NATIONAL FLOUR MILLS LIMITED

Consolidated Financial Statements

December 31, 2022

(Presented in Thousands of Trinidad and Tobago Dollars)

NATIONAL FLOUR MILLS LIMITED
Consolidated Financial Statements
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NATIONAL FLOUR MILLS LIMITED
Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of NATIONAL FLOUR MILLS LIMITED, (the Group) which comprise the consolidated statement of financial position as at December 31, 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of the Group's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

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

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

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

Director	Director
23 March , 2023	23 March , 2023

Independent auditor's report

To the Shareholders of NATIONAL FLOUR MILLS LIMITED

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of NATIONAL FLOUR MILLS LIMITED (the Company) and its subsidiary (together 'the Group') as at December 31, 2022, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at December 31, 2022;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

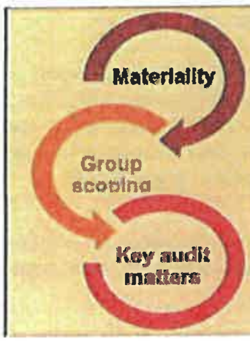
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Our audit approach

Overview

	• **Overall group materiality: $5.3 million, which represents 1% of total group revenue.**
	• **The Group audit included the full scope audit of the Company and the audit of certain account balances of the Employee Share Ownership Plan. There are no other subsidiaries.**
	• **Impairment assessment of the Group**

*All dollar values stated in this opinion are in Trinidad and Tobago dollars.

Audit scope

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

How we tailored our group audit scope

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

The Company has no interests in other entities, other than the Employee Share Ownership Plan, where audit procedures were performed on certain account balances included in the consolidated financial statements.

Materiality

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

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

Materiality

Overall Group materiality	$5.3 million
How we determined it	1% of total group revenue
Rationale for the materiality benchmark applied	We chose revenue as the benchmark because, in our view, it is the most stable benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 1% which is within a range of acceptable benchmark thresholds.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $266,404, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of the Group *Refer to notes 2(c), 2(p), 3(b) and 34 to the consolidated financial statements for disclosures of related accounting policies and balances* The carrying amount of the net assets of the Group as at December 31, 2022 was $261m. The market capitalisation of the Group was $180m at the reporting date. Under IAS 36: 'Impairment of non-financial assets', this is an indicator of potential impairment. Accordingly, management prepared an impairment assessment for the entity. No impairment loss is recognised if the recoverable amount exceeds the carrying value of the net assets. In performing the impairment assessment, management determined the recoverable amount using discounted cash flows to estimate the value-in-use, being the present value of future expected cash flows. This involves subjective judgements in relation to forecasting future cash flows and is sensitive to growth rates and discount rates applied to the future cash flows with the key assumptions being: • Average annual revenue growth rate; • Terminal growth rate; • Pre-tax discount rate; • EBITDA as a % of sales; and • Gross profit margin.	We considered the method used by management to perform the impairment assessment for the entity and assessed whether it is appropriate based on the requirements of IAS 36. With the assistance of our internal valuation specialists, the following procedures, amongst others, were performed: • obtained management's discounted cash flow (DCF) model including qualitative and quantitative analyses and obtained an understanding of the process used by management to determine the recoverable amount of the business; • agreed and tested the mathematical accuracy, including verifying spreadsheet formulae, of the DCF model; • agreed the December 31, 2022 base year financial information to the current year results; • assessed management's key assumptions as follows:

