



**L.J.WILLIAMS LIMITED**

*Our 93<sup>rd</sup> Year*  
**ANNUAL REPORT | 2018**

*For the Financial Year ended 31st March, 2018*





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L.J. WILLIAMS LIMITED

# COMPANY INFORMATION

## BOARD OF DIRECTORS

Krishna Bahadoorsingh, CMT, Ph.D. (Chairman)

Thomas Jay Williams (Managing)

Paul Jay Williams

Michal Andrews

Lawford Dupres

Mariano Browne

## SECRETARY

Aegis Business Solutions Ltd

18 Scott Bushe Street

Port of Spain

## REGISTERED OFFICE

2 Sixth Avenue

Barataria

## AUDITORS

PricewaterhouseCoopers

11-13 Victoria Avenue

Port of Spain

## BANKERS

RBC

Corporate Centre

St Clair Place

7-9 St Clair Avenue

Port of Spain

Scotiabank Trinidad and Tobago Limited

Park and Richmond Streets

Port of Spain

# CHAIRMAN'S REVIEW



I am pleased to report that Group sales for the Financial Year ended March 31, 2018 increased by 13.2% over FY2017 resulting in a Profit after tax of \$7.299 million versus a profit of \$2.477 in the prior year.

Although the Distribution Divisions continue to be affected by the tightness in supply of US dollars, the Divisions ended the year with increased sales and profit over last year.

Our Home Store has continued to do well despite the challenges faced by the retail industry. The results from our C3 store's first year of sales was the main contributor to The Home Store's strong showing and we are very pleased with the store's performance to date.

Movalite had a much improved year and made a positive contribution to the Group. The construction industry continues to be difficult however we believe Movalite's restructuring will continue to yield positive results.

The Board approved a dividend payment based on 3<sup>rd</sup> Quarter FY2018 results and this was paid on February 23<sup>rd</sup> 2018. I would like to thank the Directors for their efforts during these challenging times to ensure that L J Williams Limited continues to be profitable for all our stakeholders.

A handwritten signature in black ink, appearing to read 'KBsingh.'

Krishna Bahadoorsingh, CMT. Ph.D.  
Chairman



L.J. WILLIAMS LIMITED

## MANAGING DIRECTOR'S REPORT

### PARENT COMPANY

**The Food Division** showed a 4% increase in sales over last year despite the difficult retail environment and supplier issues. Our Wine & Spirits portfolio and improved supply of Pascual yogurts were the main drivers of this Division's growth. We are still being impacted by lower supplies of Tunnocks however this should change after September 2018 when their manufacturing expansion is completed.

**Hardware Division** sales are up 7% over last year. Our Evostik exports grew last year driven by a strong demand for Evostik Flashband. Local sales are down due to the depressed construction industry and little improvement is expected in the upcoming year.

**The Shipping Division** did slightly better than last year despite the decrease in shipments into the country. The Division, as agents for Cosco Specialized Bulk Carriers, successfully managed the berthing and offloading of five (5) Cosco vessels for Caribbean Gas Chemicals TMD project in La Brea.

### MOVALITE LTD.

The company had a much improved year having made a positive contribution to the Group. The staff continues to aggressively quote new business in a very tight market and will be looking at new avenues for growth in FY2019.

### THE HOME STORE

FY2018 includes a full year of sales from our C3 store and the store did not disappoint us. Expenses were higher due to increased staffing (it is open seven (7) days a week including Public Holidays) and more frequent deliveries in order to maintain adequate stock levels. However the store has been well received by our South customers and was able to offset the higher expenses with increased sales.

We had a difficult Christmas season due to port and CES congestion which resulted in late deliveries of containers to our warehouse.

This impacted our ability to efficiently manage the volume of goods we received and affected the Barataria store sales for the season. We will implement new processes going forward to minimize delays caused by others.

## PROFITABILITY

The group had a marked improvement over last year with net profit of \$7.299 million vs \$2.477 million for FY 2017. Our gearing ratio decreased to 26% from 31% the year before.

## OUTLOOK

We are projecting that the Group will continue its growth in FY2019. Foreign exchange availability is an ongoing concern but we have been able to manage our foreign payables in a timely manner.

Our **Food** distribution business performed well and the Division's focused approach with our customers will continue to grow the business. The Division will also be introducing new lines in FY2019.

Our service driven **Shipping Division** has been able to grow year on year despite the decline in the shipping sector over the last couple of years. FY 2019 should be another good year as we increase our customer base.

**Movalite** has shown improvement since its restructuring and given its jobs in hand, and quoted, it should have a positive FY2019.

**The Home Store** will celebrate its tenth year anniversary in November 2018. It has been a bumpy road but the company has certainly earned its position as a "go to" destination for our customers. We will continue to innovate our stores and ensure our product mix is kept fresh and vibrant. There is still room for growth and we are actively seeking new locations

# STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

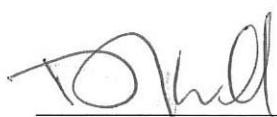
Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of LJ Williams Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 March 2018, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of Group operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

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

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

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



Managing Director  
28 June 2018



Chief Accountant  
28 June 2018

## Independent Auditor's Report

To the Shareholders of L.J. Williams Limited

### Report on the audit of the consolidated financial statements

#### Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects the consolidated financial position of L.J. Williams Limited (the Company) and its subsidiaries (together 'the Group') as at 31 March 2018, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### What we have audited

L.J. Williams Limited's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 March 2018;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

#### Basis for opinion

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

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

#### Independence

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

## Independent Auditor's Report (Continued)

### Our audit approach

#### Overview



*Overall group materiality: \$1.3 million, which represents 1% of revenue.*

- The Group audit included full scope audits of the parent and its two fully owned subsidiaries.
- The Group audit engagement team was the auditor for both the parent and subsidiaries.

**Key Audit Matter:**

Valuation of receivables

#### Audit scope

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

#### How we tailored our group audit scope

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

#### Materiality

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

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

<b>Overall group materiality</b>	\$1.3 million
<b>How we determined it</b>	1% of total group revenue
<b>Rationale for the materiality benchmark applied</b>	We chose revenue as the benchmark because, in our view, it is the most stable benchmark against which the performance of the Group can be measured by users and is a generally accepted benchmark. We chose 1% which is within a range of acceptable benchmark thresholds.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above \$65,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

## Independent Auditor's Report (Continued)

### 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. This matter was 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 this matter.

Key audit matter	How our audit addressed the Key audit matter
<p><b>Valuation of receivables</b></p> <p><i>See Note 11 to the consolidated financial statements.</i></p> <p>Receivables in the Group's consolidated financial statements contain an amount of \$6.1 million which is subject to significant management judgement.</p> <p>This amount was previously before the courts, but management has agreed to binding arbitration in the current year and expect that the matter should be settled within the next financial year. Management has applied judgement in assessing the probability of success and the expected timeline of settlement of this matter as well as the discount factor used in discounting the balance.</p> <p>We focused on this area because of the significant level of judgement required in assessing the probability of success, timeline for settlement, and the discount rate applied in relation to the valuation of this receivable which represents a significant estimate made by management.</p>	<p>We evaluated management's judgement in assessing the probability of success and estimated timeline for settlement of the balance through the following:</p> <ul style="list-style-type: none"><li>• Discussions with management and the audit committee on the status of the matter.</li><li>• Inspection of the minutes of the meetings of the Board of Directors.</li><li>• Inspection and evaluation of legal correspondence which advised on the probability of success and the estimated timeline for settlement of the matter.</li></ul> <p>Based on the procedures performed above we concluded that management's computation was consistent with the evidence available relating to the probability of success and estimated timeline for settlement.</p> <p>We re-calculated management's net present value calculation of the amount receivable and found it to be accurately computed in accordance with the assumptions made. The method used and approach to assumptions was also found to be appropriate and consistent with prior years.</p> <p>We also evaluated the discount factor used by management by considering the interest rate obtained by the Group from bankers for externally sourced debt. The discount factor used is consistent with the rate obtained externally.</p> <p>We also performed a sensitivity analysis on the discount rate. This analysis did not result in a significant variance and as such, we concluded that the discount factor used by management is appropriate.</p> <p>As a result of the above audit procedures, no material differences were noted.</p>

