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

2 Material accounting policies (continued)

h. Financial assets (continued)

Measurement (continued)

Interest income from these financial assets is included in the statement of comprehensive income using the effective interest rate method. Any gains or losses arising on derecognition are recognised directly in profit or loss. Impairment losses are presented as a separate line in the statement of comprehensive income.

FVPL: Debt instruments that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. Gains and losses on such instruments are recognised in profit or loss in the period in which they arise.

Equity instruments

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

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

Application of the General Model to financial assets other than trade receivables

Under this model, the Group assesses, on a forward-looking basis, the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and at fair value through other comprehensive income. The ECL will be recognized in profit or loss before a loss event has occurred. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The probability-weighted outcome considers multiple scenarios based on reasonable and supportable forecasts. The impairment amount represents the single best outcome; the time value of money; and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The impairment model uses a three-stage approach based on the extent of credit deterioration since origination:

Stage 1 – 12-month ECL applies to all financial assets that have not experienced a significant increase in credit risk since origination and are not credit impaired. The ECL will be computed using a 12-month PD – the probability of default occurring over the next 12 months.

Stage 2 – When a financial asset experiences a significant increase in credit risk subsequent to origination but is not credit impaired, it is considered to be in Stage 2. This requires the computation of ECL based on lifetime PD – the probability of default occurring over the remaining estimated life of the financial asset. Provisions are higher in this stage because of an increase in risk and the impact of a longer time horizon being considered compared to 12 months in Stage 1.

Stage 3 – Financial assets that have an objective evidence of impairment are included in this stage. Similar to Stage 2, the allowance for credit losses will continue to capture the lifetime ECL.

2 Material accounting policies (continued)

h. Financial assets (continued)

The Group uses judgement when considering the following factors that affect the determination of impairment:

Assessment of significant increase in credit risk

To assess whether the credit risk on a financial asset has increased significantly since origination, the Group compares the risk of default occurring over the expected life of the financial asset at the reporting date to the corresponding risk of default at origination, using key risk indicators that are used in the Group's existing risk management processes. At each reporting date, the assessment of a change in credit risk will be individually assessed for those considered individually significant. This assessment is symmetrical in nature, allowing credit risk of financial assets to move back to Stage 1 if the increase in credit risk since origination has reduced and is no longer deemed to be significant.

Macroeconomic factors, forward looking information and multiple scenarios

The Group applies an unbiased and probability weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions. Macroeconomic factors and forward looking information are incorporated into the measurement of ECL as well as the determination of whether there has been a significant increase in credit risk since origination. Measurements of ECLs at each reporting period reflect reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions.

Expected life

When measuring ECL, the Group considers the maximum contractual period over which the Group is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment options and extension and rollover options. For certain revolving credit facilities that do not have a fixed maturity, the expected life is estimated based on the period over which the Group exposed to credit risk and where the credit losses would not be mitigated by management actions.

Application of the Simplified Approach to trade receivables

For trade receivables other than those deemed specifically impaired, the Group applies the simplified approach which requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using a lifetime ECL. As a practical expedient, a provision matrix is utilised in determining the lifetime ECLs for trade receivables. The lifetime ECLs are determined by taking into consideration historical rates of default for each category of aged receivables as well as the estimated impact of forward-looking information.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 December 2022 or 1 January 2022, respectively, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

2 Material accounting policies (continued)

i. *Inventories*

Inventories are stated at the lower of cost or net realisable value, cost being determined using the weighted average cost method. The cost of finished goods and work in progress includes cost of raw materials used, direct labour and an appropriate proportion of overhead expenses. The cost of merchandise for resale are determined after deducting rebates and discounts, using weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of selling expenses.

j. *Trade receivables*

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment (Note 2h). Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

k. *Borrowings and borrowing costs*

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

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

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

2 Material accounting policies (continued)

k. Borrowings and borrowing costs (continued)

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

l. Provisions

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

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

m. Leases

As lessee, the Group mainly leases various warehouses and retail stores. Rental contracts are typically made for fixed periods of 1 to 10 years, but may have extension options which are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

2 Material accounting policies (continued)

m. Leases (continued)

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

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

n. Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

2 Material accounting policies (continued)

n. *Income taxes (continued)*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

o. *Employee benefits*

Pension obligations

Defined benefit plan

The Group operates a defined benefit plan, the assets of which are generally held in a separate trustee-administered fund. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

The amount recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the statement of financial position date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

2 Material accounting policies (continued)

o. Employee benefits (continued)

Pension obligations (continued)

Defined benefit plan (continued)

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality Government of Trinidad and Tobago bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined contribution plan

The employees of the Group also participate in an Individual Retirement Scheme operated by an independent insurance Company. The Group makes fixed contributions to the scheme for participating employees. The Group has no obligation for the benefits provided under the scheme as these are payable by, and accounted for by the insurance Company. Accordingly, the Group recognises a cost equal to its contributions payable in respect of each accounting period in the statement of comprehensive income.

Other post-employment benefits

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

During the reporting period the Group undertook various amendments to the post-retirement medical plan including insuring future claims under the plan, as well as a curtailment of company sponsorship for any new member enrolling after December 31, 2023. Under the new terms of the plan, retirees meeting the previously stipulated minimum service period will now be required to opt into the plan, select a benefits package and cover their own cost of insurance premiums.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2 Material accounting policies (continued)

o. *Employee benefits (continued)*

Profit share scheme

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Company's equity holders after certain adjustments.

Short term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

p. *Ordinary share capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds. Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's directors.

q. *Preference shares*

Preference shares are classified as equity as, under the terms of the preference shares, the company has no cash obligation. Dividend distribution to preference shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's directors.

r. *Segment reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Management Committee (EMC) that guides strategic decisions and which is led by the Chief Executive Officer. As further described in Note 4 '*Critical accounting estimates and judgments in applying accounting policies*' Management has concluded that there is only one reportable segment within the Group, '*Distribution of consumer products*' and as such only entity-wide segment disclosures will be made as all other reportable segment data is already disclosed within the primary statements and notes to the consolidated financial statements.

3 Financial risk management

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

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

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. The Board has established committees/departments for managing and monitoring risks, as follows:

Central treasury department

The central treasury department is responsible for managing the Group's financial assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group. Group treasury identifies, evaluates and manages financial risks in close co-operation with the Group's operating units.

Audit committee

The Audit Committee was constituted following the Amalgamation of the Company as described further in Note 25. The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. As at the reporting date, the Audit Committee had undertaken to commence the process for establishment of Internal Audit. The Internal Audit function will initially be outsourced to a suitably qualified external expert while the Group works to develop internal capability in this area. Internal Audit will undertake both regular and ad hoc reviews of risk management controls and procedures, the result of which will be reported to the Audit Committee.

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

3 Financial risk management (continued)

The carrying values of the Group's financial instruments are as follows:

	31 December	
	2023	2022
	\$'000	\$'000
Financial assets		
At cost or amortised cost –		
Trade receivables (Note 18)	570,585	446,910
Other receivables	83,079	78,620
Due from affiliates (Note 18)	1,155	2,257
Cash and bank balances	147,604	126,719
	<u>802,423</u>	<u>654,506</u>
Financial liabilities		
At cost or amortised cost –		
Trade payables (Note 19)	370,147	288,087
Other payables	101,859	57,485
Dividends payable	17,510	13,728
Due to affiliate	4,572	15,588
Loan due to parent	11,906	--
Lease obligation (Note 13)	74,733	81,548
Borrowings (Note 22)	738,055	693,316
	<u>1,318,782</u>	<u>1,149,752</u>

The Group is exposed to credit risk, liquidity risk and market risk. Market risk includes currency risk, interest rate and other price risk.

a. Credit risk

The Group takes on exposure to credit risk, which is the risk that its customers, clients or counterparties will cause a financial loss for the Group by failing to discharge their contractual obligations. Credit risk is the most important risk for the Group's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from the Group's receivables from customers and its holdings of investments. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and industry segments.

Cash and bank balances

Cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any financial institution.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The executive committee has established a credit policy under which each customer is analysed individually for creditworthiness prior to the Group offering them a credit facility. Credit limits are assigned to each customer, which represents the maximum credit allowable without approval from the Board. Customer credit risk is monitored according to their credit characteristics such as whether it is an individual or company, industry, aging profile, and previous financial difficulties. The Group has procedures in place to restrict customer orders if the order will exceed their credit terms. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group on a prepayment basis.

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

3 Financial risk management (continued)

a. Credit risk (continued)

To measure expected credit losses, trade receivables are grouped by customer sector (based on shared risk characteristics) as well as by aging buckets. Lifetime expected credit losses are determined by taking into consideration historical rates of default for the totals of each customer segment of aged receivables as well as the estimated impact of forward looking information.

