INDEPENDENT AUDITOR'S REPORT

To The Shareholders Of Neal & Massy Holdings Limited

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Neal & Massy Holdings Limited and its subsidiaries (the "Group") which comprise the consolidated balance sheet as of 30 September 2009 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 30 September 2009, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

Port of Spain, Trinidad, West Indies

15 December 2009

CONSOLIDATED BALANCE SHEET

as at 30 September 2009
Expressed in thousands of Trinidad and Tobago dollars

	Notes	2009	2008 Restated (Note 35)
		$	$
ASSETS			
Non-current assets			
Property, plant and equipment	6	**2,892,044**	2,907,228
Goodwill	7	**170,698**	169,106
Other intangible assets	8	**35,070**	35,070
Investments in associated companies	9	**512,723**	515,034
Long term investments	11	**500,274**	434,864
Deferred income tax assets	12	**76,009**	60,286
Installment credit and other loans	13	**173,810**	224,345
Retirement benefit assets	14	**203,900**	235,255
		4,564,528	4,581,188
Current assets			
Inventories	15	**1,080,355**	1,309,598
Installment credit and other loans	13	**137,845**	76,079
Trade and other receivables	16	**1,553,804**	1,686,599
Cash and cash equivalents	17	**957,933**	672,091
		3,729,937	3,744,367
Total assets		**8,294,465**	8,325,555
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	18	**522,154**	512,573
Dividends	19	**99,786**	99,468
Reserves		**2,129,735**	1,958,676
		2,751,675	2,570,717
Minority interests in equity	20	**478,073**	476,496
Total equity		**3,229,748**	3,047,213

	Notes	2009	2008 Restated (Note 35)
		$	$
LIABILITIES			
Non-current liabilities			
Borrowings	21	**1,547,134**	1,742,708
Deferred income tax liabilities	12	**147,775**	135,774
Customers' deposits	22	**296**	888
Provisions for other liabilities and charges	23	**295,718**	194,858
		1,990,923	2,074,228
Current liabilities			
Trade and other payables	24	**1,421,858**	1,455,103
Liabilities on insurance contracts	25	**617,494**	640,420
Customers' deposits	22	**342,813**	349,119
Current income tax liabilities		**63,406**	67,750
Borrowings	21	**628,223**	691,722
		3,073,794	3,204,114
Total liabilities		**5,064,717**	5,278,342
Total equity and liabilities		**8,294,465**	8,325,555

The notes on pages 8 to 90 are an integral part of these consolidated financial statements.

On 15 December 2009, the Board of Directors of Neal & Massy Holdings Limited authorised these consolidated financial statements for issue.

Director — **E.G. Warner**

Director — **A. Lok Jack**

CONSOLIDATED INCOME STATEMENT

For the year ended 30 September 2009
Expressed in thousands of Trinidad and Tobago dollars

	Notes	2009	2008
		$	$
Revenue	5	**8,425,999**	7,703,720
Operating profit before finance costs	26	**750,471**	703,501
Finance costs - net	28	**(107,672)**	(71,428)
Share of profit of associated companies	9	**16,168**	73,449
Profit before income tax		**658,967**	705,522
Income tax expense	29	**(175,386)**	(200,993)
Profit for the year		**483,581**	504,529
Attributable to:			
Equity holders of the Company		**435,412**	474,834
Minority interests		**48,169**	29,695
		483,581	504,529
Earnings per share for profit attributable to the equity holders of the Company during the year *(expressed in TT$ per share)*			
- basic	30	**4.53**	5.10
- diluted	30	**4.53**	5.10
Dividends per share	19	**1.40**	1.40
Dividends paid per share	19	**1.40**	1.30

The notes on pages 8 to 90 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at 30 September 2009
Expressed in thousands of Trinidad and Tobago dollars

	Notes	Share capital	Proposed dividends	Other reserves	Retained earnings	Total
		$	$	$	$	$
Balance at 1 October 2007		**178,809**	**79,987**	**84,336**	**1,423,234**	**1,766,366**
Currency translation differences		-	-	(10,467)	-	(10,467)
Other reserve movements		-	-	(1,207)	1,919	712
Net profit not recognised in consolidated income statement		-	-	-	45,379	45,379
Profit attributable to shareholders		-	-	-	474,834	474,834
Employee share option plan - value of employee services		2,561	-	-	-	2,561
Issue of shares under stock option plan		11,020	-	-	-	11,020
Issue of shares for the acquisition of BS&T	33	493,326	-	-	-	493,326
Fair value adjustments in BS&T		-	-	28,208	39,396	67,604
Cost of issuing new shares		(6,210)	-	-	-	(6,210)
Treasury shares held by subsidiaries		(166,933)	-	-	-	(166,933)
Dividends paid		-	(80,132)	-	(39,777)	(119,909)
Additional dividend paid for 2007		-	145	-	(145)	-
Dividends proposed	19	-	99,468	-	(99,468)	-
Balance at 30 September 2008		**512,573**	**99,468**	**100,870**	**1,845,372**	**2,558,283**
Prior period adjustment	35	-	-	-	12,434	12,434
Balance at 30 September 2008 as restated		**512,573**	**99,468**	**100,870**	**1,857,806**	**2,570,717**
Balance at 1 October 2008		**512,573**	**99,468**	**100,870**	**1,857,806**	**2,570,717**
Currency translation differences		-	-	(24,041)	-	(24,041)
Other reserve movements		-	-	(10,016)	8,966	(1,050)
Net loss not recognised in consolidated income statement		-	-	-	(99,613)	(99,613)
Profit attributable to shareholders		-	-	-	435,412	435,412
Employee share option plan -value of employee services		2,543	-	-	-	2,543
Issue of shares under stock -option plan		6,200	-	-	-	6,200
Issue of shares for the -acquisition of BS&T	33	838	-	-	-	838
Dividends paid		-	(99,468)	-	(39,863)	(139,331)
Dividends proposed	19	-	99,786	-	(99,786)	-
Balance at 30 September 2009		**522,154**	**99,786**	**66,813**	**2,062,922**	**2,751,675**

The notes on pages 8 to 90 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 September 2009
Expressed in thousands of Trinidad and Tobago dollars

	2009	2008
	$	$
Cash flows from operating activities		
Operating profit before finance costs	750,471	703,501
Adjustments for:		
Dividends received from associated companies	32,617	20,403
Depreciation	218,932	184,826
Negative goodwill net of impairment	3,699	(14,249)
Gain on sale of property, plant and equipment	(14,854)	(19,643)
Gain on sale of an associate	-	(17,087)
Increase in provision for installment credit and other loans	2,472	4,059
Decrease in market value of investments	3,615	6,941
Employee share option plan - value of employee services	2,543	2,561
Employee retirement and other benefits	1,175	(18,207)
Earnings before interest, tax, depreciation and amortisation	1,000,670	853,105
Provision and other movements	2,159	(3,797)
Changes in working capital:		
Decrease/(increase) in inventories	227,659	(230,348)
Decrease/(increase) in trade and other receivables	142,046	(347,496)
Increase in installment credit and other loans	(11,231)	(21,843)
(Decrease)/ increase in trade and other payables	(85,077)	388,140
(Decrease)/increase in customers' deposits	(6,898)	43,866
Cash generated from operations	1,269,328	681,627
Finance costs	(107,672)	(71,428)
Taxation paid	(174,613)	(179,026)
Net cash generated from operating activities	987,043	431,173
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	61,342	61,678
Proceeds from sale of other investments	12,132	11,752
Proceeds from sale of an associate	-	22,624
Purchase of property, plant and equipment	(247,068)	(239,355)
Purchase of investments	(109,994)	(20,105)
Acquisition of minority interest	-	(38,890)
Acquisition of BS&T	-	(1,291,011)
Acquisition of Pereira	-	(23,448)
Net cash used in investing activities	(283,588)	(1,516,755)

	2009	2008
	$	$
Cash flows from financing activities		
Net increase in medium and long term borrowings	16,603	663,287
Issue of shares	7,038	498,135
Dividends paid to shareholders	(139,387)	(119,909)
Dividends paid to minorities	(26,191)	(26,599)
Net cash (used in)/generated from financing activities	(141,937)	1,014,914
Net increase/(decrease) in cash, cash equivalents	561,518	(70,668)
Cash, cash equivalents and bank overdrafts at beginning of the year	362,632	434,558
Effects of exchange rate changes on cash and bank overdrafts	(3,850)	(1,258)
Cash, cash equivalents and bank overdrafts at the end of the year	920,300	362,632
Cash and Cash Equivalents		
Cash and short term funds	957,933	672,091
Bank overdrafts and other short term borrowings	(37,633)	(309,459)
	920,300	362,632

The notes on pages 8 to 90 are an integral part of these consolidated financial statements.

1 GENERAL INFORMATION

The parent company, Neal & Massy Holdings Limited ("the Company"), was incorporated in the Republic of Trinidad and Tobago in 1923. The address of its registered office is 63 Park Street, Port of Spain, Trinidad. The Company and its subsidiaries ("the Group") are engaged in trading, manufacturing, service industries and finance in Trinidad and Tobago, the wider Caribbean region and the United States of America. The Company has a primary listing on the Trinidad and Tobago Stock Exchange. These group consolidated financial statements were authorised for issue by the board of directors on 15 December 2009.