During the year, management continued to develop a number of planned strategies and initiatives, aimed at increasing revenue and achieving operational efficiencies which are reflected in the key assumptions. We focused our attention in particular on management's forecasts for revenue growth over the next 5 years, as well as its plans for operational efficiencies, in light of the inherent subjectivity in forecasting the impact of the implementation of the planned strategies and initiatives on future financial performance. As the recoverable amount derived from the value-in-use calculation was higher than the total carrying amount of the assets, management ultimately determined no impairment provision was required.	**Average annual revenue growth rate** – Assessed management's historic ability to accurately budget and meet budget expectations by comparing past results with historical budgeted projections. Evaluated management's assumptions for the next 5 years, whilst considering any contrary evidence, including assessing management's planned strategies and the reasonableness of management's forecasted revenue. Assessed the economic outlook for Trinidad and Tobago, as well as the projected growth, to determine whether management's growth rates were reasonable in the circumstances existing at the statement of financial position date. **Terminal growth rate** – Assessed the reasonableness of management's terminal growth rate which included evaluating the maturity of the business, past results and management's future plans. **Pre-tax discount rate** – Assessed certain key inputs within the pre-tax discount rate calculation, including the cost of equity and the cost of debt. Developed a point estimate using available market inputs to determine the reasonableness of management's estimate. **EBITDA as a % of sales & Gross profit margin** – Assessed management's plans for achieving operational efficiencies in conjunction with our assessment of revenue growth rates outlined above. Reviewed the global outlook on commodity prices supporting the future price per unit assumptions over raw materials to determine whether they were reasonable in the circumstances existing at the reporting date. Performed further sensitivity analysis by considering the impact of changes in management's average annual revenue growth rate, terminal growth rate, pre-tax discount rate, EBITDA as a % of sales, and gross profit margin. Based on the procedures performed above, management's determination that no impairment provision was required was not unreasonable.

Other information

Management is responsible for the other information. The other information comprises the 2022 Annual Report (but does not include the consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

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

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

When we read the 2022 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement leader on the audit resulting in this independent auditor's report is Damian Mustapha.

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
28 March 2023

NATIONAL FLOUR MILLS LIMITED

Consolidated Statement of Financial Position

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

	Notes	As at December 31 2022 $	2021 $
Assets			
Non-current Assets			
Property, plant and equipment	5	156,559	159,036
Intangible assets	6	1,652	3,219
Right-of-use assets	7	5,258	6,264
VAT bonds	8	-	5,460
Investments at fair value through OCI	9	724	697
Retirement benefit asset	10	13,398	43,118
Deferred taxation assets	28	11,914	9,704
		189,505	227,498
Current Assets			
Accounts receivable and prepayments	12	83,052	79,568
Amount due from the Government of the Republic of Trinidad and Tobago (GORTT)	13	20,081	19,726
Inventories	14	173,553	100,537
VAT bonds	8	5,460	-
Taxation recoverable		4,266	8,880
Restricted deposit	15	1,584	1,584
Cash and cash equivalents	16	48,523	50,581
		336,519	260,876
Total Assets		526,024	488,374
Liabilities and equity			
Non-current Liabilities			
Deferred tax liabilities	28	38,470	48,378
Medical and life assurance plan	11	35,754	30,837
Lease liabilities	18	4,803	5,850
		79,027	85,065
Current Liabilities			
Amount due to the Government of the Republic of Trinidad and Tobago (GORTT)	13	19,211	18,928
Borrowings	17	75,757	-
Lease liabilities	18	2,414	2,425
Accounts payable and accruals	19	88,692	103,485
Due to related parties		134	-
		186,208	124,838
Total liabilities		265,235	209,903
Shareholders' equity			
Stated capital	20	120,200	120,200
Treasury shares	21	(3,319)	(3,003)
Retained earnings		145,776	163,142
Other reserves		(1,868)	(1,868)
Total equity		260,789	278,471
Total liabilities and equity		526,024	488,374

The notes on pages 13 to 59 are an integral part of these consolidated financial statements.

On 23 March , 2023, the Board of Directors of NATIONAL FLOUR MILLS LIMITED authorised these consolidated financial statements for issue.

Director   Director

NATIONAL FLOUR MILLS LIMITED

Consolidated Statement of Comprehensive Income

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

	Notes	Year Ended December 31 2022 $	2021 $
Revenue	23	532,808	441,652
Cost of sales	24	(439,869)	(362,854)
Gross profit	32	92,939	78,798
Selling and distribution expenses	24	(39,896)	(37,514)
Administration expenses	24	(47,153)	(43,230)
Other operating income	25	6,569	6,579
Operating profit		12,459	4,633
Finance cost	26	(3,379)	(2,119)
Profit before income tax		9,080	2,514
Income tax expense	28	(2,171)	(1,137)
Profit for the year		6,909	1,377
Other comprehensive (loss) / gain:			
Items that would not be reclassified to profit or loss			
Re-measurement of retirement benefit asset	10	(33,026)	22,753
Re-measurement of medical and life assurance plan	11	(3,819)	(6,260)
Changes to deferred taxes related to remeasurements	28	11,054	(4,947)
(Loss) / gain on investment at fair value through OCI	9	(448)	25
Gain on revaluation of treasury shares	21	52	-
Reversal of gain on revaluation of treasury shares		-	(1,805)
		(26,187)	9,766
Total comprehensive (loss) / income for the year		(19,278)	11,143
Earnings per share	30		
Basic earnings per share (in cents)		5.86	1.17
Diluted earnings per share (in cents)		5.79	1.15