The ageing analysis of trade receivables is as follows:

	31 December 2023				
	Within 60 days	61 to 90 days	91 to 120 days	> than 120 days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Trade receivables (Note 18)	368,973	71,632	39,351	111,895	591,851
Average expected loss rates	% 0.00%	% 0.01%	% 0.29%	% 18.89%	% 3.59%
Provision for credit losses	5	5	114	21,142	21,266

	31 December 2022				
	Within 60 days	61 to 90 days	91 to 120 days	> than 120 days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Trade receivables (Note 18)	242,857	133,792	27,434	73,154	477,237
Average expected loss rates	% 0.39%	% 0.36%	% 6.60%	% 37.02%	% 6.35%
Provision for credit losses	949	487	1,810	27,081	30,327

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

3 Financial risk management (continued)

a. Credit risk (continued)

The movement in the provision for impairment of trade receivables is as follows:

	2023 \$'000	2022 \$'000
Opening balance	30,327	--
On amalgamation (Note 25)	--	23,084
On acquisition of subsidiary	--	5,140
Provided during the period	4,420	4,176
Amounts written off during the year	(7,315)	--
Unused amounts reversed	(6,166)	(2,073)
Closing balance	21,266	30,327

The creation and release of provision for impaired receivables have been included in "net impairment gains and losses on trade receivables" in profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The majority of the Group's trade receivables are receivable from customers in Trinidad and Tobago.

b. Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Liquidity risk management process

The Group's liquidity management process, as carried out within the Group and monitored by the central treasury department, includes: (i) monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required; (ii) maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow; (iii) maintaining committed lines of credit; (iv) optimising cash returns on investments; and (v) managing the concentration and profile of debt maturities.

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

3 Financial risk management (continued)

b. Liquidity risk (continued)

Liquidity risk management process (continued)

Undiscounted contractual cash flows of financial liabilities

The maturity profile of financial liabilities, based on contractual undiscounted payments, is as follows:

	Within 1 year \$'000	1 to 5 Years \$'000	Over 5 years \$'000	Total \$'000
31 December 2023				
Borrowings (Note 22)	248,885	626,446	3,675	879,006
Loan due to Parent	11,906	--	--	11,906
Lease obligation (Note 13)	18,073	46,056	84,295	148,424
Trade and other payables (Note 19)	511,598	--	--	511,598
	<u>790,462</u>	<u>672,502</u>	<u>87,970</u>	<u>1,550,934</u>
31 December 2022				
Borrowings (Note 22)	171,691	451,569	241,712	864,972
Lease obligation (Note 13)	14,408	77,607	64,278	156,293
Trade and other payables (Note 19)	374,888	--	--	374,888
	<u>560,987</u>	<u>529,176</u>	<u>305,990</u>	<u>1,396,153</u>

Assets available to meet all of the liabilities and to cover financial liabilities include cash and investments.

c. Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the Group treasury department which carries out extensive research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using sensitivity analysis.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the US dollar, Euro and Pound Sterling and the Guyanese dollar. Foreign exchange risk arises primarily from transactions for purchases and sales and financing activities.

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

3 Financial risk management (continued)

c. Market risk (continued)

The statement of financial position for the Group includes the following:

	2023 \$'000	2022 \$'000
Aggregate net foreign liabilities denominated in United States dollars	394,313	331,301
Aggregate net foreign liabilities denominated in Guyanese dollars	60,881	28,068
Other currencies (Euros, Pounds Sterling, Eastern Caribbean dollars)	12,370	--
Aggregate net foreign assets denominated in United States dollars	77,547	--
Aggregate net foreign assets denominated in Guyanese dollars	139,375	75,575
Other currencies (Euros, Pounds Sterling, Eastern Caribbean dollars)	27,237	12,697

The Group manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The Group further manages this risk by maximising foreign currency earnings and holding foreign currency balances.

The following table indicates the effect on profit before taxation (there is no effect on other items of equity) arising from changes in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year-end based on management's assessment of the possible change in foreign exchange rates. The sensitivity was primarily as a result of foreign exchange gains and losses on translation of trade receivables, cash, payables and borrowings.

	Year ended 31 December 2023 \$'000	9 May 2022 to 31 December 2022 \$'000
Effect on profit before taxation -		
US dollar		
1% devaluation (December 2023 – 0.3%)	(21,477)	(3,313)
1% revaluation (December 2023 – 0.3%)	21,477	3,313
Euro		
2% devaluation (December 2023 – 1.2%)	765	778
2% revaluation (December 2023 – 1.2%)	(765)	(778)
Pound Sterling		
5% devaluation (December 2023 – 5%)	--	(14)
5% revaluation (December 2023 – 5%)	--	14
Eastern Caribbean Dollar		
1% devaluation (December 2023 – 0.1%)	(55)	(14)
1% revaluation (December 2023 – 0.1%)	55	14
Guyanese dollar		
1% devaluation (December 2023 – 0%)	(1)	(281)
1% revaluation (December 2023 – 0%)	1	281

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

3 Financial risk management (continued)

c. Market risk (continued)

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The Group's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities.

The Group's interest rate risk arises from long term borrowings and other debt instruments. The sensitivity of the profit or loss is the effect of the assumed changes in interest rates on profit before taxation based on floating rate borrowing and other debt instruments. The sensitivity of other components of equity is calculated by revaluing fixed rate investments for the effects of the assumed changes in interest rates.

The following table indicates the sensitivity to a reasonably possible change in interest rates in respect of Trinidad and Tobago dollar and United States dollar denominated instruments, with all other variables held constant, on profit before taxation and other components of equity.

Type of borrowings	Change in basis points	Effect on Profit before Taxation	Effect on Other Components Equity
12 months ended December 2023	December 2023	December 2023 \$'000	December 2023 \$'000
Variable rate borrowings	100	(1,910)	--
Variable rate borrowings	-100	1,910	--

Type of borrowings	Change in basis points	Effect on Profit before Taxation	Effect on Other Components of Equity
9 May 2022 to 31 December 2022	December 2022	December 2022 \$'000	December 2022 \$'000
Variable rate borrowings	100	(2,833)	--
Variable rate borrowings	-100	2,833	--

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group is not exposed to equity price risk as it does not hold investments classified either as available-for-sale or at fair value through profit or loss.

At the reporting date, the Group had no significant exposure to price risk.

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

3 Financial risk management (continued)

d. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. It also includes monitoring any metrics and key performance indicators that are the subject of external obligations including debt covenants. Capital includes long and short term borrowings, interest bearing preference share capital and ordinary share capital.

Covenants relating to debt versus EBITDA, interest cover and working capital, attach to certain of the Group's secured debt instruments, and are reported monthly (actual and projected values) as part of the performance assessment process. No defaults were noted during the year/period, in relation to external debt covenants.

The Board of Directors also monitors the return on capital, which the Group defines as net operating income excluding non-recurring items, divided by total stockholders' equity as well as the level of dividends declared and paid to stockholders.

The Group's gearing ratio at the reporting date was as follows:

	31 December	
	2023 \$'000	2022 \$'000
Total borrowings (Note 22)	738,055	693,316
Less cash and cash equivalents	(147,604)	(126,719)
Net debt	<u>590,451</u>	<u>566,597</u>
 Borrowings (Note 22)	738,055	693,316
Interest bearing preference share capital (Note 20)	123,340	123,340
Ordinary share capital (Note 20)	387,600	387,600
	<u>1,248,995</u>	<u>1,204,256</u>
Gearing	<u>47.27%</u>	<u>47.05%</u>

e. Fair value estimates

Fair values of financial instruments re-measured at their fair value after initial recognition

At 31 December 2023 (2022: nil), the Group had no financial instruments re-measured at their fair value after initial recognition.

Fair values of financial instruments not re-measured at fair value after initial recognition

The following methods and assumptions have been used in determining fair values for instruments not re-measured at their fair value after initial recognition:

The face value, less any estimated credit adjustments, for financial assets and liabilities with a maturity of less than one year are estimated to approximate their fair values. These financial assets and liabilities include cash and bank balances, trade and other receivables (Note 18) and payables (Note 19) and short term borrowings (Note 22).

3 Financial risk management (continued)

e. Fair value estimates (continued)

Fair values of property

The Group measures its land and buildings at fair value on a triennial basis. Management, through an independent valuation expert used the income capitalisation approach to determine the fair value of all of the land and buildings. This method takes into consideration a number of factors that require estimation and judgement. The key factors include: estimation of rental income; determination of a capitalisation factor; and determination of the discount rate.

The Group classifies its land and buildings in Level 3 due to the unobservable inputs used in the determination of fair value for those assets. As at 31 December 2023, the carrying values of land and buildings classified as level 3 amounted to \$180,284,000 (2022: \$181,450,000).