The principal subsidiaries are as follows:

	Country of incorporation	Percentage of equity capital held
Automotive & Industrial Equipment		
Neal & Massy Automotive Limited	Trinidad and Tobago	100%
City Motors (1986) Limited	Trinidad and Tobago	100%
Tracmac Engineering Limited	Trinidad and Tobago	100%
Automotive Components Limited	Trinidad and Tobago	100%
Tobago Services Limited	Trinidad and Tobago	100%
Master Serv Limited	Trinidad and Tobago	100%
Associated Industries Limited	Guyana	100%
Warren Motors (Barbados)	Barbados	100%
Energy & Industrial Gases		
Neal & Massy Energy Limited	Trinidad and Tobago	100%
Neal & Massy Energy Services Limited	Trinidad and Tobago	100%
Neal & Massy Energy Resources Limited	Trinidad and Tobago	100%
NM Insertech (Caribbean) Ltd	Trinidad and Tobago	100%
Insertech (Aruba) N.V.	Aruba	100%
Neal & Massy Supply Chain Integrators	Trinidad and Tobago	51%
Industrial Gases Limited	Trinidad and Tobago	57.3%
Trintogas Carbonics Limited	Trinidad and Tobago	100%
NM Petrochemicals Services Limited	Trinidad and Tobago	100%
Gas Products Limited	Jamaica	100%
Demerara Oxygen Company Limited	Guyana	92.9%

1 GENERAL INFORMATION *(continued)*

	Country of incorporation	Percentage of equity capital held
Food Retailing		
Trading and Distribution Limited	Trinidad and Tobago	100%
Arvee Food Master Limited	Trinidad and Tobago	100%
Athabasca	Trinidad and Tobago	100%
Super Centre	Barbados	100%
Peronne Manufacturing	Barbados	100%
Food/Consumer Distribution & Logistics		
Trading and Distribution – Retail Division	Trinidad and Tobago	100%
Marketing & Distribution Division	Trinidad and Tobago	100%
Huggins Shipping and Customs Brokerage Limited	Trinidad and Tobago	100%
Melville Shipping Limited	Trinidad and Tobago	100%
Neal & Massy Inc	USA	100%
HD Hopwood & Company Limited	Jamaica	100%
T. Geddes Grant (Barbados) Limited	Barbados	100%
Trading & Distribution Inc	Guyana	92.9%
NM Services Limited	Guyana	92.9%
Neal & Massy Guyana Limited	Guyana	92.9%
TDL Head Office	Trinidad and Tobago	100%
Trident Forwarding	Barbados	100%
SBI Distribution	Barbados	100%
Agro Chemicals	Barbados	100%
Roberts Manufacturing	Barbados	100%
Booth Steamship	Barbados	100%
Cargo Handlers	Barbados	66%
Retail & Distribution International	St. Lucia	100%
BS&T International Inc	Barbados	100%
Knights Limited (Rainbow)	Barbados	99.7%
Tourism / Hospitality		
Almond Resorts	Barbados	52%
Casurina Holdings	Barbados	49.4%

1 GENERAL INFORMATION *(continued)*

	Country of incorporation	Percentage of equity capital held
Information Technology & Communications/Other Services		
Illuminat Trinidad and Tobago Limited	Trinidad and Tobago	100%
Illuminat (Antigua) Limited	Antigua	100%
Illuminat (Barbados) Limited	Barbados	100%
Illuminat (Jamaica) Limited	Jamaica	100%
CCS Guyana Limited	Guyana	92.9%
Three Sixty Communications Limited	Trinidad and Tobago	75%
Nealco Datalink	Trinidad and Tobago	100%
Pereira & Company	Trinidad and Tobago	100%
NM Security Solutions	Guyana	92.9%
Seawell Air Services	Barbados	100%
BCB Communications	Barbados	51%
Dacosta Manning Inc	Barbados	100%
Financial Services		
NM Remittance Services	Trinidad and Tobago	100%
General Finance Corporation Limited	Trinidad and Tobago	100%
United Insurance	Barbados	100%
Magna Rewards Inc	Barbados	90%
Magna Rewards (Jamaica) Inc	Jamaica	51.3%
Magna Rewards (St Lucia) Inc	St Lucia	51.3%
Magna Rewards (Trinidad) Inc	Trinidad and Tobago	51.3%
Magna Rewards Caribbean Inc	Barbados	51.3%
Property/Construction Services		
Nealco Real Estate	Trinidad and Tobago	100%
Arrow Developers Limited	Barbados	100%
Nealco Properties Limited	Trinidad and Tobago	100%
Pres-T-Con Limited	Trinidad and Tobago	63.1%
PEL Enterprises	Barbados	100%
Neal & Massy (Barbados) Limited	Barbados	100%
Inter Regional Reinsurance Co Limited	Cayman	100%

1 GENERAL INFORMATION *(continued)*

	Country of incorporation	Percentage of equity capital held
Property/Construction Services *(continued)*		
The Auto Dome	Barbados	100%
SP Mussons Son & Co Limited	Barbados	100%
Sunset Crest Holdings	Barbados	100%
Wimcal Limited	Barbados	100%
Warrens Realty	Barbados	100%
Head Office		
Neal & Massy Limited	Trinidad and Tobago	100%
Barbados Shipping & Trading Co Limited	Barbados	97.1%
Tyres Sales Limited	Jamaica	100%
Laurentide Finance Ltd	Jamaica	100%
Daymor Manufacturing Co Limited	Jamaica	100%

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.

2.1 Basis of preparation

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.1 Basis of preparation *(continued)*

a New and amended standards adopted by the Group

IFRIC 13, 'Customer loyalty programmes' (effective from 1 July 2008). IFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple element arrangement, and the consideration receivable from the customer is allocated between the components of the arrangement using fair values. The Group applied IFRIC 13 from 1 October 2008.

b Standards, amendments and interpretations effective in 2009 but not relevant

The following standards, amendments and interpretations to published standards are mandatory for the Group's accounting periods beginning on or after 1 January 2008 but are not relevant to the Group's operations:

- IFRIC 16, 'Hedges of a net investment in a foreign operation' (effective from 1 October 2008)

c Standards, amendments and interpretations that are not yet effective and have not been early adopted by the Group:

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2009 or later periods, but the Group has not early adopted them:

- IAS 23 (Amendment), Borrowings costs' (effective from 1 January 2009). It requires an entity to capitalise borrowing cost directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The definition of borrowing costs has been amended so that interest expense is calculated using the effective interest method defined in IAS 39 'financial instruments: Recognition and measurement'. This eliminates the inconsistency of terms between IAS 39 and IAS 23. The Group will apply the IAS 23 (Amendment) prospectively to the capitalisation of borrowing costs on qualifying assets effective from 1 October 2009.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.1 Basis of preparation *(continued)*

c Standards, amendments and interpretations that are not yet effective and have not been early adopted by the Group: *(continued)*

- IAS 23 (Amendment) 'Borrowing Costs' (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. The definition of borrowing costs has been amended so that interest expense is calculated using the effective interest method defined in IAS 39 'Financial instruments Recognition and measurement'. This eliminates the inconsistency of the terms between IAS 39 and IAS 23. The group will apply the IAS 23 (Amendment) prospectively to the capitalisation of borrowing costs on qualifying assets from 1 January 2009.

- IFRIC 15, 'Agreements for construction of real estates' (effective from 1 January 2009). The interpretation clarifies whether IAS 18, 'Revenue' or IAS 11, 'Construction contracts', should be applied to particular transactions. It is likely to result in IAS 18 being applied to a wider range of transactions. The Group will apply IFRIC 15 from 1 October 2009.

- IAS 1 (Revised), 'Presentation of financial statements' (effective from 1 January 2009). The revised standard will prohibit the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period. The Group will apply IAS 1 (Revised) from 1 October 2009.

- IFRS 2 (Amendment), 'Share-based payment' (effective from 1 January 2009). The amended standard deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group will apply IFRS 2 (Amendment) from 1 October 2009.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.1 Basis of preparation *(continued)*

c Standards, amendments and interpretations that are not yet effective and have not been early adopted by the Group: *(continued)*

- IAS 32 (Amendment), 'Financial instruments: Presentation', and IAS 1 (Amendment), 'Presentation of financial statements' – 'Puttable financial instruments and obligations arising on liquidation' (effective from 1 January 2009). The amended standards require entities to classify puttable financial instruments and instruments, or components of instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation as equity, provided the financial instruments have particular features and meet specific conditions. The Group will apply the IAS 32 and IAS 1 (Amendment) from 1 October 2009. It is not expected to have any impact on the Group's financial statements.

- IAS 27 (Revised), 'Consolidated and separate financial statements', (effective from 1 July 2009). The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group will apply IAS 27 (Revised) prospectively to transactions with non-controlling interests from 1 October 2009.

- IFRS 3 (Revised), 'Business combinations' (effective from 1 July 2009). The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group will apply IFRS 3 (Revised) prospectively to all business combinations from 1 October 2009.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.1 Basis of preparation *(continued)*

c Standards, amendments and interpretations that are not yet effective and have not been early adopted by the Group: *(continued)*

- IAS 28 (Amendment), 'Investments in associates' (and consequential amendments to IAS 32, 'Financial Instruments: Presentation', and IFRS 7, 'Financial instruments: Disclosures') (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. An investment in associate is treated as a single asset for the purposes of impairment testing. Any impairment loss is not allocated to specific assets included within the investment, for example, goodwill. Reversals of impairment are recorded as an adjustment to the investment balance to the extent that the recoverable amount of the associate increases. The Group will apply the IAS 28 (Amendment) to impairment tests related to investments in subsidiaries and any related impairment losses from 1 October 2009.

- IAS 38 (Amendment), 'Intangible assets' (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. A prepayment may only be recognised in the event that payment has been made in advance of obtaining right of access to goods or receipt of services. The Group will apply the IAS 38 (Amendment) from 1 October 2009.

- IAS 19 (Amendment), 'Employee benefits' (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008:

  – The amendment clarifies that a plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service gives rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation.

  – The definition of return on plan assets has been amended to state that plan administration costs are deducted in the calculation of return on plan assets only to the extent that such costs have been excluded from measurement of the defined benefit obligation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.1 Basis of preparation *(continued)*

c Standards, amendments and interpretations that are not yet effective and have not been early adopted by the Group: *(continued)*

- The distinction between short term and long term employee benefits will be based on whether benefits are due to be settled within or after 12 months of employee service being rendered.

- IAS 37, 'Provisions, contingent liabilities and contingent assets, requires contingent liabilities to be disclosed, not recognised. IAS 19 has been amended to be consistent.

The Group will apply the IAS 19 (Amendment) from 1 October 2009.

- IAS 39 (Amendment), 'Financial instruments: Recognition and measurement' (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008.

  - This amendment clarifies that it is possible for there to be movements into and out of the fair value through profit or loss category where a derivative commences or ceases to qualify as a hedging instrument in cash flow or net investment hedge.

  - The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading is also amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit taking is included in such a portfolio on initial recognition.