## **Independent Auditor's Report (Continued)**

### **Other information**

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

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

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

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

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

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

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

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

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

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

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

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

## Independent Auditor's Report (Continued)

### 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, related safeguards.

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

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



29 June 2018  
Port of Spain  
Trinidad, West Indies



**L.J.WILLIAMS LIMITED**

***Consolidated Financial Statements***

***31st March, 2018***

***(Expressed in Trinidad & Tobago dollars)***



**Consolidated Statement of Financial Position**  
*(Expressed in Trinidad and Tobago Dollars)*

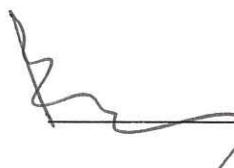
	Notes	As at 31 March	2018 \$'000	2017 \$'000
<b>Assets</b>				
<i>Non-current assets</i>				
Investment property	5	15,650	15,650	
Property, plant and equipment	6	61,705	63,435	
Available-for-sale financial assets	7	266	234	
Retirement benefit asset	8	<u>1,009</u>	<u>2,577</u>	
		<u>78,630</u>	<u>81,896</u>	
<i>Current assets</i>				
Inventories	9	33,415	28,982	
Installation contracts work in progress	10	70	79	
Trade and other receivables	11	21,180	18,076	
Taxation recoverable		8	8	
Cash at bank and on hand	12	<u>5,817</u>	<u>4,011</u>	
		<u>60,490</u>	<u>51,156</u>	
<b>Total assets</b>		<u>139,120</u>	<u>133,052</u>	
<b>Equity and liabilities</b>				
<i>Equity attributable to owners of the parent</i>				
Share capital	13	33,976	33,976	
Other reserves	14	18,866	20,123	
Retained earnings		<u>27,883</u>	<u>21,318</u>	
<b>Total equity</b>		<u>80,725</u>	<u>75,417</u>	
<b>Liabilities</b>				
<i>Non-current liabilities</i>				
Borrowings	15	<u>13,699</u>	<u>16,831</u>	
<i>Current liabilities</i>				
Trade and other payables	16	23,695	19,061	
Taxation payable		22	21	
Borrowings	15	3,501	3,126	
Bank overdrafts and short-term advances	15	<u>17,478</u>	<u>18,596</u>	
		<u>44,696</u>	<u>40,804</u>	
<b>Total liabilities</b>		<u>58,395</u>	<u>57,635</u>	
<b>Total equity and liabilities</b>		<u>139,120</u>	<u>133,052</u>	

The notes on pages 17 to 52 are an integral part of these consolidated financial statements.

On 28 June 2018, the Directors of L. J. Williams Limited authorised these consolidated financial statements for issue and were signed off on its behalf.



\_\_\_\_\_  
Director



\_\_\_\_\_  
Director



**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
*(Expressed in Trinidad and Tobago Dollars)*

	Notes	Year ended 31 March	
		2018 \$'000	2017 \$'000
Revenue	17	130,184	114,981
Cost of sales	18	(88,980)	(77,610)
<b>Gross profit</b>		41,204	37,371
Other income	19	2,387	2,773
<b>Net income</b>		43,591	40,144
Administrative expenses	18	(31,516)	(31,136)
Distribution costs	18	(1,420)	(1,574)
<b>Operating profit</b>		10,655	7,434
Finance costs		(2,165)	(3,909)
<b>Profit before taxation</b>		8,490	3,525
Taxation expense	20	(1,191)	(1,048)
<b>Profit for the year</b>		7,299	2,477
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of retirement benefits assets	8	(1,289)	889
		(1,289)	889
<b>Items that may be subsequently reclassified to profit or loss</b>			
Fair value gain on available-for-sale financial assets	7	32	53
		32	53
<b>Total comprehensive profit for the year attributable to equity holders of the company</b>		6,042	3,419
<b>Profit per share attributable to the equity holders of the company during the year</b>			
- basic	21	30¢	10¢

The notes on pages 17 to 52 are an integral part of these consolidated financial statements.

**Consolidated Statement of Changes in Equity**

(Expressed in Trinidad and Tobago Dollars)

(Expressed in Trinidad and Tobago Dollars)

	Notes	Share capital \$'000	Other reserves \$'000	Retained earnings \$'000	Total equity \$'000
<b>Year ended 31 March 2018</b>					
<b>Balance at 1 April 2017</b>		33,976	20,123	21,318	75,417
Comprehensive income:					
Profit for the year		--	--	7,299	7,299
Dividend paid	22	--	--	(734)	(734)
Other comprehensive income:					
Remeasurement of retirement benefits assets	8	--	(1,289)	--	(1,289)
Fair value gain on available-for-sale financial assets	7	--	32	--	32
<b>Balance at 31 March 2018</b>		<u>33,976</u>	<u>18,866</u>	<u>27,883</u>	<u>80,725</u>
<b>Year ended 31 March 2017</b>					
<b>Balance at 1 April 2016</b>		33,976	19,181	18,841	71,998
Comprehensive income:					
Profit for the year		--	--	2,477	2,477
Other comprehensive income:					
Remeasurement of retirement benefits assets	8	--	889	--	889
Fair value gain on available-for-sale financial assets	7	--	53	--	53
<b>Balance at 31 March 2017</b>		<u>33,976</u>	<u>20,123</u>	<u>21,318</u>	<u>75,417</u>

The notes on pages 17 to 52 are an integral part of these consolidated financial statements.

**Consolidated Statement of Cash Flows**

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 31 March	
		2018 \$'000	2017 \$'000
<b>Cash flows from operating activities</b>			
Profit before taxation		8,490	3,525
Adjustments to reconcile profit before taxation to net cash generated from operating activities:			
Dividend received	19	(26)	(159)
Interest paid		1,294	1,528
Gain on sale of property, plant and equipment		(61)	(45)
Depreciation	6	3,103	2,852
Contributions paid	8	(196)	(200)
Remeasurement of retirement benefit asset	8	475	542
Net changes in operating assets/liabilities	23	<u>(2,894)</u>	<u>1,486</u>
Taxation paid		10,185 <u>(1,195)</u>	9,529 <u>(1,047)</u>
<b>Net cash generated from operating activities</b>		<u>8,990</u>	<u>8,482</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6	(1,386)	(4,613)
Proceeds from sale of property, plant and equipment		79	45
Dividend paid	22	(734)	--
Dividends received	19	<u>26</u>	<u>159</u>
<b>Net cash used in investing activities</b>		<u>(2,015)</u>	<u>(4,409)</u>
<b>Cash flows from financing activity</b>			
Interest paid		(1,294)	(1,528)
Net of loan proceeds and repayments	24	<u>(2,757)</u>	<u>249</u>
<b>Net cash used in financing activities</b>		<u>(4,051)</u>	<u>(1,279)</u>
<b>Net increase in cash and cash equivalents</b>		2,924	2,794
<b>Cash and cash equivalents at beginning of year</b>		<u>(14,585)</u>	<u>(17,379)</u>
<b>Cash and cash equivalents at end of year</b>		<u>(11,661)</u>	<u>(14,585)</u>
<b>Represented by:</b>			
Cash		5,817	4,011
Bank overdrafts, short-term advances and bankers' acceptances	15	<u>(17,478)</u>	<u>(18,596)</u>
		<u>(11,661)</u>	<u>(14,585)</u>

The notes on pages 17 to 52 are an integral part of these consolidated financial statements.

**Notes to the Consolidated Financial Statements****31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

**1 General information**

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

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

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

<b>Subsidiaries</b>	<b>Percentage owned</b>	<b>Country of incorporation</b>
Movalite Limited	100%	Republic of Trinidad and Tobago
The Home Store Limited	100%	Republic of Trinidad and Tobago

**2 Summary of significant accounting policies**

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

**a. Basis of preparation**

The consolidated financial statements of L.J. Williams Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations, under the historical cost convention, as modified by the revaluation of land and buildings, investment property and available-for-sale financial assets.

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

**(i) Changes in accounting policy and disclosures****(a) New and amended standards adopted by the Group**

The following standards and interpretations have been adopted by the Goup for the first time for the financial year beginning on or after 1 April 2017.

- Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12
- Disclosure Initiative – Amendments to IAS 7
- Annual improvements 2014-2016 cycle: Amendments to IFRS 12

The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods. Other standards, amendments and interpretations which are effective for the financial year beginning on 1 April 2017 are not material to the Group.