The notes on pages 13 to 59 are an integral part of these consolidated financial statements.

NATIONAL FLOUR MILLS LIMITED

Consolidated Statement of Changes in Equity

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

	Notes	Stated Capital $	Treasury Shares $	Other Reserves $	Retained Earnings $	Total $
Year ended December 31, 2021						
Balance at January 1, 2021		120,200	(4,815)	(88)	153,451	268,748
Profit for the year		-	-	-	1,377	1,377
Reversal of gain on revaluation of treasury shares		-	1,805	(1,805)	-	-
Gain on investment at fair value through OCI		-	-	25	-	25
Re-measurement of retirement benefit asset and medical and life asssurance plan, net of tax		-	-	-	11,546	11,546
Other movements		-	-	-	374	374
Transactions with owners of the Group:						
Dividends declared	31	-	-	-	(3,606)	(3,606)
Transfer of treasury shares	21	-	7	-	-	7
Balance at December 31, 2021		**120,200**	**(3,003)**	**(1,868)**	**163,142**	**278,471**
Year ended December 31, 2022						
Opening balance at January 1, 2022		120,200	(3,003)	(1,868)	163,142	278,471
Profit for the year		-	-	-	6,909	6,909
Loss on investment at fair value through OCI		-	(448)	-	-	(448)
Re-measurement of retirement benefit asset and medical and life assurance plan, net of tax		-	-	-	(25,791)	(25,791)
Other movements		-	80	-	1,516	1,596
Transactions with owners of the Group:						
Transfer of treasury shares	21	-	52	-	-	52
Balance at December 31, 2022		**120,200**	**(3,319)**	**(1,868)**	**145,776**	**260,789**

The notes on pages 13 to 59 are an integral part of these consolidated financial statements.

NATIONAL FLOUR MILLS LIMITED

Consolidated Statement of Cash Flows

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

	Notes	Year Ended December 31 2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		9,080	2,514
Adjustments for:			
Depreciation	5	15,755	14,582
Write off - Asset Under Construction	5, 6	2,172	-
Amortization	6, 7	2,819	2,681
Interest and finance costs	26	3,176	1,686
Lease interest expense	26	339	407
Interest income	25	(19)	(34)
Dividend income	25	(84)	(24)
Gain or loss on foreign exchange	27	(136)	26
Gain on treasury shares		(316)	-
Gain on revaluation of treasury shares		52	-
Retirement benefit expense	10	3,014	5,205
Medical plan expense	11	2,621	2,168
Retirement benefit asset contributions paid	10	(6,320)	(6,391)
Medical and life assurance plan contributions paid	11	(1,523)	(1,134)
Provision for doubtful accounts		(195)	(746)
Loss on Retirement pension and medical benefit		2,208	-
Gain on investment at fair value through OCI		(448)	-
		32,195	20,940
Changes in working capital:			
Increase in inventories		(73,016)	(49,789)
Increase in accounts receivable and prepayments		(3,679)	(18,007)
Increase in amounts due to/from GORTT		(72)	(365)
Increase in current amounts due to related parties		134	-
Decrease in investment		25	-
Taxes refunded		4,614	-
(Decrease) / Increase in accounts payable and accruals		(14,793)	73,601
Cash (used in)/provided by operations		(54,592)	26,380
Interest paid		(2,863)	(1,943)
Taxes paid		(3,236)	(8,216)
Net cash (used in) / generated from operating activities		(60,691)	16,221

The notes on pages 13 to 59 are an integral part of these consolidated financial statements.