  - The current guidance on designating and documenting hedges states that a hedging instrument needs to involve a party external to the reporting entity and cites a segment as an example of a reporting entity. This means that in order for hedge accounting to be applied at segment level, the requirements for hedge accounting are currently required to be met by the applicable segment. The amendment removes the example of a segment so that the guidance is consistent with IFRS 8, 'Operating segments', which requires disclosure for segments to be based on information reported to the chief operating decision-maker.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.1 Basis of preparation *(continued)*

c Standards, amendments and interpretations that are not yet effective and have not been early adopted by the Group: *(continued)*

  - When remeasuring the carrying amount of a debt instrument on cessation of fair value hedge accounting, the amendment clarifies that a revised effective interest rate (calculated at the date fair value hedge accounting ceases) are used.

- The Group will apply the IAS 39 (Amendment) from 1 October 2009. It is not expected to have an impact on the Group's consolidated income statement.

- IAS 31 (Amendment), 'Interests in joint ventures' (and consequential amendments to IAS 32 and IFRS 7) (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. Where an investment in joint venture is accounted for in accordance with IAS 39, only certain rather than all disclosure requirements in IAS 31 need to be made in addition to disclosures required by IAS 32, 'Financial instruments: Presentation', and IFRS 7 'Financial instruments: Disclosures'. The Group will apply the IAS 31 (Amendment) from 1 October 2009. It is not expected to have an impact on the Group's financial statements.

- IAS 1 (Amendment), 'Presentation of financial statements' (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. The amendment clarifies that some rather than all financial assets and liabilities classified as held for trading in accordance with IAS 39, 'Financial instruments: Recognition and measurement' are examples of current assets and liabilities respectively. The Group will apply the IAS 39 (Amendment) from 1 October 2009. It is not expected to have an impact on the Group's financial statements.

- IFRS 7 'Financial instruments – Disclosures' (Amendment) – effective 1 January 2009. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.1 Basis of preparation *(continued)*

c Standards, amendments and interpretations that are not yet effective and have not been early adopted by the Group: *(continued)*

- IFRS 8 replaces IAS 14, 'Segment reporting', and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. In addition, the segments are reported in a manner that is more consistent with the internal reporting provided to the chief operating decision-maker. It is not expected to have an impact on the Group's consolidated financial statements.

- IAS 36 (Amendment), 'Impairment of assets' (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. Where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. The group will apply the IAS 28 (Amendment) and provide the required disclosure where applicable for impairment tests from 1 January 2009.

- IAS 16 (Amendment), 'Property, plant and equipment' (and consequential amendment to IAS 7, 'Statement of cash flows') (effective from 1 January 2009).

d Standards, amendments and interpretations to existing standards that are not yet effective and are not relevant for the Group's operations:

The following interpretations and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2009 or later periods but are not relevant for the Group's operations:

- IFRS 5 (Amendment), 'Non-current assets held-for-sale and discontinued operations' (and consequential amendment to IFRS 1, 'First-time adoption') (effective from 1 July 2009).

- IAS 27 (Amendment), 'Consolidated and separate financial statements' (effective from 1 January 2009).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.1 Basis of preparation *(continued)*

d Standards, amendments and interpretations to existing standards that are not yet effective and are not relevant for the Group's operations: *(continued)*

- IAS 28 (Amendment), 'Investments in associates' (and consequential amendments to IAS 32, 'Financial Instruments: Presentation' and IFRS 7, 'Financial instruments: Disclosures') (effective from 1 January 2009).

- IAS 29 (Amendment), 'Financial reporting in hyperinflationary economies' (effective from 1 January 2009).

- IAS 38 (Amendment), 'Intangible assets' (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008.

- IAS 40 (Amendment), 'Investment property' (and consequential amendments to IAS 16) (effective from 1 January 2009).

- IFRIC 17, 'Distribution of non-cash assets to owners' (effective on or after 1 July 2009).

- IAS 41 (Amendment), 'Agriculture' (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008.

- IAS 20 (Amendment), 'Accounting for government grants and disclosure of government assistance' (effective from 1 January 2009).

- IFRIC 15, 'Agreements for construction of real estates' (effective from 1 January 2009).

2.2 Consolidation

a Subsidiaries

Subsidiaries are all entities over which the Group has power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Consolidation *(continued)*

a Subsidiaries *(continued)*

The Group uses the purchase method of accounting to account for the acquisition of subsidiaries. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the consolidated income statement.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unless cost cannot be recovered unrealised losses are also eliminated and considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

b Transactions and minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the consolidated income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

c Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in reserves is

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Consolidation *(continued)*

c Associates *(continued)*

recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

2.4 Foreign currency translation

a 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 Company's functional and Group's presentation currency.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.4 Foreign currency translation *(continued)*

b Transactions and balances *(continued)*

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

Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value through profit or loss are recognised as part of the fair value gain or loss. Translation differences on non-monetary items such as equities classified as available-for-sale financial assets are included in other reserves in equity.

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

c Group companies

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

i assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

ii income and expenses for each income statement are translated at average exchange rate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

iii all resulting exchange differences are recognised as a separate component of equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the consolidated income statement as part of the gain or loss on sale.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.5 Property, plant and equipment

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

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

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

Land is not depreciated.

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

Current rates of depreciation are:

Freehold and leasehold properties	-	2% to 20%
Plant and equipment	-	5% to 33.3%
Furniture, fixtures and motor vehicles	-	10% to 25%
Rental assets	-	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.5 Property, plant and equipment *(continued)*

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

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Group. Investment property is carried at historical cost.

2.6 Intangible assets

a Goodwill

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

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Neal & Massy Holdings Limited allocates goodwill to each business segment in each country in which it operates (Note 7).

b Research and development

Costs associated with the maintenance of existing computer software programmes are expensed as incurred.

Expenditure which enhances and extends the benefits of computer software programmes beyond their original specifications and lives is recognised as a capital improvement. Computer software development costs recognised as assets are amortised using the straight-line method over their useful lives, not exceeding a period of three years.

Development assets are tested for impairment annually, in accordance with IAS 36.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.6 Intangible assets *(continued)*

c Other intangible assets

Other intangibles are recorded at cost and are amortised on a straight-line basis over their estimated useful lives not exceeding twenty years.

2.7 Impairment of non-financial assets

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

2.8 Financial assets

Classification

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

a Financial assets at fair value through profit or loss

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.8 Financial assets *(continued)*

Classification *(continued)*

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 balance sheet date. These are classified as non-current assets. Loans and receivables are classified as 'trade and other receivables and installment credit and other loans' in the consolidated balance sheet.

c 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 balance sheet date.

d Held to maturity

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

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the consolidated income statement. 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. Unlisted equity securities for which fair values cannot be reliably measured have been recognised at cost less impairment. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.8 Financial assets *(continued)*

Recognition and measurement *(continued)*

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences are recognised in the consolidated income statement, and other changes in carrying amount are recognised in equity. Changes in the fair value of monetary securities classified as available-for-sale and non-monetary securities classified as available-for-sale are recognised in equity.

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

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, applicable price/earnings or price/cash flow ratios refined to reflect the specific circumstances of the issuer and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the consolidated income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the consolidated income statement. Impairment testing of trade receivables is described in Note 2.10.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.9 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the first-in, first-out ("FIFO") or the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, but excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses (Note 26).

2.10 Trade receivables

Trade receivables are recognised at fair value less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the consolidated income statement within 'selling, general and administration expenses' (Note 26).

2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated balance sheet.

2.12 Share capital

Ordinary shares with discretionary dividends are classified as equity.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.12 Share capital *(continued)*

Where any Group company purchases the Company's equity share capital, the consideration paid including any attributable incremental external costs net of income taxes is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

2.13 Trade payables

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

2.14 Insurance

i Insurance and reinsurance contracts

Insurance and reinsurance contracts are defined as those containing significant insurance risk at the inception of the contract, or those where at the inception of the contract there is a scenario with commercial substance where the level of insurance risk may be significant. The significance of insurance risk is dependent on both the probability of an insured event and the magnitude of its potential effect. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during the period.

In the normal course of business, the Group seeks to reduce the losses to which it is exposed that may cause unfavorable underwriting results by reinsuring a certain level of risk with reinsurance companies. Reinsurance premiums are accounted for on a basis consistent with that used in accounting for the original policies issued and the terms of the reinsurance contracts. The Group may receive a ceding commission in connection with ceded reinsurance, which is earned as incurred.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.14 Insurance *(continued)*

ii Amounts receivable from reinsurance companies

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

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

2.15 Borrowings

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

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

2.16 Current and deferred income tax

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.16 Current and deferred income tax *(continued)*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax, is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet 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 is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

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

2.17 Employee benefits

a Pension obligations

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

The Neal & Massy Group Pension Fund Plan, contributions to which were frozen on 31 January 1990, is a defined contribution plan whose assets are held separately from those of the group in an independently administered fund. The most recent actuarial valuation, at 31 March 2008, revealed that the plan is adequately funded. There are certain benefits payable by the Neal & Massy Group Pension Fund Plan which fall within the scope of IAS 19 (revised) – Employee Benefits. The next actuarial valuation is due 31 December 2009.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.17 Employee benefits *(continued)*

a Pension obligations *(continued)*

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

T. Geddes Grant Limited Pension Fund Plan is a defined contribution plan whose assets are held separately from those of the Group in an independently administered fund. Contributions to the plan are accounted for on the accrual basis and are reviewed by independent actuaries on the basis of triennial valuations. The actuarial valuation as at 31 December 2006 revealed that the plan is adequately funded. The next actuarial valuation is due 31 December 2009.

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.17 Employee benefits *(continued)*

a Pension obligations *(continued)*

Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to pension plans are charged or credited to retained earnings immediately.

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

b Other post-employment obligations

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

c Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.17 Employee benefits *(continued)*

d Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

e Bonus plans

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

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

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

2.18 Provisions

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.18 Provisions *(continued)*

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

2.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group. Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering of services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

Other revenues earned by the Group are recognised on the following bases:

Interest income – as it accrues unless collectibility is in doubt.
Dividend income – when the shareholder's right to receive payment is established.

2.20 Leases

Group is the lessee

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

Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.20 Leases *(continued)*

Group is the lessor *(continued)*

term of the lease using the net investment method, which reflects a constant periodic rate of return. Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.21 Dividend distribution

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

2.22 Installment credit and other loans

Installment credit and other loans are stated at principal outstanding net of unearned finance charges and specific allowance for loan losses. An allowance for loan impairment is established if there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms of loans.