## Notes to the Consolidated Financial Statements (continued)

**31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

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### 2 Summary of significant accounting policies (continued)

#### a. Basis of preparation (continued)

##### (i) Changes in accounting policy and disclosures (continued)

##### (b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 April 2017 and not early adopted

The Group's assessment of the impact of these new standards and interpretations is set out below:

- IFRS 9 'Financial instruments'. IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting and a new impairment model for financial assets. The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard. This standard is effective for the financial year beginning 1 April 2018.
- IFRS 15 'Revenue from Contracts with Customers'. The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption. This standard is effective for the financial year beginning 1 April 2018. This will result in some reclassifications as of 1 April 2018. The application of IFRS 15 may further result in the identification of separate performance obligations in relation to construction contracts which could affect the timing of the recognition of revenue going forward.
- IFRS 16, 'Leases'. IFRS 16, was issued in January 2016. It will result in almost all leases being recognised on the Statement of Financial Position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low value leases. The accounting for lessors will not significantly change. The Group is assessing IFRS 16's impact. This standard is effective for the financial year beginning 1 April 2019.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

**Notes to the Consolidated Financial Statements (continued)****31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

**2 Summary of significant accounting policies (continued)****b. Consolidation****(i) Subsidiaries**

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

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

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through the consolidated statement of profit or loss and other comprehensive income.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances, and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

**(ii) Changes in ownership interests in subsidiaries without change in control**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

**(iii) Disposal of subsidiaries**

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in the consolidated statement of profit or loss and other comprehensive income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the consolidated statement of profit or loss and other comprehensive income.



## Notes to the Consolidated Financial Statements (continued)

**31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

### 2 Summary of significant accounting policies (continued)

#### c. Segment reporting

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

#### d. Foreign currency translation

##### (i) Functional and presentation currency

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

##### (ii) Transactions and balances

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

#### e. Investment property

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

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

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

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

Subsequent expenditure is classified to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

**Notes to the Consolidated Financial Statements (continued)****31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

**2 Summary of significant accounting policies (continued)****e. Investment property (continued)**

Changes in fair values are recognised in the consolidated income statement. Investment properties are derecognised when they have been disposed. Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price and the adjustment is recorded in the consolidated statement of profit or loss and other comprehensive income within net gain from fair value adjustment on investment property.

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

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

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

**f. Property, plant and equipment**

Leasehold improvements are improvements made to the shop rental at C3 Centre, Corinth. It is depreciated on a straight-line basis on the historic cost for the life of the lease which is ten years. Plant and equipment are stated at historical cost less accumulated depreciation.

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

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

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

**Notes to the Consolidated Financial Statements (continued)****31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

**2 Summary of significant accounting policies (continued)****f. Property, plant and equipment (continued)**

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

Buildings and building improvements	-	2 – 10% per annum
Plant and machinery	-	6 $\frac{2}{3}$ - 10% per annum
Furniture and office equipment	-	10 – 25% per annum
Motor vehicles	-	16 $\frac{2}{3}$ % per annum

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

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

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

**g. Impairment of non-financial assets**

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

**h. Financial assets****(i) Classification**

The Group classifies its financial assets as loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its investments at initial recognition.

**(a) Available-for-sale financial assets**

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

**(b) Loans and receivables**

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

**Notes to the Consolidated Financial Statements (continued)****31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

**2 Summary of significant accounting policies (continued)****h. Financial assets (continued)****(i) Classification (continued)****(b) Loans and receivables (continued)**

The Group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the consolidated statement of financial position (Notes 2.j and 2.k).

**(ii) Recognition and measurement**

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated statement of profit or loss and other comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the consolidated statement of profit or loss and other comprehensive income within 'other (losses)/gains – net' in the period in which they arise.

Dividends on available-for-sale equity instruments are recognised in the consolidated statement of profit or loss and other comprehensive income when the Group's right to receive payment is established. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated income statement as 'Gains and losses from available for sale investments'. Dividends on available-for-sale equity instruments are recognised in the consolidated income statement as part of other income when the Group's right to receive payments is established. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, the Group carries the investment at cost.

**(iii) Impairment****(a) Assets carried at amortised cost**

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.



## Notes to the Consolidated Financial Statements (continued)

**31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

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### 2 Summary of significant accounting policies (continued)

#### h. Financial assets (continued)

##### (iii) Impairment (continued)

###### (a) Assets carried at amortised cost (continued)

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss and other comprehensive income.

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

###### (b) Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For assets classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is then removed from equity and recognised in the consolidated statement of profit or loss and other comprehensive income. Impairment losses recognised in the consolidated statement of profit or loss and other comprehensive income on equity instruments are not reversed through the consolidated statement of profit or loss and other comprehensive income. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated statement of profit or loss and other comprehensive income.

#### i. Inventories

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

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

**Notes to the Consolidated Financial Statements (continued)****31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

**2 Summary of significant accounting policies (continued)****i. Inventories (continued)**

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

**j. Trade and other receivables**

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

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

**k. Cash and cash equivalents**

In the consolidated statement of cash flows, cash and cash equivalents comprise cash at bank and on hand, bank overdrafts and short-term advances.

**l. Share capital**

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

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

**m. Borrowings**

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 consolidated statement of profit or loss and other comprehensive income over the period of the borrowing using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the consolidated statement of financial position date.

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

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

**n. Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.



## Notes to the Consolidated Financial Statements (continued)

**31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

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### 2 Summary of significant accounting policies (continued)

#### n. Provisions (*continued*)

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

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

#### o. Employee benefits

##### (i) Pension obligations

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

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

The liability recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method with a full valuation done every three years. Roll forward valuations, which are less detailed than full valuations are performed annually. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The current service cost of the defined benefit plan, recognised in the consolidated statement of profit or loss and other comprehensive income in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit or loss and other comprehensive income. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in statement of other comprehensive income in the period in which they arise.

Past service cost are recognised immediately in income.

##### (ii) Termination benefits

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

**Notes to the Consolidated Financial Statements (continued)****31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

**2 Summary of significant accounting policies (continued)****p. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value added tax, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of the revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met, as described below:

**(i) Sale of goods – wholesale**

Sales of goods are recognised when the Group has delivered products to the customer who has some discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract or the Group has objective evidence that all criteria for acceptance have been satisfied.

**(ii) Sale of goods – retail**

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

Revenue is recognised when cash is received by the seller. Sales may also be in the form of credit where revenue is recognised at the point of sale.

**(iii) Sales of services – construction contracts**

Contract income is recognised on the percentage stage of completion. When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of the contract, respectively, as revenue and expenses. The Group uses the percentage of completion method to determine the appropriate amount of revenue and costs to recognise in a given period. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total costs for the contract plus estimated cost to complete. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract costs that relate to future activity on the contract are recognised as an asset provided it is possible that they will be recovered. Such costs represent an amount due from the customers and are classified under 'installation contracts work-in-progress'. The aggregate of the costs incurred and the profit/loss recognised on each contract is compared against the progress billings up to the year end.

Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as due from customers on construction contracts, under installation contracts work-in-progress.

**(iv) Sale of services – shipping services**

The Group sells shipping services to other retailers. For sales of services, revenue is recognised in the accounting period in which the services are rendered.

**(v) Dividend income**

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



## Notes to the Consolidated Financial Statements (continued)

**31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

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### 2 Summary of significant accounting policies (continued)

#### q. *Current and deferred tax*

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

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

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

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

#### r. *Trade payables*

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

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

#### s. *Leases*

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

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

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

**Notes to the Consolidated Financial Statements (continued)****31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

**2 Summary of significant accounting policies (continued)****t. Offsetting financial instruments**

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

**u. Dividend distribution**

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

**3 Financial risk management****a. Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk and price risk), credit risk and liquidity risk. Risk management is carried out in line with policies approved by the Board of Directors.

Management reviews principles for overall risk management, covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and the investment of excess liquidity.

**(i) Market risk****(a) Foreign exchange risk**

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the UK pound sterling. The group's exposure to foreign exchange risk from the Euro dollar is not significant. Foreign exchange risk arises when recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group mitigates its exposure to fluctuations in foreign currencies by monitoring its net holding of foreign currency.

At 31 March 2018 if the currency had weakened/strengthened by 5% against the US dollar with all other variables held constant, the profit for the year would have been \$215,369 lower/higher, and the profit for the prior year would have been \$458,574 lower/higher.