NATIONAL FLOUR MILLS LIMITED
Consolidated Statement of Cash Flows *(Continued)*
(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

	Notes	Year Ended December 31 2022 $	2021 $
Net cash (used in) / generated from operating activities		(60,691)	16,221
CASH FLOWS FROM INVESTING ACTIVITIES			
Disposal of assets	5	-	96
Sale of investments		52	6
Acquisition of property, plant and equipment	5	(15,549)	(8,649)
Interest received on investments		19	34
Dividend income		84	24
Purchase of intangible assets	6	(151)	(930)
Net cash used in investing activities		(15,545)	(9,419)
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings drawn		122,874	-
Borrowings repaid		(47,299)	(44,932)
Dividends paid		-	(3,606)
Lease interest paid		-	(407)
Principal repayments on finance lease	18	(1,397)	(71)
Net cash generated from / (used in) financing activities		74,178	(49,016)
Net decrease in cash and cash equivalents		(2,058)	(42,214)
CASH AND CASH EQUIVALENTS AT START OF YEAR		50,581	92,795
CASH AND CASH EQUIVALENTS AT END OF YEAR		48,523	50,581
Cash and cash equivalents represented by			
Cash and cash equivalents	16	48,523	50,581

The notes on pages 13 to 59 are an integral part of these consolidated financial statements.

1. Incorporation and principal activities

NATIONAL FLOUR MILLS LIMITED ("the Company" or 'NFM") is incorporated in the Republic of Trinidad and Tobago, and was continued under the provisions of the Companies Act, 1995 on 14 April 1998.

The Company's principal activities are the production and distribution of food products and animal and poultry feeds. The subsidiary is an Employee Share Ownership Plan (ESOP) to give effect to a contractual obligation to pay profit sharing bonuses to employees via shares of the Group. The Group's major shareholder is National Enterprise Limited owning 51% of the issued share capital, which is majority owned by the Government of the Republic of Trinidad and Tobago (GORTT). NFM's ultimate parent is therefore the GORTT. The Group's registered office is 27-29 Wrightson Road, Port of Spain.

2. Significant Accounting Policies

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

(a) Basis of Preparation

(i) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and Interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The consolidated financial statements have been prepared on a historical cost basis, except for investments at fair value through other comprehensive income and defined benefit plans where plan assets are measured at fair value.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenditure during the reporting period. Actual results may differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

(ii) Principles of consolidation

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

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2. Significant Accounting Policies (continued)

(b) *Changes in accounting policies and disclosures*

(i) New and amended standards adopted by the Group

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January, 2022.

i. Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16).

ii. Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37).

iii. Annual Improvements to IFRS Standards 2018 – 2020, and

iv. Reference to the Conceptual Framework - Amendments to IFRS 3.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(ii) New standards and interpretations not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

i. Classification of Liabilities as Current or Non-current – Amendments to IAS 1 (effective for accounting periods beginning on or after 1 January 2023)

ii. Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (effective 1 January 2023)

iii. Definition of Accounting Estimates – Amendments to IAS 8 (effective 1 January 2023)

iv. Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 (effective 1 January 2023)

2. Significant Accounting Policies (continued)

(c) Going concern

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Management in its assessment of going concern has considered the adverse impact of the war in Ukraine and sanctions on Russia, both countries being major producers and suppliers of grain to the global market (refer to note 37).

Management expects that with its plans to grow revenue by increasing sales volume, adjusting selling prices of its products to match operating costs in combination with cost reduction initiatives that it will continue generating sufficient cashflows from revenue to weather this event.

The Group is considered by management to be in a strong position to achieve its targets. The Group is a long established, dominant market player, fundamental to the food supply in the nation, having a recent history of profitability. There are no plans to cease operations nor is the Group being forced to do so.

2. Significant Accounting Policies (continued)

(d) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Foreign currency transactions and balances

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling at the reporting date. All revenue and expenditure transactions denominated in foreign currencies are translated at the exchange rates ruling at the date of the transactions. The resulting profits and losses on exchange from these activities are recorded in the profit or loss within finance costs, expenses or other income. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at year-end exchange rates, are recognised in the statement of comprehensive income.

(e) Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses. Cost comprises purchase price and directly attributable costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. Plant and machinery assets in the course of construction are not depreciated. For all other property, plant and equipment, depreciation is calculated on a straight-line basis to allocate cost less residual values of the assets over their estimated useful lives as follows.