In assessing the likelihood of a requirement for fair value adjustments relating to properties, management considers whether there were any material changes in the following inputs:

- The nature, condition or use of properties held by the Group;
- The commercial markets in which the Group operates and which affect the Group;
- The operations of the Group;
- Borrowing terms available to the Group;
- Local property tax rules;
- Local and regional real estate markets metrics.

The fair value of property held by the Group is considered relatively insensitive to fluctuations in the factors listed above with the exception of local and regional real estate market metrics, to which property fair values are assessed as moderately sensitive. Reliable estimations of fair value impairments if any, cannot be made without the involvement of expert valuers. Based on the reviews performed, management has concluded that the carrying values of properties approximated their fair values at the reporting date.

4 Critical accounting estimates and judgments in applying accounting policies

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Income taxes

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

Post-employment benefit obligations

The present value of the pension and other post-employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (or income) for post-employment benefits include the discount rate. Any changes in these assumptions will impact the carrying amount of post-employment benefit obligations. The Group determines the appropriate discount rate at the end of each year.

4 Critical accounting estimates and judgments in applying accounting policies (continued)

Post-employment benefit obligations (continued)

This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the post-employment benefit obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related obligation. Other key assumptions for post-employment benefit obligations are based in part on current market conditions. Sensitivity disclosures in relation to changes in assumptions are disclosed in Note 16.

Fair value of property

Land and buildings are carried at fair value. The Group uses independent professional valuers to value its land and buildings triennially. These fair values are derived using the income capitalisation approach, which takes into consideration a number of factors, primarily the estimation of rental income; determination of a capitalisation factor; and determination of the discount rate. Rental rates of the subject properties are adjusted to reflect the market rent for properties of similar size, location and condition. The higher the rental rate the higher the fair value. The higher the capitalisation rate the lower the fair value.

The Group's approach to assessing the fair value of properties and sensitivity to unobservable inputs is described above at Note 3e.

Purchase consideration in a business combination

Purchase consideration in a business combination is measured at fair value at acquisition date. The fair value is derived using applicable valuation techniques depending on the instruments that comprise the consideration paid. The Group issued preference shares as part of the consideration paid in the amalgamation discussed at Note 25, and recorded the fair value of the preference shares at acquisition date. A 1% increase or decrease in the underlying valuation parameter being the United States dollar yield curve relating to similar instruments, would result in a fair value loss of \$15,915,000 or fair value gain of \$21,451,000.

Goodwill

The Group test annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2(f). The assessment of goodwill impairment involves the determination of the value in use. Determination of value in use involves the estimation of future cash flows from the business taking into consideration the growth rates and the discount rate. Any changes in these variables would impact the value in use calculations.

Goodwill impairment is determined as the higher of fair value less costs of disposal and value in use.

A 1% increase in the discount rates and a 1% reduction in revenue growth would not result in an impairment of goodwill.

4 Critical accounting estimates and judgments in applying accounting policies (continued)

Business combinations

Business combinations are accounted for using the acquisition method regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

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

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The Group determines the identifiable assets and liabilities using the Purchase Price Allocation method. Under this method, the Group makes the estimates about future cash flows which are derived based on factors such as revenue growth, future margins, attrition rates and discount rates in determining the fair values of intangible assets.

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

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

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

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

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

4 Critical accounting estimates and judgments in applying accounting policies (continued)

Business combinations under common control

The Groups enters into restructuring transactions from time to time for a variety of reasons, such as group simplifications or in preparation for an IPO. This might involve moving businesses (underlying trade and assets) or subsidiaries (equity investments) within a group. Transactions where the ultimate parent controls the subsidiary being transferred both before and after the transaction, and control is not transitory, are treated as common control transactions.

For common control transactions involving a new company and existing entities, where the new company is inserted as intermediate parent of an existing entity that is a business, the pre-combination carrying amounts of the identified acquirer are included in the New Co's consolidated financial statements with no fair value uplift.

No new goodwill is recorded. Any difference between the cost of the transaction and the carrying value of the net assets is recorded in equity.

The acquirer's consolidated financial statements include the acquired entity's full-year results (including comparatives), or the results from the date when the entity joined the group, where such a date is later.

Segment reporting

While the Group comprises various operating entities trading in various industries (Distribution of consumer goods; Distribution of hardware and houseware goods; Distribution of healthcare goods and; Distribution of industrial equipment and lubricants), these activities are all considered to be Distribution services and accordingly, the EMC and Chief Executive Officer review the performance of the business on this basis i.e. at the overall Group level and does not consider disaggregated results. Primary performance metrics are revenue, gross profits, gross margins and earnings before interest, tax, depreciation and amortisation ("EBITDA") which are examined on a consolidated basis in the context of the Group's strategic and operating plans.

Strategy and operational planning and risk management occur at a consolidated level. While entity level plans are accumulated into the overall Group outlook, the approach to goal setting and development of targets is to establish these at a consolidated level and ensure that the aggregated results of business units align. For ongoing monitoring, emphasis is placed on the overall Group result against plan, and while there is discussion of the performance of entities within the Group, this is framed in the context of the achievement of Group targets.

The chief operating decision maker views this approach to performance management as most suited to the Group, since the primary business of the Group remains distribution albeit in various markets and industries. Management has therefore concluded that the Group has only one reportable segment, "*Distribution of consumer products*".

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

5 Business segments

The Group has one reportable segment, 'Distribution of consumer products', however, revenue from external customers is generated from the sale of goods and services of varying types. Similar products and services have been grouped together and revenue for the period disclosed below. No single customer accounted for a significant portion of sales for the period.

	Year ended 31 December 2023 \$'000	9 May 2022 to 31 December 2022 \$'000
Consumer goods	1,717,391	819,632
Hardware and housewares	198,510	123,473
Healthcare	327,023	174,235
Industrial equipment and lubricants	363,257	164,373
Eliminations	(42,348)	(27,955)
	<u>2,563,833</u>	<u>1,253,758</u>

Revenue was generated from sales to customers in the domestic and export markets.

	Year ended 31 December 2023 \$'000	9 May 2022 to 31 December 2022 \$'000
Sales to customers in country of domicile	2,492,910	1,226,368
Sales to customers in other countries	70,923	27,390
At end of period	<u>2,563,833</u>	<u>1,253,758</u>

All sales to customers in countries other than the Company's country of domicile originated from the Food, Beverage, Household and Pharmaceutical segment. No single country accounted for a significant portion of total export sales for the period. Operating profit, capital expenditure, depreciation, assets and liabilities cannot be allocated between geographical sales territories.

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

6 Expenses by nature

Total direct, administration and other operating expenses:

	Year ended 31 December 2023 \$'000	9 May 2022 to 31 December 2022 \$'000
<i>Direct expenses</i>		
Cost of inventories recognised as an expense	1,898,845	895,771
<i>Administration and other operating expenses</i>		
Amortisation of intangible assets (Note 14)	9,785	3,936
Depreciation of property, plant and equipment (Note 12)	27,274	13,080
Depreciation of right of use assets (Note 13)	14,520	8,620
Directors fees	279	177
Staff costs (Note 7)	215,544	133,179
Delivery costs	10,942	11,392
Advertising	34,216	14,457
Professional fees	15,399	4,209
Repairs and maintenance	5,838	3,474
Telephone and utilities	6,481	3,123
Security	4,558	3,135
Motor vehicle expenses	8,287	4,019
Insurance	6,321	2,638
Other	81,875	42,286
	441,319	247,725
	2,340,164	1,143,496
<i>Net impairment losses on trade receivables</i>	4,420	4,176
	2,344,584	1,147,672

Audit fees for the year ended 31 December 2023 totalled \$1,873,150. There were no other fees paid to the auditor (and related network firms).