At 31 March 2018 if the currency had weakened/strengthened by 5% against the UK Pound Sterling with all other variables held constant, the profit for the year would have been \$11,469 lower/higher, and the profit for the prior year would have been \$9,762 lower/higher.

**(b) Price risk**

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated statement of financial position as available-for-sale. The Group's exposure to equity securities price risk is not significant as the portfolio of available-for-sale financial assets is not significant.



## Notes to the Consolidated Financial Statements (continued)

**31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

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### 3 Financial risk management (continued)

#### a. Financial risk factors (continued)

##### (i) Market risk (continued)

##### (c) Cash flow and fair value interest rate risk

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

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2018 and 2017 the Group's borrowings at variable rates were denominated in local currency.

At 31 March 2018 if the interest rate on borrowings had been 0.25% higher/lower with all other variables held constant, profit for the year would have been \$71,104 higher/lower (2017: profit for the year would have been \$79,084 higher/lower), mainly as a result higher/lower interest expense on floating rate borrowings.

##### (ii) Credit risk

Credit risk arises from cash and cash equivalents as well as credit exposures to customers. The Group has a significant concentration of credit risk; however, consistent with the prior year, the Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. Credit risk arises primarily from credit exposures from sales to distributors and retail customers, including outstanding receivables. All retail sales are done on a cash basis or using debit and credit cards.

The credit quality of customers, their financial position, past experience and other factors are taken into consideration in assessing credit risk and are regularly monitored through the use of credit terms. Management does not expect any losses from non-performance by counterparties.

#### *Maximum exposure to credit risk*

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

	2018 \$'000	2017 \$'000
Available-for-sale financial assets	266	234
Trade and other receivables excluding pre-payments	20,409	17,530
Cash at bank and on hand	<u>5,817</u>	<u>4,011</u>
	<u>26,492</u>	<u>21,775</u>

**Notes to the Consolidated Financial Statements (continued)**
**31 March 2018**
*(Expressed in Trinidad and Tobago Dollars)*
**3 Financial risk management (continued)**
**a. Financial risk factors (continued)**
**(iii) Liquidity risk**

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

One of the subsidiary companies has been experiencing reduced revenue levels and as such requires periodic support from the parent company. Management have taken appropriate measures to reduce the operating expenses of the subsidiary company to minimize the need for financial support from the parent company.

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

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

	<b>Less than 1 year \$'000</b>	<b>Between 1 and 2 years \$'000</b>	<b>Between 2 and 5 years \$'000</b>	<b>Over 5 years \$'000</b>	<b>Contractual cash flow \$'000</b>	<b>Carrying amount \$'000</b>
<b>At 31 March 2018</b>						
Borrowings	4,847	3,852	10,006	2,410	21,115	17,200
Bank overdrafts and						
Short term advances (Note 15)	17,478	--	--	--	--	17,478
Trade and other payables (Note 16)	<u>23,695</u>	--	--	--	--	<u>23,695</u>
<b>At 31 March 2017</b>						
Borrowings	4,491	4,845	10,187	663	20,186	19,957
Bank overdrafts and						
Short term advances (Note 15)	18,596	--	--	--	--	18,596
Trade and other payables (Note 16)	<u>19,061</u>	--	--	--	--	<u>19,061</u>

**b. Capital risk management**

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

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

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

**Notes to the Consolidated Financial Statements (continued)****31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

**3 Financial risk management (continued)****b. Capital risk management (continued)**

The gearing ratios as at 31 March 2018 and 31 March 2017 were as follows:

	2018 \$'000	2017 \$'000
Total borrowings (Note 15)	34,678	38,553
Less: cash at bank and on hand (Note 12)	<u>(5,817)</u>	<u>(4,011)</u>
Net debt	28,861	34,542
Total equity	<u>80,725</u>	<u>75,417</u>
Total capital	<u>109,586</u>	<u>109,959</u>
Gearing ratio	<u>26%</u>	<u>31%</u>

**c. Fair value estimation**

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

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

The following table presents the Group's assets that are measured at fair value at 31 March 2018 and 31 March 2017.

Level 1- Available for sale financial assets (quoted) (Note 7)	186	154
Level 3- Investment Property (Note 5)	15,650	15,650
Level 3- Land and Buildings (Note 6)	56,525	57,877
Level 3- Available for sale financial assets (unquoted) (Note 7)	<u>80</u>	<u>80</u>
	<u>72,441</u>	<u>73,761</u>

**(i) Financial assets in Level 1**

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

**Notes to the Consolidated Financial Statements (continued)****31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

**3 Financial risk management (continued)**c. *Fair value estimation (continued)*(ii) *Financial assets in Level 3*

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

The information below represents the financial instruments that are included in Level 3.

	<b>2018</b> \$'000	<b>2017</b> \$'000
Container Recovery And Billing Limited	50	50
Medway Limited	<u>30</u>	<u>30</u>
	<u>80</u>	<u>80</u>

The movements of investments categorised as level 3 during the year are reflected in Note 7.

The fair values of unlisted securities are determined by management based on the lower of net assets or selling price given by the investee.



## Notes to the Consolidated Financial Statements (continued)

**31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

### 4 Critical accounting estimates and judgements

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

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

#### (i) *Pension benefits*

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

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

Other key assumptions for pension obligations are based in part on current market conditions. Additional information including sensitivity to assumptions made is disclosed in Note 8.

#### (ii) *Fair value of available-for-sale equity financial assets*

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

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

Sensitivity to market risk is included in Note 3.

#### (iii) *Revenue recognition – Installation contracts work in progress*

When the outcome of a construction contract cannot be estimated reliably, contract revenue and contract costs are recognised over the period of the contract, respectively, as revenue and expenses. The Group uses the percentage of completion method to determine the appropriate amount of revenue and costs to recognise in a given period. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total costs for the contract plus estimated cost to complete. When it is probable that total contract cost will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract costs that relate to future activity on the contract is recognised as an asset provided it is possible that they will be recovered. Such costs represent an amount due from the customers and are classified under installation contracts work-in-progress. The aggregate of the costs incurred and the profit/loss recognised on each contract is compared against the progress billings up to the year end.

**Notes to the Consolidated Financial Statements (continued)****31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

**4 Critical accounting estimates and judgements (continued)****(iii) Revenue recognition – Installation contracts work in progress (continued)**

Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as due from customers on construction contracts, under 'installation contracts work-in-progress raw materials'.

**(iv) Income taxes**

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

**(v) Trade receivables**

The fair value of trade receivables that are not traded in an active market is measured at amortised cost using the effective interest rate method. The Group uses its judgement to select a discount rate that exactly discounts estimated future receipts through the expected life of the trade receivable. Were the discount rate to increase/decrease by 1% from management estimates, profits would be lower/higher by \$57,470/\$56,413 (2017: \$177,907/\$186,357).

**5 Investment property**

<b>Year ended 31 March 2018</b>	<b>Car park rental \$'000</b>	<b>Office rental \$'000</b>	<b>Total \$'000</b>
At 1 April 2017	8,000	7,650	15,650
Gain on revaluation	--	--	--
At 31 March 2018	<u>8,000</u>	<u>7,650</u>	<u>15,650</u>
<b>Year ended 31 March 2017</b>			
At 1 April 2016	8,000	7,650	15,650
Gain on revaluation	--	--	--
At 31 March 2017	<u>8,000</u>	<u>7,650</u>	<u>15,650</u>

Property held for long term rental or for capital appreciation is classified as investment property. Freehold land located at 124 St Vincent Street is operated as a car park rental service and land and building located at 119 Abercromby Street offers office space rental. The rental income and annual revaluation from these properties are included in Note 19.

**Valuation processes**

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

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



## Notes to the Consolidated Financial Statements (continued)

**31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

### 5 Investment property (continued)

#### *Valuation techniques underlying management's estimate of fair value*

The property located at 124 St Vincent Street is freehold land and was valued by professional valuers Brent Augustus & Associates Limited on 2 February 2018 and is currently used to let on a month to month basis to various tenants as a car park. The land's best use is for commercial office development.

The property located at 119 Abercromby Street consists of land and single storey office building and was valued by professional valuers Brent Augustus & Associates Limited on 2 February 2018. Due to the age of the building, it was not considered in the valuation. The land's best use is for commercial office development.

Income derived from revaluation and rental of investment property:

	2018 \$'000	2017 \$'000
Car park rental	441	390
Office space rental	<u>198</u>	<u>198</u>
	<u>639</u>	<u>588</u>

#### *Transfers between levels 2 and 3*

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. Changes in Level 2 and 3 fair values are analysed at each reporting date. As part of this assessment, the team reviews the reasons for the fair value movements.