Buildings	2.5 - 40 years
Plant and machinery including capital spares	5 - 25 years
Office furniture and equipment	4 - 10 years
Motor vehicles - shorter of the lease term and useful life	4 - 5 years

Residual values and useful lives are reviewed, and adjusted as appropriate, at each financial year-end. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in profit or loss for the year.

2. Significant Accounting Policies (continued)

(f) *Intangible assets*

Software

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

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

Directly attributable costs that are capitalised as part of the software include consultancy fees from the software provider and project management fees for the development and implementation and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised using the straight-line basis over their estimated useful lives as follows, from the point at which the asset is ready for use.

Software	4 years

(g) *Leases*

Lessee accounting

(i) The Group's leasing activities and how these are accounted for:

The Group leases various parcels of land on which its offices and plant operations are located and warehouses and motor vehicles, typically made for fixed periods of 6 months to 99 years but may have extension options as described in (ii) below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

2. Significant Accounting Policies (continued)

(g) *Leases (continued)*

(i) The Group's leasing activities and how these are accounted for (continued):

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

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

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The weighted average incremental borrowing cost applied to the lease liabilities was 6% for leases with a remaining term of 5 and 6 years and 7.4% on leases with a remaining term of 40 years.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group which have recent third party financing, and
- makes adjustments specific to the lease e.g. term, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

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

2. Significant Accounting Policies (continued)

(g) *Leases (continued)*

(i) The Group's leasing activities and how these are accounted for (continued):

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

Payments associated with all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Low-value assets comprise IT equipment and small items of office furniture. Short term leases are less than 12 months.

(ii) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximize operational flexibility in terms of managing the assets in the Group's operations. The extension option relating to the Port lease is exercisable by the Group.

Lessor accounting

Lease income from operating leases where the Group is a lessor is recognised in the Statement of Financial Position on a straight-line basis over the lease term. The respective leased assets are included in the Statement of Financial Position based on their nature.

2. Significant Accounting Policies (continued)

(h) Investments

All financial assets are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

(i) Financial Instruments

(i) Classification

The Group classifies its financial assets in the following categories:

1) those to be measured at amortised cost, and

2) those to be measured at fair value through other comprehensive income (OCI)

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in OCI. This is because the investments in the equity instruments held are not held for trading.

The Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group classifies its debt investments at amortized cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and de-recognition

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

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

2. Significant Accounting Policies (continued)

(j) Financial instruments (continued)

(iii) Measurement (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments at amortised cost.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains / (losses) together with foreign exchange gains and losses.

Equity investments

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

(iv) Impairment

For all financial assets (investments and receivables), the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 4 (a) (i) for further details.

(k) Offsetting financial assets and financial liabilities

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

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition using weighted average cost for grain inventory. Inventories related to raw materials, finished goods and packaging are valued using the weighted average cost.

Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs to completion and costs to be incurred in selling and distribution.

2. Significant Accounting Policies (continued)

(m) Cash and cash equivalents

Cash and cash equivalents for the purposes of the statement of cash flows comprise cash at bank and in hand, money market deposits and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

(n) Borrowings

Borrowings including overdrafts are classified as other liabilities and are recognised initially at fair value net of direct issue costs and are subsequently stated at amortised cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. The Group has chosen to present interest paid on financial liabilities within operating activities.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(p) Impairment of non-financial assets

Non-financial assets are reviewed for impairment where there are any events or changes in circumstances that would indicate potential impairment. In addition, at each reporting date, the Group assesses whether there is any indication that assets may be impaired. Where an indicator of impairment exists, the Group makes an estimate of the recoverable amount.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. If the asset does not generate cash flows that are largely independent of those from other assets or groups of assets, the recoverable amount of the cash generating unit to which the asset belongs is determined. Discount rates reflecting the asset specific risks and the time value of money are used for the value in use calculation.

(q) Provisions

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 can be estimated reliably.

2. Significant Accounting Policies (continued)

(q) Provisions (continued)

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

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(r) Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in the profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is recognized in other comprehensive income or directly in equity, respectively.

Current tax

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

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, plus any adjustments to tax payable in respect of previous years.