7 Staff costs

Wages and salaries	208,582	107,692
Statutory contributions	13,793	7,155
Pension – defined benefit (Note 16)	9,295	6,981
Termination benefits (Note 16)	1,028	(83)
Other post-employment benefits (Note 16)	(21,645)	6,605
Redundancy	1,036	3,474
Other	3,455	1,355
	215,544	133,179

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

8 Finance costs

	Year ended 31 December 2023 \$'000	9 May 2022 to 31 December 2022 \$'000
Interest expense –		
Borrowings (Note 22)	48,831	19,481
Lease obligation (Note 13)	5,095	4,116
	<u>53,926</u>	<u>23,597</u>

9 Taxation expense

Taxation is based on the profit for the period adjusted for tax purposes and is comprised as follows:

Current taxation	9,055	15,924
Deferred taxation (Note 24)	16,881	(1,469)
	<u>25,936</u>	<u>14,455</u>

The tax on the Group's profits differ from the theoretical amounts that would arise using the applicable tax rate as follows:

Profit before taxation	<u>165,766</u>	<u>84,102</u>
Tax calculated at a tax rate of 30%	49,729	25,231
Adjusted for the effect of:		
Change in tax accounting period on amalgamation (Note 24)	(29,218)	(17,898)
Income not subject to tax	(2,705)	--
Expenses not deductible for tax purposes	4,591	6,900
Items deductible for tax purposes not expensed	(313)	(123)
Unrelieved tax losses	1,556	11
Permanent timing differences	801	(434)
Foreign tax rate differential	1,495	532
Other	--	236
	<u>25,936</u>	<u>14,455</u>

Tax charge relating to components of other comprehensive income are as follows:

	Before tax \$'000	Tax effect \$'000	After tax \$'000
	<u>31 December 2023</u>		
Re-measurements of post-employment benefit obligations (Note 16)	(4,277)	1,282	(2,995)
Re-measurements of post-retirement medical plan obligations (Note 16)	36,575	(10,972)	25,603
Other comprehensive income	<u>32,298</u>	<u>(9,690)</u>	<u>22,608</u>

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

9 Taxation expense (continued)

	Before tax \$'000	Tax effect \$'000	After tax \$'000
	31 December 2022		
Re-measurements of post-employment benefit obligations (Note 16)	(10,914)	3,273	(7,641)
Other comprehensive income	(10,914)	3,273	(7,641)

In order to align with its Parent Company's year-end, the Group changed its financial year-end from 31 March to 31 December, with effect for the period ended 31 December 2022. As a result of this change, there was an adjustment to the tax charge for both reported periods as the tax expense was calculated on a pro-rata 12 month profit from the 'long period' of 1 April 2022 to 31 December 2023.

10 Earnings per Stock Unit Attributable to Stockholders of the Company

Earnings per stock unit is calculated by dividing the net profit attributable to stockholders of the Company by the weighted average number of ordinary stock units in issue, as follows:

	Year ended 31 December 2023	9 May 2022 to 31 December 2022
Net profit attributable to stockholders of the Company (\$'000)	128,766	65,367
Weighted average number of ordinary stock units ('000)	1,389,683	1,297,409
Basic and diluted earnings per stock unit (\$)	\$0.09	\$0.05

The Company had a 30 for 1 stock split on 30 November 2022. The effect of the stock split was applied retrospectively in calculating the weighted average number of ordinary stock units in issue for the period ended 31 December 2022.

The Company has no dilutive potential ordinary shares.

11 Dividends declared by the Company

Ordinary dividends

\$0.0126 per share declared on 20 December 2022 and paid commencing on 28 December 2022	--	17,500
\$0.0126 per share declared on 26 June 2023 and paid on 28 June 2023	17,510	--
\$0.0126 per share declared on 07 December 2023 and paid commencing on January 18, 2024	17,510	--
	35,020	17,500

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued) 31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

11 Dividends declared by the Company (continued)

Preference dividends

	Year ended 31 December 2023	9 May 2022 to 31 December 2022
\$0.13 per preference share declared on October 25, 2022 and paid on November 11, 2022	--	2,668
\$0.10 per preference share declared on 31 January 2023 and paid on 14 February 2023	2,081	--
\$0.10 per preference share declared on 16 March 2023 and paid on 14 April 2023	2,081	--
\$0.10 per preference share declared on 24 July 2023 and paid on 11 August 2023	2,081	--
\$0.10 per preference share declared on 30 October 2023 and paid on 09 November 2023	2,081	--
	<u>8,324</u>	<u>2,668</u>

12 Property, plant and equipment

	Freehold land \$'000	Freehold buildings \$'000	Leasehold improvement, equipment & furniture \$'000	Motor vehicles \$'000	Work in progress \$'000	Total \$'000
Cost/valuation -						
At 01 January 2023	78,550	119,657	42,307	20,377	40	260,931
Additions	--	--	32,436	8,813	6,298	47,547
Disposals	--	--	(2,771)	(6,529)	(1,971)	(11,271)
Transfers	--	--	702	--	(702)	--
At 31 December 2023	<u>78,550</u>	<u>119,657</u>	<u>72,674</u>	<u>22,661</u>	<u>3,665</u>	<u>297,207</u>
Accumulated Depreciation -						
At 01 January 2023	--	(206)	6,111	(429)	--	5,476
Charge for the period	--	1,454	17,770	8,050	--	27,274
Disposals	--	--	(3,031)	(5,508)	--	(8,539)
At 31 December 2023	<u>--</u>	<u>1,248</u>	<u>20,850</u>	<u>2,113</u>	<u>--</u>	<u>24,211</u>
Net Book Value -						
At 31 December 2023	<u>78,550</u>	<u>118,409</u>	<u>51,824</u>	<u>20,548</u>	<u>3,665</u>	<u>272,996</u>

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

12 Property, plant and equipment (continued)

	Freehold land \$'000	Freehold buildings \$'000	Leasehold improvement, equipment & furniture \$'000	Motor vehicles \$'000	Work in progress \$'000	Total \$'000
Cost/valuation -						
At 9 May 2022	—	—	—	—	—	--
On amalgamation (Note 25)	79,243	121,198	34,700	15,566	771	251,478
On acquisition of subsidiary (Note 25)	—	—	959	3,452	—	4,411
Additions	—	1,147	7,851	7,144	272	16,414
Disposals	—	(3,423)	(1,292)	(5,699)	(163)	(10,577)
Adjustments	(693)	—	(16)	(86)	—	(795)
Transfers	—	735	105	—	(840)	--
At 31 December 2022	78,550	119,657	42,307	20,377	40	260,931
Accumulated Depreciation -						
At 9 May 2022	—	—	—	—	—	--
Charge for the period	—	1,525	7,333	4,222	—	13,080
Disposals	—	(3,423)	(1,211)	(4,651)	—	(9,285)
Adjustments	—	1,692	(11)	—	—	1,681
At 31 December 2022	—	(206)	6,111	(429)	—	5,476
Net Book Value -						
At 31 December 2022	78,550	119,863	36,196	20,806	40	255,455

If land and buildings were stated on a historical cost basis at 31 December 2023, the carrying amounts would be:

- land at a cost of \$28,813,000 (2022: \$28,813,000); and
- buildings at a cost of \$58,462,000 (2022: \$58,462,000), net of accumulated depreciation of \$20,845,000 (2022: \$19,676,000).

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

13 Right of use assets and related lease obligation

The Group leases property for business use. The movement in the right of use assets is as follows:

	2023 \$'000	2022 \$'000
Opening balance	77,297	--
On amalgamation (Note 25)	--	73,853
On acquisition of subsidiary (Note 25)	--	3,509
Additions	6,639	8,555
Depreciation	(14,520)	(8,620)
Closing balance	<u>69,416</u>	<u>77,297</u>

The related lease obligation recognised in the statement of financial position is as follows:

	31 December	
	2023 \$'000	2022 \$'000
Current obligations	13,945	12,200
Non-current obligations	<u>60,788</u>	<u>69,348</u>
	<u>74,733</u>	<u>81,548</u>

The movement in the lease obligation is as follows:

	12 months ended 31 December 2023 \$'000	9 May 2022 to 31 December 2022 \$'000
Opening balance	81,548	--
On amalgamation (Note 25)	--	75,916
On acquisition of subsidiary (Note 25)	--	3,593
Additions	6,639	8,555
Interest expense (Note 8)	5,095	4,116
Lease payments	(18,549)	(10,200)
Other	--	(432)
Closing balance	<u>74,733</u>	<u>81,548</u>

The expiration profile of the Group's leases is as follows:

	31 December	
	2023 \$'000	2022 \$'000
Within 1 year	--	527
1 to 5 years	27,355	30,414
Over 5 years	<u>47,378</u>	<u>50,607</u>
	<u>74,733</u>	<u>81,548</u>

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

14 Intangible assets

	Goodwill \$'000	Customer relationships \$'000	Supplier relationships \$'000	Trade name \$'000	Brands \$'000	Total \$'000
Cost -						
At 31 January 2023	67,965	32,000	61,100	38,300	44,480	243,845
At 31 December 2023	67,965	32,000	61,100	38,300	44,480	243,845
Accumulated amortisation -						
At 01 January 2023	—	—	1,876	906	1,154	3,936
Charge for the year	—	2,286	3,216	2,303	1,980	9,785
At 31 December 2023	—	2,286	5,092	3,209	3,134	13,721
Net Book Value -						
At 31 December 2023	67,965	29,714	56,008	35,091	41,346	230,124

	Goodwill \$'000	Customer relationships \$'000	Supplier relationships \$'000	Trade name \$'000	Brands \$'000	Total \$'000
Cost -						
At 9 May 2022	—	—	—	—	—	—
On amalgamation (Note 25)	50,318	—	61,100	23,300	44,480	179,198
On acquisition of subsidiary (Note 25)	17,647	32,000	—	15,000	—	64,647
At 31 December 2022	67,965	32,000	61,100	38,300	44,480	243,845
Accumulated amortisation -						
At 9 May 2022	—	—	—	—	—	—
Charge for the period	—	—	1,876	906	1,154	3,936
At 31 December 2022	—	—	1,876	906	1,154	3,936
Net Book Value -						
At 31 December 2022	67,965	32,000	59,224	37,394	43,326	239,909
At 9 May 2022	—	—	—	—	—	—

The allocation of goodwill is as follows:

	31 December	
	2023 \$'000	2022 \$'000
A.S. Bryden and Sons Holdings Limited	50,318	50,318
Micon Holdings Limited	17,647	17,647
	<u>67,965</u>	<u>67,965</u>

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

14 Intangible assets (continued)

Goodwill is primarily attributable to the Company's assembled workforce, licences and customer relationships. Further goodwill value is derived from expected operational synergies including but not limited to: common suppliers and brands; negotiating power with service providers; opportunities for sale and purchase transactions within the Group and related profit generation and savings; expansion of the regional trading footprint of the ultimate parent company.