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

The Group is exposed to property price risk because of investment properties and land and buildings carried at fair value. Had property prices in the market increased by 5% the Group's profits would have increased by \$0 (2017: \$752,000), and the Group's reserves would have increased by \$0 (2017: \$782,000).



## Notes to the Consolidated Financial Statements (continued)

31 March 2018

(Expressed in Trinidad and Tobago Dollars)

## 6 Property, plant and equipment

	Land and buildings \$'000	Plant and machinery \$'000	Furniture and office equipment \$'000	Motor vehicles \$'000	Total \$'000
<b>Year ended 31 March 2018</b>					
Opening net book amount	57,915	1,437	2,195	1,888	63,435
Additions	43	133	429	781	1,386
Disposals	--	(13)	--	--	(13)
Depreciation charge	(1,433)	(373)	(766)	(531)	(3,103)
Closing net book amount	<u>56,525</u>	<u>1,184</u>	<u>1,858</u>	<u>2,138</u>	<u>61,705</u>
<b>At 31 March 2018</b>					
Cost/valuation	68,791	6,050	17,427	6,926	99,194
Accumulated depreciation	<u>(12,266)</u>	<u>(4,866)</u>	<u>(15,569)</u>	<u>(4,788)</u>	<u>(37,489)</u>
Net book amount	<u>56,525</u>	<u>1,184</u>	<u>1,858</u>	<u>2,138</u>	<u>61,705</u>
<b>Year ended 31 March 2017</b>					
Opening net book amount	56,616	1,124	2,206	1,728	61,674
Additions	2,637	667	740	569	4,613
Depreciation charge	(1,338)	(354)	(751)	(409)	(2,852)
Closing net book amount	<u>57,915</u>	<u>1,437</u>	<u>2,195</u>	<u>1,888</u>	<u>63,435</u>
<b>At 31 March 2017</b>					
Cost/valuation	68,748	6,065	16,998	6,221	98,032
Accumulated depreciation	<u>(10,833)</u>	<u>(4,628)</u>	<u>(14,803)</u>	<u>(4,333)</u>	<u>(34,597)</u>
Net book amount	<u>57,915</u>	<u>1,437</u>	<u>2,195</u>	<u>1,888</u>	<u>63,435</u>
<b>At 31 March 2016</b>					
Cost/valuation	66,111	5,684	16,347	6,307	94,449
Accumulated depreciation	<u>(9,495)</u>	<u>(4,560)</u>	<u>(14,141)</u>	<u>(4,579)</u>	<u>(32,775)</u>
Net book amount	<u>56,616</u>	<u>1,124</u>	<u>2,206</u>	<u>1,728</u>	<u>61,674</u>

Depreciation expense of \$3,103,000 (2017: \$2,852,000) is included in 'Administrative expenses' (Note 18).

**Notes to the Consolidated Financial Statements (continued)****31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

**6 Property, plant and equipment (continued)**

Land and buildings located at Trincity Industrial Estate were revalued by independent valuators Linden Scott and Associates on 5 February 2014. Land and building located at #2 Barataria was revalued by independent valuators Brent Augustus and Associated on 16 June 2014. Both valuations were made on the basis of open market values. The revaluation surplus was credited to other reserves in shareholders' equity.

The Group has acquired motor vehicles under non-cancellable finance lease arrangements as stated in Note 25. This has been included under the motor vehicles category.

Vehicles include the following amounts where the Group is a lessee under a finance lease:

	2018 \$'000	2017 \$'000
Cost-capitalised finance lease	3,140	2,661
Accumulated depreciation	<u>(1,398)</u>	<u>(921)</u>
Net book amount	<u>1,742</u>	<u>1,740</u>

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

Cost	48,342	48,299
Accumulated depreciation	<u>(6,427)</u>	<u>(6,918)</u>
	<u>41,915</u>	<u>41,381</u>

Bank borrowings are secured on land and buildings for the value of \$42,595,000 (2017: \$44,630,000) (Note15).

**7 Available-for-sale financial assets**

Beginning of year	234	181
Fair value gain	<u>32</u>	<u>53</u>
End of year	<u>266</u>	<u>234</u>

Available-for-sale financial assets include the following:

*Listed securities:*

Grace Kennedy (Trinidad and Tobago) Limited	<u>186</u>	<u>154</u>
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*Unlisted securities:*

Container Recovery And Billing Limited	50	50
Medway Limited	<u>30</u>	<u>30</u>
	<u>80</u>	<u>80</u>
	<u>266</u>	<u>234</u>

**Notes to the Consolidated Financial Statements (continued)****31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

**8 Retirement benefit asset**

The information below was extracted from the actuarial valuation report dated 4 May 2018.

	2018 \$'000	2017 \$'000
Amounts recognised in the consolidated statement of financial position:		
Fair value of plan assets	(23,137)	(22,906)
Retirement benefit obligation	<u>22,128</u>	<u>20,329</u>
Effect of asset ceiling	(1,009)	(2,577)
Net defined benefit asset	<u>(1,009)</u>	<u>(2,577)</u>

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

At beginning of year	20,329	19,904
Current service cost	588	623
Interest cost	1,097	1,077
Members' contributions	196	200
Benefits paid	(771)	(649)
Actuarial losses	--	(450)
Experience adjustments	<u>689</u>	<u>(376)</u>
At end of year	<u>22,128</u>	<u>20,329</u>

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

At beginning of year	22,906	21,934
Interest income	1,249	1,198
Return on plan assets (excluding interest income)	(600)	63
Employer contributions	196	200
Employee contributions	196	200
Expense allowance	(39)	(40)
Benefits paid	<u>(771)</u>	<u>(649)</u>
At end of year	<u>23,137</u>	<u>22,906</u>

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

At beginning of year	(2,577)	(2,030)
Pension costs	475	542
Re-measurement recognised in other comprehensive income	1,289	(889)
Contributions paid	<u>(196)</u>	<u>(200)</u>
At end of year	<u>(1,009)</u>	<u>(2,577)</u>
Experience losses	1,289	(889)
Effect of asset ceiling	--	--
Amount recognised in other comprehensive income	<u>1,289</u>	<u>(889)</u>



## Notes to the Consolidated Financial Statements (continued)

31 March 2018

(Expressed in Trinidad and Tobago Dollars)

## 8 Retirement benefit asset (continued)

	2018	2017
The principal actuarial assumptions used for accounting purposes were:		
- Discount rate	5.5%	5.5%
Future salary increases	4.0%	4.0%
Expected return on assets	0.0%	0.0%
Life expectancy for current pensioners		
- Male at age 65	16.9	16.9
- Female at age 60	25.1	25.1
Life expectancy for current member		
- Male at age 65	17.2	17.2
- Female at age 60	25.4	25.4
<b>Sensitivity analysis</b>		
	<b>1%pa increase \$'000</b>	<b>1%pa decrease \$'000</b>
- Discount rate	(2,336)	2,823
- Future salary increases	395	(353)

**Funding**

The Group meets the balance of the cost of funding the defined benefit Pension Plan and the Group must pay contributions at least equal to those paid by members, which are fixed. The funding requirements are based on regular (at least every 3 years) actuarial valuations of the Plan and the assumptions used to determine the funding required may differ from those set out above.

Expected contributions to post employment benefit plans for the year ending 31 March 2019 are \$196,000 (2018: \$188,000).

The amounts recognised in the consolidated statement of comprehensive income (Note 18) are as follows:

	2018 \$'000	2017 \$'000
Current service cost	588	623
Net interest on net defined benefit asset	(152)	(121)
Administration expenses	39	40
<b>Net pension cost</b>	<b>475</b>	<b>542</b>

Plan assets comprise the following:

	2018 \$'000	2018 %	2017 \$'000	2017 %
Locally listed equities	3,902	17%	3,994	17%
Overseas equities	3,390	15%	3,071	13%
Government issued nominal bonds	7,279	31%	7,868	34%
Corporate bonds	790	3%	844	4%
Mutual bonds	304	1%	339	1%
Cash and cash equivalents	2,010	9%	1,418	6%
Other (annuity policies)	5,462	24%	5,372	25%
	<b>23,137</b>	<b>100%</b>	<b>22,906</b>	<b>100%</b>


**Notes to the Consolidated Financial Statements (continued)**
**31 March 2018**
*(Expressed in Trinidad and Tobago Dollars)*
**8 Retirement benefit asset (continued)**

Asset values as at 31 March 2018 were estimated using the asset values provided as at 31 March 2018 by the Plan's Investment Manager RBC Royal Bank (Trinidad and Tobago) Limited. Overseas equities have quoted prices in active markets. Local equities also have quoted prices but the market is relatively illiquid. The Investment Manager calculates the fair value of the Government bonds and corporate bonds by discounting expected future proceeds using a constructed yield curve. The value of the annuity policies was estimated using the same assumptions as used to value the corresponding liabilities. The value of these policies is reliant on the financial strength of the insurer - Pan-American Life, Guardian Life and Tatil.