The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of loans.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited as a reduction of the provision for loan losses.

Interest from installment credit is recognised as it accrues on the sum of the digits method. Interest earned on other forms of financing is calculated as is appropriate to individual transactions.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

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

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

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

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

a Market risk

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

i Currency risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. The Group manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions as well as holding foreign currency balances.

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

a Market risk *(continued)*

i Currency risk *(continued)*

The values of debt, investments and other financial liabilities, denominated in currencies other than the functional currency of the entities holding them, are subject to exchange rate movements. The foreign exchange positions at 30 September 2008 relate mainly to USD loans. The single largest USD loan as at year end amounted to US$101,000 (2008: US$102,000). A 2% change in USD rates would lead to a TT$12,851 (2008: TT$19,700) loss in the consolidated income statement.

ii Interest rate risk

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

At the end of 2009, interest rates were fixed on approximately 42% of the borrowings (2008: 42%). The impact on the consolidated income statement to a 50 basis points change in floating interest rates are $6,191 in 2009 and $3,200 in 2008.

iii Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet as available-for-sale.

The Group is not exposed to commodity price risk.

b Credit risk

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

The Group has no significant concentrations of credit risk and trades mainly with recognized, creditworthy third parties. It is the Group's policy that all customers trading on credit terms are subject to credit verification procedures. The procedures are elements of a structured

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

b Credit risk *(continued)*

credit control system and include an analysis of each customer's creditworthiness and the establishments of limits before credit terms are set. In addition, receivables balances are monitored on an ongoing basis with the result, that the Group's exposure to bad debts is not significant. The maximum exposure is the carrying amount as disclosed below.

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

c Liquidity risk

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

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

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

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

c Liquidity risk *(continued)*

Maturity analysis of financial liabilities ($'000)

	< 1 year	1 – 5 yrs	More than 5 yrs	Contractual cash flows	Carrying Amount
2009					
Financial Liabilities:					
Bank overdraft and other short term borrowings	**37,633**	**-**	**-**	**37,633**	**37,633**
Other borrowings	**664,114**	**1,409,566**	**385,166**	**2,458,846**	**2,137,724**
Customers' deposits	**360,927**	**335**	**-**	**361,262**	**343,109**
Trade payables	**677,272**	**-**	**-**	**677,272**	**677,272**
Liabilities on insurance contract	**617,494**	**-**	**-**	**617,494**	**617,494**
Total	**2,357,440**	**1,409,901**	**385,166**	**4,152,507**	**3,813,232**

	< 1 year	1 – 5 yrs	More than 5 yrs	Contractual cash flows	Carrying Amount
2008					
Financial Liabilities:					
Bank overdraft and other short term borrowings	309,459	-	-	309,459	309,459
Other borrowings	501,323	1,096,728	1,253,658	2,851,709	2,124,974
Customers' deposits	393,235	3,693	3,370	400,298	350,007
Trade payables	911,722	-	-	911,722	911,722
Liabilities on insurance contract	640,420	-	-	640,420	640,420
Total	2,756,159	1,100,421	1,257,028	5,113,608	4,336,582

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.2 Capital risk management

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

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

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

	2009	2008
	$000	$000
Total borrowings (Note 21)	**2,175,357**	2,434,430
Less cash & cash equivalents (Note 17)	**(957,933)**	(672,091)
Net debt	**1,217,424**	1,762,339
Total equity	**3,229,748**	3,047,213
Total capital	**4,447,172**	4,809,552
Gearing ratio	**27%**	37%

The increase in the gearing ratio during 2008 resulted primarily from loans taken to acquire the controlling interest in Barbados Shipping & Trading Limited. Additionally $1.1 billion of additional debt relates to Barbados Shipping & Trading Limited and the Almond Group.

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.3 Fair value estimation

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

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

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

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.

4.1 Critical accounting estimates and assumptions

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

a Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.6. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

4.1 Critical accounting estimates and assumptions *(continued)*

b Income taxes

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

c Fair value of financial instruments

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

d Revenue recognition

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

4.2 Critical judgements in applying the entity's accounting policies

a Defined benefit pension plan

Certain actuarial and economic assumptions used in determining defined benefit pension obligations and pension plan assets include: discount rates, long-term rates of return for plan assets, market estimates and rates of future compensation increases. Material changes in overall financial performance and the carrying amount of the pension obligations may arise because of revised assumptions to reflect updated historical information and updated economic conditions, in the material assumptions underlying this estimate.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

4.2 Critical judgements in applying the entity's accounting policies *(continued)*

a Defined benefit pension plan *(continued)*

The Company 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 the estimated future cash outflows, expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of high quality bonds that are denominated in the currency in which the benefits will be paid, and that have the terms to maturity approximating the terms of the related pension liability.

b Liabilities on insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is a critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Group will ultimately pay for such claims.

5 SEGMENT INFORMATION

Primary reporting format – business segments

At 30 September 2009, the Group is organised into eight main business segments: (1) Automotive & Industrial Equipment; (2) Energy & Industrial Gases; (3) Food Group: Food Retailing; Food/Consumer, Distribution & Logistics; (4) Information Technology & Communications ("ITC"); (5) Tourism/Hospitality; (6) Property/Construction Services; (7) Financial Services; (8) Head Office and Other.

The segment note for 2008 reflects reclassifications for finance costs – net and share of results of associates among the segments (Note 35).

5 SEGMENT INFORMATION

Primary reporting format – business segments *(continued)*

The segment results for the year ended 30 September 2009 are as follows:

	Automotive & Industrial Equipment $	Industrial Gases & Energy $	Food Retailing; Consumer Distribution & Logistics $	ITC $	Tourism/ Hospitality $	Property/ Construction Services $	Financial Services $	Head Office & Other $	Grand Total $
Sales	**1,440,864**	**680,798**	**4,558,360**	**914,374**	**287,179**	**168,481**	**374,768**	**1,175**	**8,425,999**
Operating profit/(loss) segment result	141,688	156,211	335,413	71,553	(143)	57,137	48,760	(60,148)	750,471
Finance costs – net (Note 28)	(13,711)	(23,054)	(17,214)	(3,789)	(19,811)	(5,600)	30,155	(54,648)	(107,672)
Share of results of associates before tax (Note 8)	672	20,486	2,084	81	(6,215)	(904)	1,884	(1,920)	16,168
Profit before income taxation	**128,649**	**153,643**	**320,283**	**67,845**	**(26,169)**	**50,633**	**80,799**	**(116,716)**	**658,967**
Taxation	(37,476)	(35,597)	(64,818)	(15,977)	6,343	(6,503)	(14,387)	(6,971)	(175,386)
Profit/(loss) for the year	**91,173**	**118,046**	**255,465**	**51,868**	**(19,826)**	**44,130**	**66,412**	**(123,687)**	**483,581**

The segment assets and liabilities at 30 September 2009 and capital expenditure for the year then ended are as follows:

Assets									
Total assets	784,986	617,479	1,870,981	774,178	1,211,671	796,932	1,644,580	593,658	8,294,465
Associates	3,683	96,613	8,760	14,033	104,590	13,517	10,355	261,172	512,723
Total liabilities	514,908	278,488	760,444	261,156	527,313	187,710	1,191,821	1,342,877	5,064,717
Capital expenditure	98,221	20,462	33,160	41,613	29,604	17,235	2,296	4,477	247,068
Other segment items included in the consolidated income statement are as follows:									
Depreciation (Note 6)	63,975	19,726	52,988	37,249	24,267	8,120	10,671	1,936	218,932
Impairment of goodwill (Note 7)	1,413	855	1,431	-	-	-	-	-	3,699

5 SEGMENT INFORMATION *(continued)*

Primary reporting format – business segments *(continued)*

The segment results for the year ended 30 September 2008 Restated (Note 35) are as follows:

	Automotive & Industrial Equipment $	Industrial Gases & Energy $	Food Retailing; Consumer Distribution & Logistics $	ITC $	Tourism/ Hospitality $	Property/ Construction Services $	Financial Services $	Head Office & Other $	Grand Total $
Sales	**1,609,337**	**802,916**	**3,878,958**	**765,728**	**170,974**	**205,583**	**262,803**	**7,421**	**7,703,720**
Operating profit/segment result	164,976	132,916	250,486	55,725	3,041	62,288	34,673	(604)	703,501
Finance costs – net (Note 28)	(11,054)	(10,256)	(13,940)	(2,489)	(18,777)	(5,846)	15,702	(24,768)	(71,428)
Share of results of associates before tax (Note 8)	1,138	41,870	4,080	9	(7,186)	279	-	33,259	73,449
Profit before income taxation	**155,060**	**164,530**	**240,626**	**53,245**	**(22,922)**	**56,721**	**50,375**	**7,887**	**705,522**
Taxation	(41,597)	(39,216)	(49,613)	(15,562)	(964)	(13,933)	(9,788)	(30,320)	(200,993)
Profit / (loss) for the year	**113,463**	**125,314**	**191,013**	**37,683**	**(23,886)**	**42,788**	**40,587**	**(22,433)**	**504,529**

The segment assets and liabilities at 30 September 2008 and capital expenditure for the year then ended are as follows:

Total assets	968,291	616,467	1,864,415	769,319	1,167,310	793,433	1,615,484	530,836	8,325,555
Associates	3,204	92,702	7,146	12,054	93,730	12,179	8,708	285,311	515,034
Total liabilities	555,381	270,250	842,466	277,937	655,797	258,868	1,159,234	1,258,409	5,278,342
Capital expenditure	89,875	20,774	41,421	32,260	31,967	10,481	9,719	2,858	239,355
Other segment items included in the consolidated income statement are as follows:									
Depreciation (Note 6)	56,834	19,176	36,655	39,053	12,973	8,624	9,139	2,372	184,824
Impairment of goodwill (Note 7)	819	11,778	3,910	-	-	-	295	-	16,802

5 SEGMENT INFORMATION *(continued)*

Primary reporting format – business segments *(continued)*

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

Capital expenditure comprises additions to property, plant and equipment (Note 6).