The Group determines whether goodwill is impaired at least on an annual basis or when events or changes in circumstances indicate the carrying value may be impaired. This requires an estimation of the recoverable amount of the cash generating unit (CGU) to which the goodwill is allocated. The recoverable amount is determined by reference to the value in use. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose an appropriate discount rate in order to calculate the present value of those future cash flows. The cash flow projections are based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using estimated growth rates (which do not exceed the long-term average growth rate for the business in which the CGU operates) and a terminal growth rate of 2%. Based on assessments performed the Group has concluded that no impairment adjustments were required to goodwill at the reporting date.

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

	Revenue Growth Rate	Discount Rate
A.S. Bryden and Sons Holdings Limited and Micon Holdings Limited	7.1% to 15.9%	11.4% to 18.3%

These values were derived from the projected profit and loss performance of the entities, taking account of future planned activities and adjusting to normalize for any non-recurring historical transactions. The projections did not include the estimated benefits to be derived from the amalgamation of the entities.

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

15 Investment in associate

The Group owns 49% of Armstrong Healthcare Inc, a company that sells healthcare items. The carrying value of the investment approximates 49% of the carrying value of the net assets of the associate.

The movement in investment in associate is as follows:

	Year ended 31 December 2023 \$'000	9 May 2022 to 31 December 2022 \$'000
Opening balance	15,269	--
On amalgamation (Note 25)	--	13,997
Adjustments to net assets of Associate	274	--
Share of results, net of tax	47	1,272
Closing balance	<u>15,590</u>	<u>15,269</u>

Summarised financial information for the associate is as follows:

Summarised statement of comprehensive income

	Year ended 31 December 2023 \$'000	9 May 2022 to 31 December 2022 \$'000
Revenue	67,382	40,662
Depreciation	210	144
Net profit	<u>3,628</u>	<u>2,595</u>

Summarised statement of financial position

	2023 \$'000	2022 \$'000
Property, plant and equipment and other non-current assets	<u>4,487</u>	<u>667</u>
Current assets:		
Inventories	22,102	22,885
Cash at bank and on hand	508	1,011
Receivables and other current assets	<u>19,178</u>	<u>25,353</u>
	<u>41,788</u>	<u>49,249</u>
Current liabilities:		
Bank overdraft	4,724	5,803
Payables and other current liabilities	<u>9,735</u>	<u>12,284</u>
	<u>14,459</u>	<u>18,087</u>
Net assets	<u>31,816</u>	<u>31,162</u>
Share of net assets at 49%	<u>15,590</u>	<u>15,269</u>

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

15 Investment in associate (continued)

Summarised statement of cash flows

	Year ended 31 December 2023 \$'000	9 May 2022 to 31 December 2022 \$'000
Cash flows from operating activities	(654)	(3,967)
Cash flows from investing activities	(3,820)	--
Cash flows from financing activities	--	--

16 Post-employment benefits

Pension schemes

Defined contribution plan

In addition to the defined benefit pension scheme described below, employees participate in various defined contribution pension schemes. Employees participating in the scheme contribute up to 15% of pensionable earnings while the Group contributes 5%. The Group's contribution for the period ended 31 December 2023 amounted to \$9,057,000 (2022: \$4,712,000).

Defined benefit plan

The Group operates defined benefit schemes which are administered by Sagicor Life Inc. The plans provide benefits to members based on average earnings for the final year of service, with the Group and employees each contributing 5% of pensionable salaries. Employees may make additional voluntary contributions up to 5%.

The defined benefit plan is valued by independent actuaries annually using the Projected Unit Credit Method. The latest full triennial actuarial valuation was carried out as at 31 March 2022.

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

	2023 \$'000	2022 \$'000
Present value of funded obligations	(233,818)	(211,156)
Fair value of plan assets	261,067	240,247
Asset in the statement of financial position	27,249	29,091

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

16 Post-employment benefits (continued)

Pension schemes (continued)

Defined benefit plan (continued)

The movement in the amounts recognised in the statement of financial position is as follows:

	Year ended 31 December 2023 \$'000	9 May 2022 to 31 December 2022 \$'000
Opening balance	29,091	--
On amalgamation (Note 25)	--	35,167
Amounts recognised in profit or loss (Note 7)	(9,295)	(6,981)
Amounts recognised in other comprehensive income (Note 9)	(4,277)	(10,914)
Employers' contributions	11,730	11,819
Closing balance	<u>27,249</u>	<u>29,091</u>

The movement in the defined benefit obligation is as follows:

Opening balance	(211,156)	--
On amalgamation (Note 25)	--	(197,689)
Current service cost	(10,596)	(8,359)
Interest cost	(13,348)	(9,151)
Re-measurements – experience gains and losses	(2,659)	(2,087)
Members' contributions	(5,612)	(3,982)
Benefits paid	9,553	10,112
Closing balance	<u>(233,818)</u>	<u>(211,156)</u>

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued) 31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

16 Post-employment benefits (continued)

Pension schemes (continued)

Defined benefit plan (continued)

The movement in the fair value of plan assets is as follows:

	Year ended 31 December 2023 \$'000	9 May 2022 to 31 December 2022 \$'000
Opening balance	240,247	--
On amalgamation (Note 25)	--	232,856
Interest income	14,649	10,529
Re-measurement – return on plan assets, excluding amounts included in interest income	(1,618)	(8,827)
Employer's contributions	11,730	11,819
Members' contributions	5,612	3,982
Benefits paid	(9,553)	(10,112)
Closing balance	<u>261,067</u>	<u>240,247</u>

Plan assets are comprised as follows:

	2023 \$'000	2022 \$'000
Government bonds	183,438	168,901
Mortgages	24,461	26,291
Equities	38,508	37,723
Cash	14,660	7,332
	<u>261,067</u>	<u>240,247</u>

With the exception of equities, all categories of plan assets are unquoted.

The responsibility for the management of the assets of the Fund is vested in the Trustees and representatives of the fund and investment managers. They ensure that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension fund. Within this framework, the Fund's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due. The Fund actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. The Fund has not changed the processes used to manage its risks from previous periods. The Fund does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. Funding levels are monitored on an annual basis and the current agreed contribution rate is 5% of pensionable salaries. The Group considers that the contribution rates set at the last valuation date to be sufficient to prevent a deficit and that regular contributions, which are based on service costs, will not increase significantly.

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

16 Post-employment benefits (continued)

Pension schemes (continued)

Defined benefit plan (continued)

The expense recognised in profit or loss is as follows:

	Year ended 31 December 2023 \$'000	9 May 2022 to 31 December 2022 \$'000
Current service cost	10,596	8,359
Interest costs	13,348	9,151
Interest income	(14,649)	(10,529)
Total, included in staff costs (Note 7)	9,295	6,981

Expected employer contributions to the post-employment pension plan for the year ending 31 December 2024 amount to \$12,197,000.

The significant actuarial assumptions used for the year ended 31 December 2023 and period from 9 May 2022 to 31 December 2022 were a discount rate of 6%; future salary increases of 4.5%; and future pension increases of Nil. The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		31 December 2023		31 December 2022	
	Change in Assumption	Increase in Assumption	Decrease in Assumption	Increase in Assumption	Decrease in Assumption
		\$'000	\$'000	\$'000	\$'000
Discount rate	0.50%	(7,975)	9,361	(7,582)	9,039
Future salary increases	0.50%	1,847	(1,761)	1,857	(1,777)

Further, assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a female pensioner retiring at age 60 and for a male pensioner retiring at age 65. If the assumption for life expectancy was increased by 1 year, the effect on the defined benefit obligation would be an increase of \$2,538,000 (2022: \$2,746,000).

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the defined benefit obligation at 31 December 2023 and 31 December 2022 is 42 years.