The majority of the Plan's government bonds were issued by the Government of Trinidad & Tobago, which also guarantees many of the corporate bonds held by the Plan. The Plan's assets are invested in a strategy agreed with the Plan's Trustee and Management Committee. This strategy is largely dictated by statutory constraints (at least 80% of the assets must be invested in Trinidad & Tobago and no more than 50% in equities) and the availability of suitable investments. There are no asset-liability matching strategies used by the Plan.

	<b>Inventories</b>	<b>2018</b>	<b>2017</b>
		\$'000	\$'000
Finished goods		24,191	20,709
Goods in transit		4,846	4,308
Raw materials		3,898	3,549
Manufactured goods		480	416
		<u>33,415</u>	<u>28,982</u>

**10 Installation contracts work in progress**

At beginning of year	79	2
Contract cost incurred in the year	3,138	1,113
Contract cost recognised	(3,147)	(1,036)
	<u>70</u>	<u>79</u>

**11 Trade and other receivables**

Trade receivables	19,471	17,743
Less: provision for impairment of receivables	(690)	(1,950)
Trade receivables-net	18,781	15,793
Other receivable	2,013	1,737
Prepayments	386	546
	<u>21,180</u>	<u>18,076</u>

As at 31 March 2018, trade receivables of \$11,535,000 (2017: \$9,751,000), were neither past due nor impaired. Receivables over 30 days are considered past due.

Included within trade receivables and prepayments are customer balances due from N.H. International (Caribbean) Limited amounting to \$ 6,610,374 (2017: \$6,610,374). Due to the high probability of settlement within the next financial year, prior years discounting at a rate of 7.75% have been reversed and one year recognized at the full amount.

Trade receivables that are less than three months past due are not considered impaired. As at 31 March 2018, trade receivables of \$7,246,000 (2017: \$6,042,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The fair value of trade and other receivables amounts to \$21,180,000 (2017: \$18,076,000).

**Notes to the Consolidated Financial Statements (continued)****31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

**11 Trade and other receivables (continued)**

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

Provisions for impairment amounting to \$690,000 (2017: \$1,950,000) were created against these balances. The individually impaired receivables mainly relate to wholesalers who are in difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered. The ageing of these receivables is as follows:

	2018 \$'000	2017 \$'000
Over 3 months	<u>7,771</u>	<u>6,042</u>
Movement on the Group's provision for impairment of trade receivable is as follows:		
At beginning of the year	1,950	971
Provision for impairment of receivables	529	2,447
Less: reversal of provision	(1,706)	--
Receivables previously provided for and written off during the year as uncollectible	<u>(83)</u>	<u>(1,468)</u>
At end of year	<u>690</u>	<u>1,950</u>

The creation and release of provision for impaired receivables have been included in administrative expenses in the consolidated statement of profit or loss and other comprehensive income. Amounts charged to the provision account are generally written off, when there is no expectation of recovering additional cash. The other classes within trade and other receivables do not contain impaired assets.

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

Currency			
TT Dollar	20,402	16,907	
US Dollar	<u>778</u>	<u>1,169</u>	
	<u>21,180</u>	<u>18,076</u>	

**12 Cash and cash equivalents**

Cash at bank and on hand	5,817	4,011
Bank overdrafts, short-term advances and bankers' acceptances (Note 15)	<u>(17,478)</u>	<u>(18,596)</u>
	<u>(11,661)</u>	<u>(14,585)</u>

**13 Share capital***Authorised*

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

*Issued and fully paid*

46,166,600 'A' common shares of no par value	4,617	4,617
19,742,074 'B' common shares of no par value	29,131	29,131
45,590 8% cumulative participating preference shares of no par value	<u>228</u>	<u>228</u>
	<u>33,976</u>	<u>33,976</u>



## Notes to the Consolidated Financial Statements (continued)

31 March 2018

(Expressed in Trinidad and Tobago Dollars)

## 13 Share capital (continued)

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

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

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

## 14 Other reserves

	Land and buildings revaluation \$'000	Retirement benefit asset \$'000	Available-for-sale investments \$'000	Total \$'000
Balance at 1 April 2017	20,450	(441)	114	20,123
Remeasurement of retirement benefit asset	--	(1,289)	--	(1,289)
Fair value gain	--	--	32	32
Balance at 31 March 2018	<u>20,450</u>	<u>(1,730)</u>	<u>146</u>	<u>18,866</u>
Balance at 1 April 2016	20,450	(1,330)	61	19,181
Remeasurement of retirement benefit asset	--	889	--	889
Fair value gain	--	--	53	53
Balance at 31 March 2017	<u>20,450</u>	<u>(441)</u>	<u>114</u>	<u>20,123</u>

## 15 Borrowings

	2018 \$'000	2017 \$'000
<i>Current</i>		
RBC Royal Bank (Trinidad & Tobago) Limited (overdraft)	16,178	16,021
JMMB Trinidad and Tobago Limited (overdraft)	--	1,275
JMMB Trinidad and Tobago Limited (bankers' acceptances)	750	750
Louwill Credit Union	550	550
Bank overdrafts and short-term advances	<u>17,478</u>	<u>18,596</u>
RBC Royal Bank (Trinidad & Tobago) Limited (commercial mortgage)	2,132	1,974
Caribbean Finance Corporation Limited (finance lease - Note 27)	357	213
RBC Royal Bank (Trinidad & Tobago) Limited (mortgage loan)	138	128
RBC Royal Bank (Trinidad & Tobago) Limited (short term loan)	874	811
	<u>3,501</u>	<u>3,126</u>
<i>Non-current</i>		
RBC Royal Bank (Trinidad & Tobago) Limited (commercial mortgage)	12,782	14,914
Caribbean Finance Corporation Limited (finance lease - Note 27)	108	108
RBC Royal Bank (Trinidad & Tobago) Limited (mortgage loan)	488	626
RBC Royal Bank (Trinidad & Tobago) Limited (short term loan)	321	1,183
	<u>13,699</u>	<u>16,831</u>
Total borrowings	<u>34,678</u>	<u>38,553</u>



## Notes to the Consolidated Financial Statements (continued)

**31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

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### 15 Borrowings (continued)

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

##### *Overdraft facility*

The Group has an overdraft facility of \$11,000,000 which bears interest at the rate of 9% (2017: 9%) per annum.

The Home Store Limited has an overdraft facility of \$5,000,000 which bears interest at prime plus 0.5%, current effective rate 9.5% per annum. This facility is subject to call and an annual review.

##### *Commercial mortgage*

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

##### *Mortgage loan*

The facility terms are \$1,520,000 for fifteen years at 7.75% per annum. This loan is payable by monthly instalments of \$15,169 inclusive of interest until 30 March 2022.

##### *Short term loan*

This facility was granted for \$2,500,000 and bears an interest rate of 7.5% with a monthly instalment of \$77,765 and matures on 31 July 2019.

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

- Deed of Assignment of Debenture registered between RBC Royal Bank (Trinidad & Tobago) Limited and the Company over the fixed and floating assets. Stamped to secure \$11,535,000.
- Registered First Demand Mortgage over a commercial property located on Abercromby Street, Port of Spain. Stamped to secure \$5,345,000.
- Deed of Variation to include parcels 119 Abercromby Street and 25A New Street Port of Spain.
- Registered First Demand Mortgage over land and building at Barataria. Stamped to secure \$37,250,000.
- Deed of Transfer of Debenture at Lot O, Century Drive, Trincity. Stamped collateral to the above Debenture.
- Assignment of Fire Policy on Stock/ Building, with Sagicor General Insurance incorporated for a total sum insured \$57,900,000.
- Registered Demand First Debenture over the fixed and floating assets including uncalled capital and goodwill, stamped to secure \$13,625,000.
- Collateral Guarantee and Postponement of Claim to support facilities granted, stamped Collateral to Deed of Mortgage.