Secondary reporting format – geographical segments

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

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

	Sales		Total Assets		Capital Expenditure	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
Trinidad and Tobago	**4,305,491**	4,523,114	**3,427,360**	3,326,173	**156,444**	153,635
Barbados	**2,929,889**	1,832,892	**4,081,020**	4,154,532	**69,988**	61,022
Guyana	**562,429**	551,710	**241,134**	245,689	**4,106**	11,794
Other	**628,190**	796,004	**544,951**	599,161	**16,530**	12,904
	8,425,999	7,703,720	**8,294,465**	8,325,555	**247,068**	239,355

6 PROPERTY, PLANT AND EQUIPMENT

	Freehold property	Investment property	Leasehold property	Plant and equipment	Rental assets	Furniture fixtures & motor vehicles	Capital work in progress	Total
	$	$	$	$	$	$	$	$
Year ended 30 September 2008								
- (Restated Note 35)								
Opening net book amount	261,784	30,489	86,639	255,626	129,593	50,100	14,447	828,678
Additions	5,686	1,017	2,088	65,537	89,843	31,487	43,697	239,355
Acquisition of subsidiaries	1,126,943	338,049	13,804	140,231	20,507	45,847	162,900	1,848,281
Transfer from capital work in progress	157,312	-	-	8,892	-	27,314	(193,518)	-
Fair value adjustments								
- in BS&T (Note 33)	182,408	35,365	-	-	-	-	-	217,773
Disposals and adjustments	4,747	(11,171)	2,519	(13,240)	(14,970)	605	(10,526)	(42,036)
Depreciation charge	(12,749)	(859)	(4,286)	(72,216)	(66,693)	(28,021)	-	(184,824)
Closing net book amount	1,726,131	392,890	100,764	384,830	158,280	127,333	17,000	2,907,228
At 30 September 2008								
Cost	1,779,395	402,089	153,522	1,075,516	290,473	305,251	17,000	4,023,246
Accumulated depreciation	(53,264)	(9,199)	(52,758)	(690,686)	(132,193)	(177,918)	-	(1,116,018)
Net book amount	1,726,131	392,890	100,764	384,830	158,280	127,333	17,000	2,907,228

6 PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Freehold property	Investment property	Leasehold property	Plant and equipment	Rental assets	Furniture fixtures & motor vehicles	Capital work in progress	Total
	$	$	$	$	$	$	$	$
Year ended 30 September 2009								
Opening net book amount	1,726,131	392,890	100,764	384,830	158,280	127,333	17,000	2,907,228
Additions	27,437	7,867	5,532	49,085	103,788	40,992	12,367	247,068
Acquisition of subsidiaries	-	-	-	-	-	-	-	-
Fair value adjustments	500	-	200	-	-	-	-	700
Disposals and adjustments	(3,547)	7,524	22,038	(70,629)	(17,335)	33,513	(15,584)	(44,020)
Depreciation charge	(18,530)	(838)	(7,768)	(73,708)	(68,474)	(49,614)	-	(218,932)
Closing net book amount	1,731,991	407,443	120,766	289,578	176,259	152,224	13,783	2,892,044
At 30 September 2009								
Cost	1,799,404	420,077	195,792	927,647	320,395	455,390	13,783	4,132,488
Accumulated depreciation	(67,413)	(12,634)	(75,026)	(638,069)	(144,136)	(303,166)	-	(1,240,444)
Net book amount	1,731,991	407,443	120,766	289,578	176,259	152,224	13,783	2,892,044

The fair value of the investment property amounted to $742,872 (2008: $620,048) and is valued by an independent, professionally qualified valuer.

Depreciation expense of $88,747 (2008: $93,683) has been charged in cost of goods sold and $130,185 (2008: $91,143) in 'selling, general and administration expenses' (Note 26).

Bank borrowings are secured on land and buildings for the value of $584,077 (2008: $506,168).

7 GOODWILL

	2009	2008 Restated (Note 35)
	$	$
At 1 October		
Cost	212,931	207,638
Accumulated impairment	(42,233)	(38,532)
Net book amount	170,698	169,106
Year ended 30 September		
Opening net book amount	169,106	93,139
Adjustments	5,291	-
Acquisition of subsidiary (Note 33)	-	31,381
Acquisition of minority interest	-	19,741
Acquisition of BS&T (Note 33)	-	41,647
Impairment charge (Note 26)	(3,699)	(16,802)
Closing net book amount	**170,698**	**169,106**

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

Included in the impairment charge in 2008 is $11,247 which relates to the impairment of the goodwill for Insertech Aruba N.V. which is winding down its operations .

7 GOODWILL *(continued)*

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

	2009		2008	
	Trinidad & Tobago	Overseas	Trinidad & Tobago	Overseas
Automotive & Industrial Equipment	2,325	-	3,223	-
Energy & Industrial Gases	31,817	2,485	32,671	2,485
Food Retailing; Consumer Distribution & Logistics	13,714	49,883	15,146	51,953
Property/Construction Services	29,279	-	24,610	-
Financial Services	-	40,219	-	38,043
Head Office and Other	-	976	-	975
Group Total	77,135	93,563	75,650	93,456

The recoverable amount of CGUs is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period.

Key assumptions used for value-in-use calculations:

	Trinidad & Tobago	Overseas
Growth rate[1]	3 – 8%	5%
Discount rate[2]	10%	12%

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

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

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

8 OTHER INTANGIBLE ASSETS

Intangible assets acquired in 2008 resulted from the purchase of an additional 69.1% in Barbados Shipping & Trading Company Limited. Amounts shown under other intangibles represent brands and have been recognised at fair value at the acquisition date. These assets are expected to have an indefinite life and no impairment has been recorded during the periods presented.

	2009		2008 Restated (Note 35)	
	Brands	Total	Brands	Total
	$	$	$	$
Year ended 30 September 2009				
Acquisition of a subsidiary (Note 33)	35,070	35,070	35,070	35,070
Impairment charge	-	-	-	-
Closing net book amount	35,070	35,070	35,070	35,070
At 30 September 2009				
Cost	35,070	35,070	35,070	35,070
Accumulated impairment	-	-	-	-
Net book amount	35,070	35,070	35,070	35,070

9 INVESTMENTS IN ASSOCIATED COMPANIES

	2009	2008 Restated (Note 35)
	$	$
Investment and advances	442,030	413,850
Share of post acquisition reserves	70,693	101,184
	512,723	515,034
Balance at beginning of year	515,034	516,130
Acquisition of BS&T (Note 33)	-	308,701
Additional investments	20,266	25
Fair value adjustment	-	36,878
Share of results before tax	16,168	73,449
Share of tax	(7,547)	(3,855)
Dividends received	(32,617)	(20,403)
Loans and advances	6,637	61,317
Disposal of associates	-	(626)
BS&T transferred from an associate to a subsidiary	-	(454,284)
Exchange differences	2,101	(2,763)
Other	(7,319)	465
Balance at end of year	512,723	515,034

The share of results before tax includes $766 (2008: $766) representing the impairment charge for goodwill in respect of acquisition of associates. Investments in associates at 30 September 2009 include goodwill of $10,879 (2008: $12,410), net of accumulated impairment of $5,160 (2008: $4,394).

10 CREDIT QUALITY OF FINANCIAL ASSETS

Credit quality – investments ($'000)

Investments	Low risk $	Standard risk $	Sub-standard risk $	Impaired $
2009	**500**	**499,774**	**-**	**-**
2008	200,587	234,277	-	-

Credit quality – other financial assets

	Fully performing $	Past due but not impaired $	Impaired $	Provision for impairment $
2009				
Installment credit and other loans	**274,975**	**38,275**	**6,030**	**(7,627)**
Trade receivables	**515,650**	**345,013**	**72,044**	**(76,608)**
	790,625	**383,288**	**78,074**	**(84,235)**

	Fully performing $	Past due but not impaired $	Impaired $	Provision for impairment $
2008				
Installment credit and other loans	301,661	5,240	12,633	(19,110)
Trade receivables	634,435	270,134	28,526	(64,233)
	936,096	275,374	41,159	(83,343)

10 CREDIT QUALITY OF FINANCIAL ASSETS *(continued)*

Credit quality – other financial assets *(continued)*

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

Low Risk - These comprise of Sovereign Debt Investments where there has been no history of default.

Standard - These investments are current and have been serviced in accordance with the terms and conditions of the underlying agreements.

Sub-Standard - These investments are either greater than 90 days in arrears but are not considered to be impaired or have been restructured in the past year.

Impaired - These investments are non-performing.

11 LONG TERM INVESTMENTS

2009

	Available for sale financial assets	Financial assets at fair value through profit or loss	Held to maturity	Loans & receivables	Total
Beginning of the year	**36,243**	**97,790**	**250,221**	**50,610**	**434,864**
Exchange differences	**444**	**1,242**	**3,195**	**699**	**5,580**
Adjustments to opening balance	**2,346**	**(706)**	**(247)**	**(948)**	**445**
Change in market value	**(7,918)**	**(3,656)**	**-**	**-**	**(11,574)**
Additions	**-**	**18,759**	**62,666**	**1,666**	**83,091**
Proceeds from disposal	**(1,268)**	**(7,398)**	**-**	**(3,466)**	**(12,132)**
End of the year	**29,847**	**106,031**	**315,835**	**48,561**	**500,274**

11 LONG TERM INVESTMENTS *(continued)*

2008 Restated (Note 35)

	Available for sale financial assets	Financial assets at fair value through profit or loss	Held to maturity	Loans & receivables	Total
Beginning of the year	32,026	-	-	36,385	68,411
Exchange differences	(167)	-	-	(403)	(570)
Adjustments to opening balance	-	-	-	-	-
Change in market value	2,838	(5,769)	-	-	(2,931)
Acquisition of BS&T (Note 33)	23,536	108,001	238,972	9,111	379,620
Additions	447	2,529	12,141	6,911	22,028
Proceeds from disposal	(35)	(6,971)	(892)	(1,394)	(9,292)
Transfers to subsidiaries and associates	(22,402)	-	-	-	(22,402)
End of the year	36,243	97,790	250,221	50,610	434,864

	2009	2008
	$	$
Financial assets include the following:		
Bonds and treasury bill	359,043	294,409
Quoted securities	126,039	116,582
Unquoted securities	12,021	11,849
Other	3,171	12,024
	500,274	434,864

12 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 25% (2008: 25%).