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued) 31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

16 Post-employment benefits (continued)

Pension schemes (continued)

Defined benefit plan (continued)

Other post-employment benefits

	31 December	
	2023 \$'000	2022 \$'000
Termination benefit obligation	(9,477)	(8,450)
Medical plan obligation	(8,654)	(67,692)
Liability in the statement of financial position	<u>(18,131)</u>	<u>(76,142)</u>

Termination benefit obligation

The Group provides termination lump sum benefits to its unionised employees who retire directly from the Group. Benefits are determined according to length of service. The movement in the defined benefit obligation is as follows:

	Year ended 31 December 2023 \$'000	9 May 2022 to 31 December 2022 \$'000
Opening balance	(8,450)	--
On amalgamation (Note 25)	--	(8,533)
Current service cost, recognised in profit or loss (included in staff costs (Note 7)) in the statement of comprehensive income	(1,028)	83
Benefits paid	--	--
Closing balance	<u>(9,478)</u>	<u>(8,450)</u>

The significant actuarial assumptions used were a discount rate of 5% and future salary increases of 2%. The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		31 December 2023		31 December 2022	
	Change in Assumption	Increase in Assumption \$'000	Decrease in Assumption \$'000	Increase in Assumption \$'000	Decrease in Assumption \$'000
Discount rate	0.50%	(9,019)	10,151	(1,004)	1,041
Future salary increases	0.50%	<u>10,164</u>	<u>(9,005)</u>	<u>1,070</u>	<u>(1,034)</u>

Medical plan obligation

In addition to pension benefits, the Group offers retirees medical insurance benefits that contribute to the health care of employees and beneficiaries after retirement. The obligations under the medical plan are unfunded. The method of accounting and frequency of valuations are similar to those used for the pension scheme.

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

16 Post-employment benefits (continued)

Other post-employment benefits (continued)

Medical plan obligation (continued)

The movement in the defined benefit obligation over the year is as follows:

	2023 \$'000	2022 \$'000
Opening balance	(67,692)	--
On amalgamation (Note 25)	--	(61,624)
Amounts recognised in the profit or loss (included in staff costs (Note 7) in the statement of comprehensive income)	--	--
Current service cost	(4,564)	(4,529)
Interest cost	(4,044)	(2,076)
Past service cost	30,253	--
	21,645	(6,605)
Re-measurements – experience gains and losses recognised in other comprehensive income (Note 9)	36,575	--
Benefits paid	818	537
Closing balance	(8,654)	(67,692)

At 31 December 2023 the present value of the defined benefit obligation is allocated 100% to retirees. As at 31 December 2022, the present value of the defined benefit obligation was allocated 76% to active employees and 24% to members in retirement.

The weighted average duration of the defined benefit obligation at 31 December 2023 is 11.0 years (2022: 19.5 years).

Expected claims for the year ending 31 December 2024 amount to \$551,000.

The significant actuarial assumptions used were a discount rate of 6% and long-term increase in health cost of 5.5% per annum. The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Change in Assumption		31 December 2023		31 December 2022	
		Increase in Assumption	Decrease in Assumption	Increase in Assumption	Decrease in Assumption
		\$'000	\$'000	\$'000	\$'000
Discount rate	1.00%	(868)	1,030	(11,004)	14,267
Health cost	1.00%	1,025	(879)	14,191	(11,143)

Further, if the assumption for life expectancy was increased by 1 year, the effect on the defined benefit obligation would be an increase of \$2,453,000.

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

16 Post-employment benefits (continued)

Risks associated with pension and other post-employment plans

Through its defined benefit pension and other post-employment medical plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to Government of Trinidad and Tobago bond yields. If plan assets underperform this yield, this will create a deficit. As the plan matures, the Group intends to reduce the level of investment risk by investing more in assets that better match the liabilities. The Group believes that, due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of the Group's long term strategy to manage the plans efficiently. See below for more details on the Group's asset-liability matching strategy.

Changes in bond yields

A decrease in Government of Trinidad and Tobago bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risk

Higher inflation will lead to higher liabilities. The majority of the plan's assets are unaffected by fixed interest bonds meaning that an increase in inflation will reduce the surplus or create a deficit.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant, where inflationary increases result in higher sensitivity to changes in life expectancy.

17 Inventories

	2023 \$'000	2022 \$'000
Merchandise for resale	547,749	490,300
Raw and packaging materials	10,985	--
Goods in transit	114,944	100,135
	<u>673,678</u>	<u>590,435</u>

Merchandise for resale are shown net of provisions of \$29,774,000 (2022: \$29,052,000). Movements in the provision for obsolete inventory for the period were as follows:

Opening balance	29,052	--
On amalgamation	--	29,566
Provided during the period	3,943	20
Unused amounts reversed	(3,221)	(534)
	<u>29,774</u>	<u>29,052</u>

Unused provisions which were reversed represent aged inventory which was provided for as obsolete but subsequently sold.

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

18 Trade and other receivables

	2023 \$'000	2022 \$'000
Trade receivables		
Gross amount	591,851	477,237
Less: provision for expected credit losses	(21,266)	(30,327)
	570,585	446,910
Other receivables and prepayments		
Gross amount	97,186	86,454
Less: provision for expected credit losses	(1,219)	(2,732)
	95,967	83,722
Due from affiliates	1,155	2,257
	667,707	532,889

19 Payables

Trade payables	370,147	288,087
Other payables and accruals	135,729	62,175
Due to affiliates	4,572	15,588
Dividends payable	17,510	13,728
	<u>527,958</u>	<u>379,578</u>

20 Share capital

Ordinary shares

The Company has an unlimited number of unauthorised ordinary shares of no par value. The movement of issued and fully paid ordinary shares is as follows:

	31 December 2023	
	# of shares	value
	'000	\$'000
As at 31 December 2023	1,389,683	387,600
	31 December 2022	
	# of shares	value
	'000	\$'000
Opening balance	--	--
Issue of new shares to acquirees subsequent to amalgamation (Note 25)	42,000	285,600
Issue of shares as consideration for the acquisition of subsidiary (Note 25)	4,323	102,000
	<u>46,323</u>	<u>387,600</u>
Increase due to 30 for 1 stock split (Note 10)	1,343,360	--
Closing balance	<u>1,389,683</u>	<u>387,600</u>

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

20 Share capital (continued)

Preference shares

	31 December 2023	
	# of shares	value
	'000	\$'000
As at 31 December 2023	20,403	123,340

	31 December 2022	
	# of shares	value
	'000	\$'000
As at 31 December 2022	20,403	123,340

In June 2022, the Company issued 20,403,000 preference shares to the selling ordinary shareholders as a precursor to the acquisition of the majority of its ordinary shares by Seprod Limited (Note 25). The preference shares rank above the ordinary shares of the Company in the event of a liquidation and are redeemable at the option of the Company. Dividends on the preference shares are payable at the discretion of the Company; however, the Company is required to pay all accumulated and unpaid dividends on the preference shares prior to paying dividends to its ordinary shareholders.

21 Capital reserves

Capital reserves comprise the gain on revaluation of freehold property, net of deferred tax.

22 Borrowings

The movement in borrowings is as follows:

	2023 \$'000	2022 \$'000
Opening balance	693,316	--
On amalgamation (Note 25)	--	619,903
On acquisition of subsidiary (Note 25)	--	18,916
Proceeds	470,283	143,734
Repayments	(430,799)	(88,659)
Foreign exchange differences	5,255	(578)
Interest charged and expensed (Note 8)	48,831	19,481
Interest paid	(48,831)	(19,481)
Closing balance	738,055	693,316

Borrowings comprise the following:

Term loans denominated in Trinidad and Tobago dollars	358,828	372,912
Term loans denominated in United States dollars	179,524	245,998
Term loans denominated in Guyana dollars	15,753	18,755
Revolving loans denominated in Trinidad and Tobago dollars	153,000	44,914
Revolving loans denominated in Guyana dollars	30,950	10,737
	738,055	693,316
Current portion	(226,012)	(129,742)
	512,043	563,574

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

22 Borrowings (continued)

- a. Secured and unsecured Trinidad and Tobago dollar denominated amortizing facilities, bearing interest at rates ranging from 2.75% to 7.0% and with maturities from March 2024 to June 2029. Secured debt is collateralized by a first debenture over the fixed and floating assets of the Group.
- b. Secured and unsecured United States dollar denominated amortizing facilities, bearing interest at rates ranging from 3.42% to 15.0% and with maturities from March 2024 to June 2029. Secured debt is collateralized by a first debenture over the fixed and floating assets of the Group.
- c. Secured Guyana dollar denominated amortizing facilities bearing interest at 6.0% and with maturities from November 2027 to February 2037. Debt is secured by a guarantee from another Group company.
- d. Unsecured Trinidad and Tobago dollar denominated 30 day rolling facilities bearing interest at rates ranging from 2.55% to 4.25% with option to re-draw on settlement.
- e. Unsecured Guyana dollar denominated 30 day rolling facilities bearing interest at 6.0% with option to re-draw on settlement.