**Notes to the Consolidated Financial Statements (continued)****31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

**15 Borrowings (continued)****b. JMMB Trinidad and Tobago Limited***Overdraft facility*

This facility for \$1,250,000 and bears an interest rate of 9.75% per annum. This facility is unsecured.

*Bankers acceptances*

This represents a banker's acceptance for \$750,000 bearing interest rate of 7% per annum with a maturity date 16 May 2018. It was rolled over for a further 120 days at the same rate maturing on 13 September 2018. This facility is unsecured.

**c. Louwill credit union**

This facility was drawn in March 2011 for \$400,000 at a rate of 5% per annum. This facility was increased to \$750,000 on 30 April 2015 and was reduced by \$200,000 on 22 December 2015. Maturity date is 25 June 2018. This facility is unsecured.

**16 Trade and other payables**

	<b>2018</b>	<b>2017</b>
	\$'000	\$'000
Trade payables	20,072	16,619
Accrued charges	2,397	2,291
Advance on contract	<u>1,226</u>	<u>151</u>
	<u>23,695</u>	<u>19,061</u>


**Notes to the Consolidated Financial Statements (continued)**
**31 March 2018**
*(Expressed in Trinidad and Tobago Dollars)*
**17 Segmental Information**

At 31 March 2018, the Group was organised into three main business segments:

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

The segment results for the year ended 31 March 2018 are as follows:

	Manufacturing		Trading		Shipping Services		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Revenue	13,761	11,088	109,950	97,594	6,473	6,299	130,184	114,981
Gross profit	4,204	3,149	32,756	30,077	4,244	4,145	41,204	37,371
Profit before taxation	--	--	--	--	--	--	8,490	3,525
Profit for the year	--	--	--	--	--	--	7,299	2,477
Total assets	8,008	8,553	131,112	124,778	--	--	139,120	133,331
Total liabilities	2,925	5,428	55,470	52,207	--	--	58,395	57,635
Capital expenditure	<u>152</u>	<u>--</u>	<u>1,234</u>	<u>4,613</u>	<u>--</u>	<u>--</u>	<u>1,386</u>	<u>4,613</u>



## Notes to the Consolidated Financial Statements (continued)

31 March 2018

(Expressed in Trinidad and Tobago Dollars)

	2018 \$'000	2017 \$'000
<b>18 Expenses by nature</b>		
<i>Cost of sales</i>		
Inventories of finished goods sold	82,240	74,759
Raw materials and consumables used	6,673	3,243
Other	<u>67</u>	<u>(392)</u>
	<u>88,980</u>	<u>77,610</u>
<i>Administrative expenses</i>		
Employee benefit expense	17,846	17,021
Other expenses	9,749	9,696
Depreciation	3,103	2,852
Advertising cost	1,102	1,343
Foreign exchange gain	(508)	--
Directors fees	<u>224</u>	<u>224</u>
	<u>31,516</u>	<u>31,136</u>
<i>Distribution costs</i>		
Transportation costs	<u>1,420</u>	<u>1,574</u>
<i>Employee benefit expense</i>		
Salaries and wages	16,318	15,495
National Insurance	1,053	984
Pension charge	<u>475</u>	<u>542</u>
	<u>17,846</u>	<u>17,021</u>
Number of employees	<u>167</u>	<u>181</u>
<b>19 Other income</b>		
Rental income	1,264	1,140
Dividend income from available-for-sale investment	26	159
Other income	41	9
Gain on foreign exchange	984	1,387
Interest income	23	42
Gain on sale of property, plant and equipment	<u>49</u>	<u>36</u>
	<u>2,387</u>	<u>2,773</u>
<b>20 Taxation</b>		
a. Business levy	795	699
Green fund levy	<u>396</u>	<u>349</u>
	<u>1,191</u>	<u>1,048</u>

**Notes to the Consolidated Financial Statements (continued)****31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

**20 Taxation (continued)**

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

	2018 \$'000	2017 \$'000
Profit before taxation	<u>8,490</u>	<u>3,525</u>
Tax on chargeable profit	2,547	1,007
Expenses not deductible for tax purposes	143	50
Other differences	(346)	(554)
Income not subject to tax	(22)	(58)
Business levy	795	699
Green fund levy	396	349
Recognition of tax losses not previously recognised	<u>(2,322)</u>	<u>(445)</u>
	<u>1,191</u>	<u>1,048</u>

The tax on chargeable profit is calculated at 25% on the first one million and at 30% thereafter.

**21 Profit per share**

Basic profit per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the period.

Profit attributable to equity holders of the Group from		
- continuing operations	<u>7,299</u>	<u>2,477</u>
Weighted average number of ordinary shares in issue	<u>24,358,741</u>	<u>24,358,741</u>
Basic profit per share		
- continuing operations	<u>30¢</u>	<u>10¢</u>

**22 Dividend paid**

	2018 \$'000	2017 \$'000
Dividend paid	<u>734</u>	<u>--</u>

On 23 February 2018, the Group paid a dividend of \$0.003 cents per share on ordinary 'A' shares and \$0.03 on ordinary 'B' shares and \$0.08 on preference shares.

**23 Net changes in operating assets/liabilities**

(Increase)/decrease in inventories	(4,433)	227
Decrease/(increase) in installation contracts work in progress	9	(77)
(Increase)/decrease in trade and other receivables	(3,104)	920
Increase in trade and other payables	<u>4,634</u>	<u>416</u>
	<u>(2,894)</u>	<u>1,486</u>



## Notes to the Consolidated Financial Statements (continued)

31 March 2018

(Expressed in Trinidad and Tobago Dollars)

## 24 Net changes on borrowings

	Commercial mortgage loan	Mortgage loan	Finance lease	Short term Loan	Related party	Total
Balance at 1 April 2017	16,888	754	321	1,994	--	19,957
New loans	--	--	536	--	3,000	3,536
Repayments	(1,974)	(128)	(392)	(799)	(3,000)	(6,293)
Balance at 31 March 2018	<u>14,914</u>	<u>626</u>	<u>465</u>	<u>1,195</u>	--	<u>17,200</u>

## 25 Deferred tax

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

	Accelerated tax depreciation \$'000	Retirement benefit asset \$'000	Revaluation surplus \$'000	Accumulated tax losses \$'000	Total \$'000
At 1 April 2017	(1,264)	(724)	(894)	2,882	--
Credited/(charged) to profit/(loss)	(693)	421	--	272	--
Credited/(charged) to other-comprehensive income	--	--	--	--	--
At 31 March 2018	<u>(1,957)</u>	<u>(303)</u>	<u>(894)</u>	<u>3,154</u>	<u>--</u>
At 1 April 2016	229	(508)	(787)	1,066	--
Credited/(charged) to profit/(loss)	(1,493)	(216)	(107)	1,816	--
Credited/(charged) to other-comprehensive income	--	--	--	--	--
At 31 March 2017	<u>(1,264)</u>	<u>(724)</u>	<u>(894)</u>	<u>2,882</u>	<u>--</u>

Deferred tax assets are recognised for tax losses carried forward to the amount of deferred tax liability calculated. The Group did not recognise deferred tax assets of \$8,383,000 (2017: 10,492,000) in respect of losses amounting to \$28,196,000 (2017: \$35,706,000) that can be carried forward against future taxable income.

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 30% (2017- Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 25% on the first one million and 30% thereafter). Recognition of deferred tax assets relating to tax losses has been limited due to uncertainty about the timing of utilisation against future profits.

**Notes to the Consolidated Financial Statements (continued)****31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

**26 Related party transactions**

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

Transactions were carried out with the following related parties:

	2018 \$'000	2017 \$'000
Key management compensation		
Salaries and other short-term benefits	<u>4,715</u>	<u>3,896</u>
Directors fees	<u>224</u>	<u>224</u>
Interest paid	<u>68</u>	<u>--</u>

Key management includes divisional and sales managers and directors.

**Notes to the Consolidated Financial Statements (continued)****31 March 2018**

(Expressed in Trinidad and Tobago Dollars)

**27 Leases***Operating leases*

On 1 June 2016 the Group entered into an operating lease agreement with Furness Rental Limited for one motor vehicle for three years with a monthly payment of \$11,000, maturing on 1 May 2019.