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

Deferred income tax liabilities

	2009	2008 Restated (Note 35)
	$	$
Balance at beginning of year	135,774	103,002
Acquisition of subsidiaries (Note 33)	-	1,630
Fair value adjustment (Note 33)	-	(4,853)
Charge for the year	16,797	21,885
Exchange adjustment	(1,741)	664
Other movements	(3,055)	13,446
Balance at end of year	147,775	135,774

12 DEFERRED INCOME TAX *(continued)*

Deferred income tax liabilities *(continued)*

The movement in the deferred tax liabilities during the year ended 30 September, 2009 is as follows:

	30.09.08	Charged to Consolidated Income Statement (Note 29)	Other movements	30.09.09
	$	$	$	$
Accelerated tax depreciation	44,009	4,480	(1,686)	**46,803**
Pension plan surplus	49,108	2,664	(3,531)	**48,241**
Other	42,657	9,653	421	**52,731**
	135,774	16,797	(4,796)	**147,775**

The movement in the deferred tax liabilities during the year ended 30 September 2008 is as follows:

	30.09.07	Charged to Consolidated Income Statement (Note 29)	Other movements	30.09.08
	$	$	$	$
Accelerated tax depreciation	44,209	6,513	(6,713)	44,009
Pension plan surplus	29,645	5,372	14,091	49,108
Other	29,148	10,000	3,509	42,657
	103,002	21,885	10,887	135,774

12 DEFERRED INCOME TAX *(continued)*

Deferred income tax assets

The movement in the deferred tax assets during the year ended 30 September 2009 is as follows:

	2009	2008
	$	$
Balance at beginning of year	**60,286**	18,691
Acquisition of subsidiary (Note 33)	**-**	37,599
Credit for the year	**16,043**	3,996
Other movements	**(320)**	-
Balance at end of year	**76,009**	60,286

The movement in the deferred tax assets during the year ended 30 September 2009 is as follows:

	30.09.08	Credited to Consolidated Income Statement (Note 29)	Other movements	30.09.09
	$	$	$	$
Accelerated depreciation	10,522	19,598	18,054	**48,174**
Tax losses carried forward	49,764	(3,988)	(22,137)	**23,639**
Other	-	433	3,763	**4,196**
	60,286	16,043	(320)	**76,009**

12 DEFERRED INCOME TAX *(continued)*

Deferred income tax assets *(continued)*

Other movements/acquisition of subsidiary comprise:

	2009	2008
	$	$
Acquisition of subsidiary (Note 33)	-	37,836
Group loss relief	(6,369)	-
Foreign exchange differences	(120)	220
Other	6,169	(457)
	(320)	37,599

The movement in the deferred tax asset during the year ended 30 September 2008 is as follows:

	30.09.07	Credited/ (charged) to Consolidated Income Statement (Note 27)	Other movements	30.09.08
	$	$	$	$
Accelerated depreciation	10,034	(2,571)	3,059	10,522
Tax losses carried forward	8,657	6,567	34,540	49,764
	18,691	3,996	37,599	60,286

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

13 INSTALLMENT CREDIT AND OTHER LOANS

These represent the installment credit and other loans granted mainly by General Finance Corporation Limited.

	2009	2008
	$	$
Amounts due within one year	145,471	95,189
Between two and five years	171,121	214,179
Over five years	2,690	10,166
	319,282	319,534
Provision for losses	(7,627)	(19,110)
	311,655	300,424
Due within one year	(137,845)	(76,079)
	173,810	224,345

13.1 Sectorial analysis of installment credit and other loans

	2009	2008
	$	$
Consumer	118,500	113,133
Manufacturing	13,866	12,548
Distribution	34,748	42,732
Construction	48,264	50,426
Transport	29,247	40,109
Agriculture	1,814	1,541
Petroleum	672	804
Residential mortgages	530	531
Other	64,014	57,710
	311,655	319,534

13 INSTALLMENT CREDIT AND OTHER LOANS *(continued)*

13.2 Provision for losses

	2009	2008
	$	$
Balance at beginning of year	19,110	15,051
Provision for interest on impaired loans	(13,955)	-
Charge for the year	2,472	4,059
Balance at end of year	7,627	19,110

The maximum exposure to credit risk at the reporting date is the carrying value of the installment credit and other loans. The Group holds $336,076 (2008: $354,908) of collateral as security.

14 RETIREMENT BENEFIT ASSETS

	2009	2008
	$	$
Neal & Massy Group Pension Fund Plan	188,350	186,541
Overseas plans – BS&T	-	16,284
Overseas plans – Other	15,550	32,430
	203,900	235,255

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

14 RETIREMENT BENEFIT ASSETS *(continued)*

Neal & Massy Group Pension Fund Plan

The amounts recognised in the balance sheet are as follows:

	2009	2008
	$	$
Fair value of plan assets	1,121,556	1,106,472
Present value of obligation	(878,909)	(781,301)
	242,647	325,171
Unutilisable asset	(54,297)	(138,630)
Asset in the balance sheet	188,350	186,541

The amounts recognised in the consolidated income statement are as follows:

Current service cost	14,278	11,025
Interest cost	66,237	68,299
Expected return on plan assets	(92,664)	(93,445)
Total included in other income	(12,149)	(14,121)
Actual return on plan assets	47,690	110,387

Movement in the asset recognised in the balance sheet:

Asset at beginning of year	186,541	116,058
Net pension income	12,149	14,121
(Loss)/income recognised in retained earnings	(10,382)	56,311
Contributions paid	42	51
Asset at end of year	188,350	186,541

14 RETIREMENT BENEFIT ASSETS *(continued)*

Neal & Massy Group Pension Fund Plan

The principal actuarial assumptions used were:

	2009	2008
	Per annum	Per annum
Discount rate	8.0%	8.5%
Future salary increases	7%	7%
Expected return on plan assets	8.5%	9.25%
Pre and post retirement indexing of pensions	2.5%-5%	2.5 - 5%

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

The average life expectancy in years of a pensioner retiring at age 60 is as follows:

	2009	2008
Male	81	81
Female	85	85

	2009	2008	2007	2006
Plan asset	1,121,556	1,106,472	1,024,355	992,710
Defined benefit obligation	(878,908)	(781,301)	(812,160)	(784,151)
Surplus	242,648	325,171	212,195	208,559
Experience adjustments on plan liabilities	(13,317)	(18,576)	(14,133)	34,260
Experience adjustments on plan assets	(44,974)	16,942	(25,750)	(227,056)

14 RETIREMENT BENEFIT ASSETS *(continued)*

Overseas plans - other

	2009	2008
	$	$
The amounts recognised in the balance sheet are as follows:		
Fair value of plan assets	156,808	167,254
Present value of funded obligations	(90,046)	(100,204)
	66,762	67,050
Unutilisable asset	(51,212)	(34,620)
Asset in the balance sheet	15,550	32,430

The amounts recognised in the consolidated income statement are as follows:

Current service cost	2,400	2,654
Interest cost	8,790	8,854
Expected return on plan assets	(14,761)	(13,339)
Net actuarial losses	-	1,114
Past service benefit	78	80
Losses on curtailments/settlements	-	129
Total included in other income	(3,493)	(508)
Actual return on plan assets	1,117	14,538

Movement in the asset recognised in the consolidated balance sheet:

Asset at beginning of year	32,430	25,934
Increase in unutilisable asset	(16,514)	8,902
Income recognised in retained earnings	(680)	(3,068)
Net pension income	3,493	504
Contributions paid	1,788	1,630
Exchange adjustment	(4,967)	(1,472)
Asset at end of year	15,550	32,430

14 RETIREMENT BENEFIT ASSETS *(continued)*

Overseas plans - BS&T

	2009	2008
	$	$
The amounts recognised in the balance sheet are as follows:		
Fair value of plan assets	440,754	465,486
Present value of funded obligations	(509,750)	(449,202)
Asset in the balance sheet	(68,996)	16,284

The amounts recognised in the consolidated income statement are as follows:

Current service cost	10,108	5,137
Interest cost	38,039	19,341
Expected return on plan assets	(36,568)	(22,041)
Gains on curtailments/settlements	(2,827)	-
Total included in other income (Note 26)	8,752	2,437
Actual return on plan assets	36,568	22,041

Movement in the asset recognised in the consolidated balance sheet:

Asset at beginning of year	16,284	-
Business Combination	-	46,827
Income recognised in retained earnings	(85,071)	(34,357)
Net pension income	(8,752)	(2,438)
Contributions paid	9,290	5,600
Exchange adjustment	(747)	652
(Liability)/Asset at end of year	(68,996)	16,284

14 RETIREMENT BENEFIT ASSETS *(continued)*

Overseas plans - BS&T *(continued)*

The principal actuarial assumptions used were:

	2009	2008
	Per annum	Per annum
Discount rates	7-19%	7-13%
Future salary increases	4-16%	4-10%
Expected return on plan assets	7-17%	7-13%
Pre and post retirement indexing of pensions	0-6%	0-6%

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

The average life expectancy in years of a pensioner retiring at age 65 is as follows:

	2009	2008
Male	82	82
Female	86	86

15 INVENTORIES

	2009	2008 Restated (Note 35)
	$	$
Finished goods and goods for resale	805,722	975,793
Goods in transit	134,021	188,914
Raw materials and consumables	112,815	120,599
Work in progress	27,797	24,292
	1,080,355	1,309,598

The cost of inventories recognised as expense and included in "cost of sales" amounted to $5,478,265 (2008: $5,222,401).

16 TRADE AND OTHER RECEIVABLES

	2009	2008 Restated (Note 35)
	$	$
Trade receivables	932,707	933,095
Less: provision for impairment of receivables	(76,608)	(64,233)
Trade receivables - net	856,099	868,862
Other debtors and prepayments	697,705	817,737
	1,553,804	1,686,599

Given the short-term nature of the trade and other receivables, the fair value approximates the carrying amount of these assets.

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, regionally dispersed.