The carrying amount of financial assets held as collateral for borrowings was as follows:

	2023 \$'000	2022 \$'000
Property, plant and equipment (Note 12)	272,996	255,455
Inventories (Note 17)	673,678	590,435
Trade receivables (Note 18)	667,707	446,910
Cash and cash equivalents	147,604	126,719
	<u>1,761,985</u>	<u>1,419,519</u>

Under the terms of the first debenture which secures the related debt, the Company is permitted to dispose of any of the pledged assets in the normal course of business with no requirements for consent from lenders. For additional pledges of security, consent from first secured lenders is required. There were no re-pledges of collateralized asset at the reporting date and the carrying values of pledged assets approximated their fair values at that date.

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

Within 1 year	205,367	129,742
1 to 5 years	532,688	198,298
Over 5 years	--	365,276
	<u>738,055</u>	<u>693,316</u>

During the period, a long-term facility denominated in United States dollars was refinanced to local currency as the Group has more ready access to Trinidad and Tobago dollars to support debt service obligations. The existing lender refinanced the facility, and the revised terms are in line with other local currency facilities held with that lender. The change was treated as a modification. The tenor of the facility remained unchanged following refinancing.

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

23 Loan due to Parent

	2023 \$'000	2022 \$'000
Within 1 year	11,906	—

The loan bears interest at 3.6% per annum and is repayable in full on 31 December 2024.

24 Deferred taxation

The movement in deferred tax assets and liabilities recognised on the statement of financial position is as follows:

	At 01 January 2023 Revised \$'000	Recognised in profit or loss \$'000	Recognised in other comprehensive income \$'000	At 31 December 2023 \$'000
Deferred tax assets:				
Unused tax losses	961	1,510	--	2,471
Lease liabilities	64,866	(5,418)	--	59,448
Unearned profit	707	--	--	707
Vacation accrual	1,304	182	--	1,486
Post-employment medical plan	20,308	(17,711)	--	2,597
Termination benefits	2,535	309	--	2,844
	90,681	(21,128)	--	69,553
Deferred tax liabilities:				
Post-employment benefit asset	(8,728)	(554)	1,283	(7,999)
Right of use assets	(61,799)	5,638	--	(56,161)
Finance lease	(14)	--	--	(14)
Accelerated tax depreciation	(5,279)	(837)	--	(6,116)
Asset revaluation surplus	(17,900)	--	--	(17,900)
Goodwill on amalgamation	(2,191)	--	--	(2,191)
	(95,911)	4,247	1,283	(90,381)
Net liabilities	(5,230)	(16,881)	1,283	(20,828)
	On amalgamation (Note 25) Revised \$'000	Recognised in profit or loss \$'000	Recognised in other comprehensive income \$'000	At 31 December 2022 Revised \$'000
Deferred tax assets:				
Unused tax losses	880	81	--	961
Lease liabilities	65,681	(815)	--	64,866
Unearned profit	259	448	--	707
Vacation accrual	1,436	(132)	--	1,304
Post-employment medical plan	18,487	1,821	--	20,308
Termination benefits	2,560	(25)	--	2,535
	89,303	1,378	--	90,681

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

24 Deferred taxation (continued)

	On amalgamation (Note 25) Revised \$'000	Recognised in profit or loss \$'000	Recognised in other comprehensive income \$'000	At 31 December 2022 Revised \$'000
Deferred tax liabilities:				
Post-employment benefit asset	(10,552)	(1,449)	3,273	(8,728)
Right of use assets	(63,261)	1,462	--	(61,799)
Finance lease	(14)	--	--	(14)
Accelerated tax depreciation	(5,357)	78	--	(5,279)
Asset revaluation surplus	(17,900)	--	--	(17,900)
Goodwill on amalgamation	(2,191)	--	--	(2,191)
	(99,275)	91	3,273	(95,911)
Net liabilities	(9,972)	1,469	3,273	(5,230)

All deferred tax assets and liabilities are expected to be recovered after more than 12 months.

25 Business combinations

Amalgamation involving the Company

Effective 6 June 2022, the Company became a majority owned subsidiary of Seprod Limited, a company incorporated in Jamaica and listed on the Jamaica Stock Exchange. This change in ownership was effected via a business combination and capital reorganisation, which ultimately resulted in the creation of a new entity carrying the name A.S. Bryden and Sons Holdings Limited ("Company"), but which is separate and distinct from the predecessor entity that carried the same name ("Predecessor ASB Holdings").

Amalgamation involving the Company

To execute the business combination, a new entity called Bryden Group Limited ("BGL") was incorporated, and performed the following steps:

1. Settled purchase consideration comprising cash and preference shares to the previous owners of the Predecessor ASB Holdings;
2. Issued new ordinary shares to the new owners of the Company.
Bryden Group Limited subsequently amalgamated with the Predecessor ASB Holdings, to form the Company, which is a new legal entity with an effective business commencement date of 6 June 2022 that is, the date that BGL and the Predecessor ASB Holdings came under common control.

The capital reorganisation that occurred on acquisition and amalgamation of the Company comprised the elimination of the share capital of the Predecessor ASB Holdings and replacement with the ordinary and preference share capital of the Company. The amalgamation and resulting business combination rendered the Company the effective beneficiary of the fair value of assets acquired and in this regard, required the recognition of intangible assets, including goodwill, in the consolidated financial statements of the Company, as the newly amalgamated entity. These operations have significantly expanded the Group's distribution capability and footprint throughout The Caribbean Community (Caricom).

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued) 31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

25 Business combinations (continued)

Details of the fair value of net assets as at the date of amalgamation were as follows:

	9 May 2022 \$'000
Property, plant and equipment	251,478
Right of use assets	73,853
Intangible assets	122,880
Investment in associates	13,997
Post-employment benefit assets	35,167
Deferred tax assets	22,670
Inventories	333,055
Trade and other receivables	382,308
Taxation recoverable	489
Cash at bank and on hand	255,620
Payables	(267,424)
Taxation payable	(43,162)
Post-employment benefit obligations	(65,349)
Borrowings	(619,903)
Lease obligations	(75,916)
Deferred tax liabilities	(30,449)
	<u>389,314</u>
Non-controlling interests	<u>(30,690)</u>
	<u>358,624</u>

The goodwill on acquisition was determined as follows:

	2022 \$'000
Issue of ordinary shares	285,600
Issue of preference shares	123,340
	<u>408,940</u>
Fair values of net assets as at the date of amalgamation	<u>(358,622)</u>
	<u>50,318</u>

Acquired receivables

The fair value of acquired trade receivables is \$382,308,000. The gross contractual amount for trade receivables due was \$405,392,000, with a loss allowance of \$23,084,000 recognised on acquisition.

As the acquisition was funded directly from the issue of newly created ordinary and preference shares, the cash balance of the amalgamated entity represents the net cash inflow from the acquisition.

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

25 Business combinations (continued)

On amalgamation, the reserves attributable to the Company were as follows:

The capital reorganisation comprised the following:

	2022 \$'000
Revaluation reserve on property, plant and equipment	94,900
Retained earnings of Predecessor ASB Holdings	606,534
Impact of capital reorganisation on amalgamation	(685,827)
Net reserves on amalgamation	15,607
Non-controlling interests	30,690
	<u>46,297</u>

The share repurchase comprised the following:

Issue of ordinary share capital	285,600
Issue of preference share capital net of fair value adjustments	123,340
Elimination of share capital of Predecessor ASB Holdings	(14,451)
	<u>394,489</u>

Acquisition of Micon Holdings Limited

Effective 1 November 2022, the Company acquired the entire shareholding of Micon Holdings Limited. These operations have expanded the Group's distribution capability in Trinidad and Tobago.

Details of net assets acquired are as follows:

Property, plant and equipment	4,411
Right of use assets	3,509
Intangible assets	47,000
Inventories	47,198
Trade and other receivables	46,053
Cash at bank and on hand	14,237
Payables	(54,836)
Taxation payable	(710)
Borrowings	(18,916)
Lease obligations	(3,593)
	<u>84,353</u>

The goodwill on acquisition was determined as follows:

Ordinary shares issued by the Company in exchange for 100% shareholding in Micon Holdings Limited	102,000
Fair values of net assets acquired	(84,353)
	<u>17,647</u>

As the acquisition was funded directly from the issue of newly created shares, the cash balance of the acquired entity represents the net cash inflow from the acquisition.