The Company entered into a 10 year operating lease agreement on 21 October 2015 for the Shop located at C3 Centre, Corinth. The commencement date was 1 December 2016 and expires on 31 November 2026.

The future minimum operating lease payments on the above operating leases are as follows:

	<b>Less than 1 year \$'000</b>	<b>Between 1 and 2 years \$'000</b>	<b>Between 2 and 5 years \$'000</b>
As at 31 March 2018	1,325	5,939	7,115
As at 31 March 2017	1,125	5,417	8,822

*Finance leases*

On the 2 February 2017 and 1 October 2017 the Group entered into finance leases with Caribbean Finance Company Limited for two panel vans for two years respectively. The monthly payments are \$9,774 and \$25,068 maturing 1 February 2019 and 1 September 2019.

The future minimum finance lease payments are as follows:

	<b>Less than 1 year \$'000</b>	<b>Between 1 and 2 years \$'000</b>	<b>Between 2 and 5 years \$'000</b>
As at 31 March 2018	398	125	--
As at 31 March 2017	256	98	--

**Notes to the Consolidated Financial Statements (continued)****31 March 2018***(Expressed in Trinidad and Tobago Dollars)***28 Contingencies***Bonds*

The Group has customs and excise and immigration department bonds amounting to \$245,000 (2017: \$245,000). An additional customs bond for \$100,000 with Furness Anchorage General Insurance Limited expired on 22 May 2018 and an application to renew this bond is in process. Also, the Group has a cheque guarantee bond for \$350,000 (2017: \$350,000) to Customs and Excise to honour cheque payments to them on imported goods. The cheque guarantee bond was undrawn in 2018.

*Claims*

The Group is currently dealing with several legal matters and claims arising in the ordinary course of business. The outcome of these matters is still pending.

- a. In 2013 a former Shipping Principal filed a lawsuit for funds withheld from them to settle a tax liability that they incurred. The net amount withheld is \$6 million. The Group filed a counterclaim against them for \$14 million and is now pending arbitration. This matter is still before the court.
- b. A suit has been filed against N.H. International (Caribbean) Limited for \$9,937,395 and damages of \$520,959 for work carried out and materials supplied by the Company. This amount was previously before the courts, but management have agreed to binding arbitration in the current year and they expect that the matter should be settled by 31 March 2019. Management has applied judgement in assessing the timeline for recovery and one year's provision has been made against receivables on the original amount.

**29 Events after the statement of financial position**

There were no events taking place after the statement of financial position date and before the date of approval of these consolidated financial statements which had a material impact on the balances reported in these consolidated financial statements.

# DIRECTOR'S REPORT



The Directors present their report and statement of accounts for the year ended 31 March 2018.

FINANCIAL RESULTS	\$'000
Profit after taxation	7,299
Retained earnings brought forward	21,318
Dividend	(734)
	_____
Retained earnings carried forward	27,883
	_____

## DIVIDENDS

The Board approved a dividend payment based on 3<sup>rd</sup> Quarter FY2018 results and this was paid on February 23<sup>rd</sup> 2018.

## DIRECTORS

It was resolved that Paul Jay Williams, Mariano Browne and Krishna Bahadoorsingh retire from the board in accordance with the company's By-Laws and, being eligible, they be re-elected as directors for a term of one year.

## AUDITORS

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

	AS AT 31 MARCH 2017			AS AT 31 MARCH 2018		
	Number of Preference Shares fully paid	Number of 'A' Common Shares fully paid	Number of 'B' Common Shares fully paid	Number of Preference Shares fully paid	Number of 'A' Common Shares fully paid	Number of 'B' Common Shares fully paid
Khrishna Bahadoorsingh	-	-	10,550	-	-	10,550
Paul J. Williams	67	592,237	112,281	67	592,537	112,281
Thomas J. Williams	67	591,377	148,414	67	591,377	188,414
Lawford Dupres	-	-	42,000	-	-	42,000
Michal Andrews	-	-	500	-	-	500
Mariano Browne	-	-	-	-	-	-

As at 31 March 2017 and 31 March 2018 there were no beneficial interests attached to any shares registered in the names of the directors in the company's subsidiary companies, such shares being held by the directors as nominees of the company or its subsidiaries.

## SUBSTANTIAL INTEREST

	AS AT 31 MARCH 2018		
	Number of Preference Shares fully paid	Number of 'A' Common Shares fully Paid	Number of 'B' Common Shares fully Paid
Williams Holdings Limited	-	34,932,043	790,666
Colonial Life Insurance Company Ltd.	-	3,498,956	10,190,584

A substantial interest means one-tenth or more of the total voting share capital of the Company.

# MANAGEMENT PROXY CIRCULAR



L.J. WILLIAMS LIMITED

## REPUBLIC OF TRINIDAD AND TOBAGO THE COMPANIES ACT 1995

(Section 144)

### Management Proxy Circular

**1. Name of Company:** L. J. Williams Limited

**Company No:** L2398(95) A

**2. Particulars of Meeting:**

Date of the Annual General Meeting to be confirmed.

**3. Solicitation**

It is intended to vote proxies hereby solicited (unless the shareholder directs otherwise) in favour of all resolutions as stated in the Notice of Meeting.

**4. Statements pursuant to Section 76 (2)**

No statement has been received from any Director pursuant to Section 76 (2) of the Companies Act 1995.

**5. Statement pursuant to Section 171 (1)**

No statement has been received from any Auditor pursuant to Section 171 (1) of the Companies Act 1995.

**6. Shareholders' Proposal pursuant to Sections 116 (a) and 117 (2)**

No proposal has been received from any Shareholder pursuant to Sections 116 (a) and 117 (2) of the Companies Act 1995.

Date	Name and Title	Signature
July 18th 2018	Aegis Business Solutions Ltd Secretary	



L.J. WILLIAMS LIMITED

# PROXY FORM

## DATE OF THE ANNUAL GENERAL MEETING TO BE CONFIRMED

I/We (Block Capitals please).....  
member(s) of the above-named Company, do hereby appoint the Chairman of the meeting, or failing him.....of.....

.....  
to be my/our Proxy to vote for me/us on my/our behalf at the 55<sup>th</sup> (Fifty Fifth) Annual Meeting of L.J. Williams Limited, and at any adjournment thereof, as indicated below, on the Resolutions to be proposed in the same manner, to the same extent and with the same powers as if I/we were present at the said meeting or such adjournment or adjournments thereof.

Signed this                              day of                              2018

Signature: .....

Signature: .....

Please see Notes below for assistance to complete and deposit this Proxy Form.

Please indicate with an "X" in the space below how you wish your votes to be cast. If no such indication is given, the Proxy will exercise his discretion as to how he votes or whether he abstains from voting.

RESOLUTIONS		FOR	AGAINST
1	To receive and consider the audited consolidated financial statements of the company for the year ended 31 March 2018 and Auditors Report thereon.		
2	To re-elect the following directors to hold office in accordance with Bye-Law No. 1 of the Company. 1. Paul Jay Williams 2. Mariano Browne 3. Krishna Bahadoorsingh		
3	To re-appoint PricewaterhouseCoopers as the auditors of the Company and to authorize the directors to fix their remuneration.		

### NOTES

1. A member entitled to attend and vote at the above meeting may appoint a proxy to attend and vote on his behalf and such proxy need not also be a member.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer, or if such appointer be a corporation, under the common seal.
3. In the case of joint holders, the signature of any one holder will be sufficient but the names of all joint holders should be stated.
4. To be valid, this form must be stamped in accordance with the Stamp Duty Act. A 25-cent postage stamp should therefore be affixed and cancelled by the person completing the proxy. The completed and stamped proxy must then be deposited at the company's registered office, 2 Sixth Avenue, Barataria, not less than 48 hours before the time fixed for holding the meeting or adjourned meeting.

Return to:  
The Secretary  
L.J. Williams Limited  
2 Sixth Avenue  
Barataria





**L.J.WILLIAMS LIMITED**

2 SIXTH AVENUE BARATARIA, TRINIDAD AND TOBAGO  
MAILING ADDRESS P. O. BOX 339, PORT OF SPAIN.  
TEL: + 1 868 674-1500 | FAX: + 1 868 675-7683  
Email: [info@ljw.co.tt](mailto:info@ljw.co.tt)