Aging Analysis – financial assets ($'000)

	Past Due But Not Impaired			
	31 – 60 days	61 – 90 days	>90 days	Total
2009				
Installment credit and other loans	4,271	2,674	16,045	22,990
Trade receivables	125,621	76,984	103,122	305,727
Total	129,892	79,658	119,167	328,717

	Past Due But Not Impaired			
	31 – 60 days	61 – 90 days	>90 days	Total
2008				
Installment credit and other loans	3,705	9,212	18,865	31,782
Trade receivables	137,539	75,832	123,197	336,568
Total	141,244	85,044	142,062	368,350

16 TRADE AND OTHER RECEIVABLES *(continued)*

Provision for impairment ($'000)

	Opening balance	Acquisition of subsidiary	Provision for impairment	Written off during the year	Unused provisions reversed	Closing balance
2009						
Installment credit and other loans	19,110	-	2,682	(5,286)	(8,879)	7,627
Trade receivables	64,233	-	25,563	(6,882)	(6,306)	76,608
Other debtors and prepayments	10,141	-	-	(779)	(8,508)	854
	93,484	-	28,245	(12,947)	(23,693)	85,089

	Opening balance	Acquisition of subsidiary	Provision for impairment	Written off during the year	Unused provisions reversed	Closing balance
2008						
Installment credit and other loans	15,051	1	4,058	-	-	19,110
Trade receivables	23,049	37,007	14,430	(5,836)	(4,417)	64,233
Other debtors and prepayments	23,920	(13,345)	764	(1,199)	1	10,141
	62,020	23,663	19,252	(7,035)	(4,416)	93,484

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

17 CASH AND CASH EQUIVALENTS

	2009	2008 Restated (Note 35)
	$	$
Cash at bank and in hand	516,478	315,355
Short-term bank deposits	441,455	356,736
	957,933	672,091

The effective interest rate on short-term bank deposits was 4% (2008: 7%); these deposits have an average maturity of 90 days.

Cash, cash equivalents and bank overdrafts include the following for the purposes of the cash flow statement:

	2009	2008 Restated (Note 35)
	$	$
Cash and cash equivalents	957,933	672,091
Bank overdrafts	(37,633)	(149,621)
Other short term borrowings	-	(159,838)
	920,300	362,632

18 SHARE CAPITAL

	Number Of Shares	Ordinary Shares	Total
	$	$	
At 1 October 2007	**88,874**	**178,809**	**178,809**
Employee share option scheme			
- value of services provided	-	2,561	2,561
Share option exercised	316	11,020	11,020
Acquisition of subsidiary (Note 33)	10,278	493,326	493,326
Cost of issuing new shares	-	(6,210)	(6,210)
	99,468	679,506	679,506
Shares held by subsidiary	(3,500)	(166,933)	(166,933)
At 30 September 2008	**95,968**	**512,573**	**512,573**
Employee share option scheme			
- value of services provided	-	2,543	2,543
Share option exercised	172	6,200	6,200
Acquisition of subsidiary (Note 33)	17	838	838
Cost of issuing new shares	-	-	-
At 30 September 2009	**96,157**	**522,154**	**522,154**

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

The number of issued shares at 30 September 2008 includes 3,500,000 treasury shares held by the Barbados Shipping & Trading Limited. These shares were acquired with the acquisition of Barbados Shipping & Trading Limited. The fair value of these shares as at 1 March 2008 has been deducted from shareholders equity.

18 SHARE CAPITAL *(continued)*

Share options

Effective 1 October 2004, the Parent company introduced an executive share option plan. Share options will be granted to individuals employed by the Parent company or its subsidiaries in a senior capacity including directors holding any executive office with the company or any of its subsidiaries. Options are granted at the average market price of the shares in the calendar month prior to the beginning of the applicable performance period and are exercisable at that price. Options are exercisable beginning three years from the date of grant and have a contractual option term of three years. When the options are exercised, the proceeds received net of any transaction costs are credited to share capital.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2009		2008	
	Average exercise price in $	Options	Average exercise price in $	Options
At 1 October		2,135		1,721
Granted	58.33	756	47.52	748
Forfeited		(27)		(18)
Exercised		(172)		(316)
At 30 September		2,692		2,135

Out of the 2,692 thousand outstanding options, 604 options were exercisable.

18 SHARE CAPITAL *(continued)*

Share options *(continued)*

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Expiry date – 1 October	Exercise price $	Options 2009	Options 2008
2010	34.90	121	193
2011	49.39	483	483
2012	37.03	585	711
2013	47.52	748	748
2014	58.33	755	-
		2,692	2,135

The fair value of options granted during the period determined using the Binomial valuation model was $0.58 (2008: $5.85). The significant inputs into the model were share price of $49.00 (2008: $48.00) at the grant date, exercise price shown above, standard deviation of expected share price returns of 6% (2008: 6%), option life disclosed above, and annual risk-free interest rate of 5.5% (2008: 6.5%).

19 DIVIDENDS PER SHARE

	2009	2008
	$	$
Interim paid – 40 cents per share (2008: 40 cents)	39,863	39,777
Final paid – 100 cents per share (2008: 90 cents)	99,524	80,132
	139,387	119,909

On 15 December 2009, the Board of Directors of Neal & Massy Holdings Limited declared a final dividend per share of $1.00, bringing the total dividends per shares for the financial year ended 30 September 2009 to $1.40.

20 MINORITY INTERESTS

	2009	2008 Restated (Note 35)
	$	$
Balance at beginning of year	476,496	67,088
Acquisition of BS&T (Note 33)	-	406,312
Disposals	(10,000)	-
Share of net profit of subsidiaries	48,169	29,695
Dividends paid/proposed	(26,191)	(26,599)
Other movements	(10,401)	-
Balance at end of year	478,073	476,496

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21 BORROWINGS

	2009	2008
	$	$
Fixed interest mortgage loans	480,006	473,501
Other secured advances	476,463	298,105
Unsecured advances	1,181,255	1,353,365
Bank overdrafts and other short term borrowings	37,633	309,459
Total borrowings	2,175,357	2,434,430
Less short term borrowings	(628,223)	(691,722)
Medium and long term borrowings	1,547,134	1,742,708
Short-term borrowings comprise:		
Bank overdrafts and other short term borrowings	37,633	309,459
Current loan installments	590,590	382,263
	628,223	691,722

Total borrowings include secured liabilities (bank and collateralised borrowings) of $816,654 (2008: $634,309). Bank borrowings are secured by the land and buildings of the Group (Note 6).

21 BORROWINGS *(continued)*

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

	2009	2008
	$	$
6 months or less	37,633	309,459
6-12 months	590,590	382,263
1-5 years	1,184,349	786,349
Over 5 years	362,785	956,359
	2,175,357	2,434,430

The maturity of borrowings is as follows:		
Payable within one year	590,590	382,264
Payable between two and five years	1,184,349	786,349
Payable between six and ten years	354,557	336,825
Payable over ten years	8,228	619,536
	2,137,724	2,124,974

Interest charges on secured and unsecured loans vary from 5% to 12.5% (2008: 5% to 12%) per annum.

21 BORROWINGS *(continued)*

The effective interest rates in 2009 were as follows:

	2009			2008		
	US$ %	TT$ %	Other %	US$ %	TT$ %	Other %
Fixed interest mortgage loans	-	8-10	-	-	8-10	-
Other mortgage loans	6-10	6-10	-	-	8-11	-
Other secured advances	6-9	6-15	5.5	7-9	6-12	5.5
Unsecured advances	5-8	6-9	4-5.5	5-8	8.75	-
Bank overdrafts and other short term borrowings	8.7-10.5	9-12	12.20	8.7-10.5	9-12	12.20

The carrying amounts of short-term borrowings and current borrowings approximate their fair value. The fair value of medium and long term borrowings amount to $1,602,049 in 2009.

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

	2009	2008
	$	$
US dollars	958,108	990,087
Barbados dollars	761,548	791,271
Trinidad & Tobago dollars	418,068	343,616
	2,137,724	2,124,974

The Group has undrawn borrowing facilities amounting to $378,844 (2008: $385,815).

22 CUSTOMERS' DEPOSITS

These represent the deposits for fixed terms accepted mainly by General Finance Corporation Limited.

	2009	2008
	$	$
Payable within one year	342,813	349,119
Payable between one and five years	296	888
	343,109	350,007
Sectorial analysis of deposit balances		
Private sector	35,758	72,817
Consumers	307,351	277,190
	343,109	350,007

23 PROVISIONS FOR OTHER LIABILITIES AND CHARGES

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

24 TRADE AND OTHER PAYABLES

	2009	2008
	$	$
Trade creditors	677,272	911,722
Other creditors and accruals	744,586	543,381
	1,421,858	1,455,103

25 LIABILITIES ON INSURANCE CONTRACTS

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

	2009	2008
	$	$
Outstanding claims	352,698	382,436
Unearned premiums	264,796	257,984
Balance sheet	617,494	640,420

25 LIABILITIES ON INSURANCE CONTRACTS *(continued)*

Movement in outstanding claims reserve may be analysed as follows:

	Insurance liabilities	Reinsurers' share	Insurance liabilities	Reinsurers' share
	2009	2009	2008	2008
	$	$	$	$
Beginning of the year	382,436	143,638	-	-
Acquisition of subsidiary	-	-	356,379	107,900
Exchange adjustment	5,227	1,836	-	-
Claims incurred	178,604	(11,276)	282,618	121,447
Claims paid	(213,569)	(43,585)	(229,940)	(85,709)
Fair value adjustment	-	-	(26,621)	-
	352,698	90,613	382,436	143,638

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

	Insurance liabilities	Reinsurers' share	Insurance liabilities	Reinsurers' share
	2009	2009	2008	2008
	$	$	$	$
Beginning of the year	257,984	152,944	-	-
Acquisition of subsidiary	-	-	211,572	126,236
Exchange adjustment	3,298	1,955	-	-
Premiums written in the year	638,641	333,224	629,690	337,101
Premiums earned in the year	(635,127)	(333,208)	(591,522)	(310,393)
Fair value adjustment	-	-	8,244	-
	264,796	154,915	257,984	152,944

25 LIABILITIES ON INSURANCE CONTRACTS *(continued)*

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

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

26 OPERATING PROFIT BEFORE FINANCE COSTS

	2009	2008
	$	$
Revenue	8,425,999	7,703,720
Cost of sales	(6,047,652)	(5,665,849)
Gross profit	2,378,347	2,037,871
Selling, general and administrative expenses	(1,747,073)	(1,490,132)
Other income	119,197	155,762
	750,471	703,501