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

25 Business combinations (continued)

Post-acquisition revenue and profits of Micon Holdings limited were as follows:

	1 November 2022 to 31 December 2022 \$'000
Revenue	78,882
Profit after tax	1,395

26 Non-controlling interests

Non-controlling interests are in respect of the following subsidiaries:

	2023 \$'000	2022 \$'000
Bryden pi Limited and its subsidiaries	41,893	33,280
Ibis Construction Equipment Sales & Rental Limited	6,252	5,317
Facey Trading Limited	376	(129)
	48,521	38,468

Summarised financial information for Bryden pi Limited and its subsidiaries, before intercompany eliminations, is as follows:

Summarised statement of comprehensive income

	Year ended 31 December 2023 \$000	9 May 2022 to 31 December 2022 \$000
Revenue	759,383	423,258
Depreciation	(7,897)	4,348
Net profit	83,128	31,349
Other comprehensive income	879	(190)
Net profit allocated to non-controlling interests	8,313	4,010
Dividends paid to non-controlling interests	(1,890)	(2,220)

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

26 Non-controlling interests (continued)

Summary statement of financial position

	2023 \$'000	2022 \$'000
Non-current assets:		
Property, plant and equipment	18,950	20,961
Right of use assets	46,239	45,394
Intangible assets	18,680	18,680
Other non-current assets	--	39,749
	<u>83,869</u>	<u>124,784</u>
Current assets:		
Inventories	202,201	162,110
Cash and cash equivalents	23,598	24,287
Receivables and other current assets	289,372	167,291
	<u>515,171</u>	<u>353,688</u>
Non-current liabilities:		
Non-current portion of long term liabilities	30,017	7,603
Other non-current liabilities	40,304	73,884
	<u>70,321</u>	<u>81,487</u>
Current liabilities:		
Payables	179,246	99,335
Current portion of long term liabilities	13,664	15,350
Other current liabilities	44,266	19,696
	<u>237,176</u>	<u>134,381</u>
Net assets	<u>291,543</u>	<u>262,604</u>

Summarised statement of cash flows

	Year ended 31 December 2023 \$000	9 May 2022 to 31 December 2022 \$000
Cash flows from operating activities	14,469	19,304
Cash flows from investing activities	(5,111)	(5,343)
Cash flows from financing activities	(7,093)	(12,482)
Net increase in cash and cash equivalents	<u>2,265</u>	<u>1,479</u>

Summarised financial information for Ibis Construction Equipment Sales & Rental Limited, before intercompany eliminations, is as follows:

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued) 31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

26 Non-controlling interests (continued)

Summarised statement of comprehensive income

	Year ended 31 December 2023 \$000	9 May 2022 to 31 December 2022 \$000
Revenue	68,432	19,440
Depreciation	(2,379)	289
Net profit	3,777	987
Net profit allocated to non-controlling interests	944	284

Summarised statement of financial position

	31 December 2023 \$'000	2022 \$'000
Non-current assets:		
Property, plant and equipment	30,708	18,862
Other non-current assets	841	998
	31,549	19,860
Current assets:		
Inventories	46,655	22,929
Cash and cash equivalents	16,970	92
Receivables and other current assets	17,505	11,925
	81,130	34,946
	2023 \$'000	2022 \$'000
Non-current liabilities:		
Non-current portion of long term liabilities	22,096	16,768
Current liabilities:		
Current portion of long term liabilities	13,550	14,169
Payables and other current liabilities	60,312	2,380
	73,862	16,549
Net assets	16,721	21,489

Summarised statement of cash flows

	Year ended 31 December 2023 \$000	9 May 2022 to 31 December 2022 \$000
Cash flows from operating activities	(2,199)	(13,248)
Cash flows from investing activities	(14,225)	(553)
Cash flows from financing activities	36,757	14,991
Net increase in cash and cash equivalents	20,333	1,190

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

27 Significant non-cash transactions

In the prior year, on the Company issued preference shares to the selling ordinary shareholders as a precursor to the amalgamation (Note 25).

Effective 1 November 2022, the Company acquired Micon Holdings Limited (Note 25). This acquisition was funded by the issue of ordinary shares.

28 Contingent liabilities

	31 December	
	2023	2022
	\$'000	\$'000
Performance bonds	41,288	14,918
Customs bonds	16,017	21,749
Letters of credit	57,235	33,570
Collection items	209	373

Property tax:

The Property Tax Act of 2009 (PTA) was enacted into law by the Government of the Republic of Trinidad and Tobago (GORTT), effective from January 1, 2010. There were challenges with its implementation and GORTT implemented waivers of the tax, the last of which expired on September 30, 2017. As of present date there have been no further changes to the legislation or extension of the waivers previously granted by the GORTT. The PTA has not yet been enforced primarily due to non-completion of property valuations by the statutory authority and assessments not being sent to taxpayers. While a present obligation exists, taxpayers are unable to reliably estimate the liability as the basis for fair value at this time has not been clarified.

29 Litigation, claims, assessments and provisions

The Group is subject to various claims, disputes and legal proceedings, as part of the normal course of business. Provision is made for such matters when, in the opinion of management and its professional advisors, it is probable that a payment will be made by the Group, and the amount can be reasonably estimated.

In respect of claims asserted against the Group which, according to the principles outlined above, have not been provided for, management is of the opinion that such claims are either without merit, can be successfully defended or will result in exposure to the Group which is immaterial to both the financial position and results of operations.

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago dollars unless otherwise indicated)

30 Related party transactions

Key management comprise the key decision makers and budget owners across the Company. These individuals manage activities and are responsible for the results of their operating units. Key management compensation for the year ended 31 December 2023 was as follows:

	31 December	
	2023	2022
	\$'000	\$'000
Short-term employee benefits	33,461	17,948
Post-employment benefits	989	711
	<u>34,450</u>	<u>18,659</u>

Transactions with key management during the period were as follows:

	31 December	
	2023	2022
	\$'000	\$'000
Sales of goods	<u>618</u>	<u>883</u>

Balances held with key management at the reporting date were as follows:

	31 December	
	2023	2022
	\$'000	\$'000
Amounts due to key management	<u>5,101</u>	<u>(1,412)</u>
Amounts due from key management	<u>1,052</u>	<u>537</u>

31 Post balance sheet events

Acquisition of subsidiary

Subsequent to the reporting date but before approval of these audited consolidated financial statements by the Board of Directors, the Group acquired 55% of the share capital of a company incorporated and domiciled in Barbados. The company is a distributor and retailer of fast moving consumer goods including food, alcoholic beverages, non-alcoholic beverages and health supplements.

A.S. Bryden and Sons Holdings Limited

Notes to the Consolidated Financial Statements (continued)

31 December 2023

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32 Net debt reconciliation

The net debt and movements in net debt are set out below:

	2023 \$'000	2022 \$'000
Cash and cash equivalents	147,604	126,719
Borrowings	(738,055)	(693,316)
Lease liabilities	(74,733)	(81,548)
	<u>(665,184)</u>	<u>(648,145)</u>

	Cash and cash equivalents \$'000	Borrowings \$'000	Lease liabilities \$'000	Total \$'000
Year ended 31 December 2023				
Opening balance	126,719	(693,316)	(81,548)	(648,145)
Financing cash flows	20,885	(39,484)	13,454	(5,145)
New leases	--	--	(6,639)	(6,639)
Foreign exchange adjustments	--	(5,255)	--	(5,255)
Interest expense	--	(48,831)	(5,095)	(53,926)
Interest payments (presented as operating cash flows)	--	48,831	5,095	53,926
	<u>147,604</u>	<u>(738,055)</u>	<u>(74,733)</u>	<u>(665,184)</u>

	Cash and cash equivalents \$'000	Borrowings \$'000	Lease liabilities \$'000	Total \$'000
7 months ended 31 December 2022				
At May 9	--	--	--	--
On amalgamation	255,620	(227,313)	(75,916)	(47,609)
Financing cash flows	(143,138)	(444,294)	6,084	(581,348)
On acquisition of subsidiary	14,237	(21,131)	(3,593)	(10,487)
New leases	--	--	(8,123)	(8,123)
Foreign exchange adjustments	--	(578)	--	(578)
Interest expense	--	(19,481)	(4,116)	(23,597)
Interest payments (presented as operating cash flows)	--	19,481	4,116	23,597
	<u>126,719</u>	<u>(693,316)</u>	<u>(81,548)</u>	<u>(648,145)</u>

FORM OF PROXY

I _____ of _____ being a member
of A.S. Bryden and Sons Holdings Limited, hereby appoint _____
of _____ or failing him _____
of _____

as my proxy to vote for me on my behalf at the Annual General Meeting of the Company to
be held on the 16th day of July 2024 and at any adjournment thereof.

Signature

Note:

1. If the appointer is a corporation, this form must be under its common seal and under the hand of an officer or attorney duly authorised.
2. To be valid, this proxy must be lodged with the Secretary of the Company, 1 Ibis Avenue, San Juan, Trinidad and Tobago, not less than 48 hours before the time appointed for holding the meeting. A proxy need not be a member of the Company.