Selling, general and administration expenses include the following:

Administration staff costs	692,402	591,677
Depreciation	130,185	91,143
Impairment of goodwill	3,699	16,802
Directors' fees	1,518	1,426
Operating lease rentals	38,979	26,841

27 STAFF COSTS

	2009	2008
	$	$
Wages and salaries and termination benefits	909,626	743,153
Share options granted to directors and employees	2,543	2,561
Employment retirement benefit	15,081	9,011
	927,250	754,725

Average number of persons employed by the Group during the year:

Full time	7,734	8,363
Part time	2,190	2,553
	9,924	10,916

28 FINANCE COSTS - NET

	2009	2008
	$	$
Interest expense	215,004	160,828
Interest income	(107,332)	(89,400)
Finance costs – net	107,672	71,428

29 INCOME TAX EXPENSE

	2009	2008
	$	$
Trinidad and Tobago subsidiaries	121,033	130,029
Overseas subsidiaries	46,051	49,220
Associated companies	7,548	3,855
Deferred taxation (Note 12)	754	17,889
	175,386	200,993

The Group's effective tax rate of 27% (2008: 28%) differs from the statutory Trinidad and Tobago tax rate of 25% as follows:

Profit before taxation	658,967	705,522
Tax calculated at a tax rate of 25%	164,742	176,380
Effect of different tax rates in other countries	10,859	18,840
Income not subject to tax	(36,724)	(36,839)
Expenses not deductible for tax purposes	37,116	26,996
Business levy/green fund levy/withholding taxes	5,551	11,075
Other adjustments	(8,104)	5,805
Adjustments to prior year tax provisions	1,946	(1,264)
Tax charge	175,386	200,993

30 EARNINGS PER SHARE

Basic

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

	2009	2008
	$	$
Profit attributable to shareholders	435,412	474,834
Weighted average number of ordinary shares in issue	96,069	93,019
Basic earnings per share	4.53	5.10
Weighted average number of ordinary shares for diluted earnings per share	96,109	93,091
Diluted earnings per share ($ per share)	4.53	5.10

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2009	2008
	$	$
Profit attributable to equity holders of the Company	435,412	474,834
Weighted average number of ordinary shares in issue (thousands)	96,069	93,019
Adjustments for: share options (thousands)	36	72
Weighted average number of ordinary shares for diluted earnings per share (thousands)	96,105	93,091
Diluted earnings per share ($ per share)	4.53	5.10

31 CONTINGENCIES

At 30 September 2009 the Group had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise. In the ordinary course of business the Group has given guarantees amounting to $298,589 (2008: $272,506) to third parties of which $126,000 (2008: $134,500) amount relates to Cool Petroleum Limited.

Group companies are defendants in various legal actions. In the opinion of the directors, after taking appropriate legal advice, the outcome of such actions will not give rise to any significant loss.

32 COMMITMENTS

Capital commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	2009	2008
	$	$
Property, plant and equipment	13,063	27,655

Operating lease commitments - where a Group Company is the lessee

The Group leases various retail outlets, offices and warehouses under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The Group also leases various plant and machinery under cancellable operating lease agreements. The Group is required to give a six-month notice for the termination of these agreements.

32 COMMITMENTS *(continued)*

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2009	2008
	$	$
No later than 1 year	23,224	50,646
Later than 1 year and no later than 5 years	76,335	70,385
Later than 5 years	80,052	69,901
	179,611	190,932
Operating lease commitments - where a Group company is the lessor are as follows:		
Less than one year	86,991	46,727
One year to five years	73,721	38,339
	160,712	85,066

33 BUSINESS COMBINATIONS

The Group made two acquisitions in 2008, details of which are disclosed separately. The net assets and results of the acquired businesses are included in the consolidated accounts of the Group from the date of the acquisitions. Acquisition accounting has been applied and the goodwill arising, where applicable, has been capitalised and is subject to annual impairment testing.

i Barbados Shipping and Trading Company Limited ("BS&T")

As at 18 February 2008, the Group acquired a further 69.1% in BS&T, a diversified public corporation listed on the Barbados and Trinidad & Tobago stock exchanges. BS&T's main activities involve food retailing, insurance and property. Many of its principal businesses are market leaders in their respective sectors. Goodwill arising from this acquisition is attributable mainly to synergies which would be derived from the combination of Neal & Massy's and BS&T's operations. For 2008 Barbados Shipping & Trading Company Limited contributed $1.5 billion in revenue and $70.6 million in profit before tax from the date of acquisition.

33 BUSINESS COMBINATIONS *(continued)*

i Barbados Shipping and Trading Company Limited ("BS&T") *(continued)*

The fair value of BS&T was finalised in February 2009. The main adjustment to the provisional fair value of the identifiable assets and liabilities reported in 2008 was the valuation of the Properties.

The fair value of the identifiable assets and liabilities of BS&T as at the date of the acquisition is as follows:

	Book value	Fair value adjustments	Provisional fair value	Adjustments to provisional fair values	Adjusted fair value
Property, plant and equipment	1,503,473	191,133	1,694,606	26,643	1,721,249
Goodwill	34,703	(3,322)	31,381	-	31,381
Other intangibles	-	36,550	36,550	(1,480)	35,070
Investment in associates	405,505	9,237	414,742	27,641	442,383
Other assets and investments	692,428	(60,734)	631,694	(21,800)	609,894
Inventories	321,949	(7,002)	314,947	(2,385)	312,562
Trade and other receivables	788,666	(28,473)	760,193	23,445	783,638
Cash & cash equivalents	629,561	37	629,598	-	629,598
Borrowings	(932,819)	-	(932,819)	-	(932,819)
Unearned premiums & outstanding claims	(492,227)	-	(492,227)	18,377	(473,850)
Other long term liabilities and charges	(418,756)	(13,608)	(432,364)	(14,403)	(446,767)
Trade and other payables	(768,965)	(23,432)	(792,397)	(10,836)	(803,233)
Net assets	**1,763,518**	**100,386**	**1,863,904**	**45,202**	**1,909,106**

Fair value of net assets acquired (69.1%)	1,319,440
Purchase price	1,361,087
Goodwill arising on acquisition (Note 7)	41,647
Purchase price allocation	
Cash	809,183
Shares issued under the take over bid (Note 18)	494,164
Costs associated with the acquisition	57,740
Total purchase price	1,361,087

33 BUSINESS COMBINATIONS *(continued)*

ii Pereira & Company Limited

On 17 October 2007, the Group acquired a 100% shareholding in Pereira & Company Limited through the purchase of the Company's assets including its subsidiary, Pereira Finance Corporation. Pereira & Company Limited is a major supplier in Trinidad and Tobago of office equipment and furnishings.

The fair value of the identifiable assets and liabilities of Pereira & Company Limited as at the date of the acquisition is as follows:

	Book value	Fair value adjustments	Fair value
Property, plant and other net current assets	22,002	26,062	48,064
Consideration – cash			23,448
Negative goodwill arising on consolidation			(24,616)

34 RELATED PARTY TRANSACTIONS

The ultimate parent of the Group is Neal & Massy Holdings Limited (incorporated in Trinidad and Tobago).

The following transactions were carried out with related parties:

	2009	2008
	$	$
i Sales of goods and services:		
Sales of goods:		
- Associates	32,502	11,457

Goods are sold on the basis of the price lists in force with non-related parties.

34 RELATED PARTY TRANSACTIONS *(continued)*

	2009	2008
	$	$
ii Purchases of goods and services:		
Purchases of goods:		
- Associates	16,479	1,284
Goods are bought on the basis of the price lists in force with non-related parties.		
iii Key management compensation:		
Salaries and other short-term employee benefits	56,406	50,416
Post-employment benefits	-	3,906
Share-based payments	2,543	2,561
	58,949	56,883
iv Year-end balances arising from sales/ purchases of goods/services:		
Receivables from related parties:		
- Associates	4,652	7,295
Payables to related parties:		
- Associates	2,052	4,771
Goods purchased from entities controlled by non-executive directors	5,907	53,537

34 RELATED PARTY TRANSACTIONS *(continued)*

	2009	2008
	$	$
v Loans to associates:		
Beginning of year	54,700	13,870
Acquisition of subsidiary	-	39,288
Loans advanced during year	3,547	4,635
Loans repayments	(5,410)	(4,073)
Interest charged	1,076	1,001
Interest received	(1,171)	-
Other movements	-	(21)
End of the year	52,742	54,700
vi Loans from associates:		
Beginning of year	6,276	25,227
Loans repayments	(3,090)	(18,713)
Interest charged	219	-
Interest received	(98)	-
Other movements	-	(238)
End of the year	3,307	6,276
vii Total loans to other related parties:		
Beginning of year	14,771	15,729
Loans advanced during year	-	-
Loan repayments received	(1,194)	(1,410)
Interest charged	1,328	1,382
Interest received	(761)	(930)
Other movements	-	-
End of the year	14,144	14,771

The loans to associates are due on demand and carry interest rates between 4.2 % – 12.5%. No provision has been required in 2008 and 2007 for the loans made to associates.

34 RELATED PARTY TRANSACTIONS *(continued)*

viii Goods are purchased from entities controlled by non-executive directors of the Company on normal commercial terms and conditions. The purchases during the current year amounted to $5,907 (2008: $53,537).

ix Commitments and contingencies

The related party guarantee in relation to Cool Petroleum Limited is described in Note 31.

35 PRIOR PERIOD ADJUSTMENT AND RECLASSIFICATION

The balance sheet for 2008 reflects the following reclassifications in assets and liabilities. Treasury shares held by a subsidiary of $4,695 were reclassified from long term investments to share capital. Short term deposits of $103,559 were reclassified from long term investments to cash and cash equivalents. The retirement medical obligation of $50,678 was reclassified from other payables to other long term liabilities. A loan receivable of $46,438 was reclassified to the investments in associated companies.

The segment note for 2008 reflects reclassifications for finance costs – net and share of results of associates among the segments (Note 5).

The prior period adjustment represents the fair value adjustments to the provisional goodwill arising from the acquisition of the Barbados Shipping and Trading Company Limited which was finalised in February 2009 (Note 33).

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