Deferred tax

Deferred income tax is provided in full, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, and the carry-forward of unused tax losses, to the extent that it is probable that taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

2. Significant Accounting Policies (continued)

(s) Employee benefits

(i) Retirement benefit plan

The Group operates certain post-employment schemes, one being the defined benefit pension plan.

The liability or asset recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. This is calculated annually by independent qualified actuaries using the projected unit credit method.

The Group's net obligation in respect of the defined benefit plan (the Plan) is calculated by estimating the amount of future benefit, and that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of the Plan assets. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds of the Plan or reductions in future contributions to the Plan (after considering any minimum funding requirements).

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In Trinidad and Tobago, as there is no deep market in such bonds, the market rates on government bonds are used. The pension plan report was provided on the 01 February 2023 by the external actuarial valuator, Bacon Woodrow & de Souza Limited.

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

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

The actuary Bacon Woodrow & de Souza Limited performs a full actuarial valuation every three years (next valuation is due as at 31 December 2023 and the report will be available in 2024) and any surpluses or deficits may be recognised by an adjustment of future contribution rates.

(ii) Medical and life assurance plan

The Group operates a post-retirement medical plan and life assurance plan (the Medical Plan) covering employees who retire either directly from the Group at age 60 or as a result of ill health. The Medical Plan is self-

The Group's obligation in respect of the medical plan is calculated using approximate actuarial valuations of the Group's liabilities and the projected unit actuarial method as required by IAS 19.

2. Significant Accounting Policies (continued)

(s) Employee benefits (continued)

(ii) Medical and life assurance plan (continued)

Re-measurement of the net medical plan, which comprise actuarial gains and losses, (excluding interest) are recognised immediately in other comprehensive income.

Net interest expense (income) or the net defined liability is determined using the discount rate. Net interest expense and other expenses related to the medical and life insurance are recognised in profit or loss.

(iii) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, vacation and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented in the consolidated statement of financial position within accounts payable and accruals.

(iv) Employee Share Ownership Plan (ESOP)

The Group operates an Employee Share Ownership Plan (ESOP) to give effect to a contractual obligation to pay profit sharing bonuses to employees via shares of the Group based on a set formula. All permanent employees of the Group are eligible to participate in the Plan that is directed by a Management Committee comprising management of the Group and representatives of the general membership.

Independent Trustees are engaged to hold in trust all shares in the Plan as well as to carry out the necessary administrative functions. Shares acquired by the ESOP are funded by Group contributions and cash advances by the Group to the ESOP. The cost of NFM shares have been recognised in Shareholders' Equity as Treasury Shares and the cost of the investment in the parent company, National Enterprises Limited, is recognised under Investments at fair value through OCI on the consolidated statement of financial position.

The Group has determined it has control over the Trust as:

- the Group has power over the relevant activities of the employee share trust.
- the Group has exposure, or rights, to variable returns from its involvement with the employee share trust, and
- the Group has the ability to use its power over the employee share trust to affect the amount of the Group's returns.

Accordingly, the ESOP has been consolidated in accordance with note 2 (a) (ii)

2. Significant Accounting Policies (continued)

(s) Employee benefits (continued)

(v) Bonus

The Group recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

(vi) Termination benefits

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

(t) Revenue recognition

The Company manufactures and sells a range of food and animal feed products in both the wholesale and retail markets. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. The Company also offers bulk discounts to customers and the revenue is recorded net of the discount. Delivery occurs when the products have been shipped or transported to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. It is the Group's policy to sell its products to the end customer with a right of return within 30 days. Therefore, a refund liability (included in trade and other payables if material) and a right to the returned goods (included in other current assets if material) are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a product level. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(u) Other income

(i) Dividend income

Dividends are received from financial assets measured at fair value through other comprehensive income (FVOCI). Dividends are recognised as other income in profit or loss when the right to receive payment is established.

2. Significant Accounting Policies (continued)

(u) Other income (continued)

(ii) Management fees

The Group has an agreement with the Ministry of Agriculture, Land and Fisheries whereby the Group is paid a management fee of $400 per month for the operation of the Rice Mill at Carlsen Field. This income is recognised as other income in profit or loss.

(iii) Sub-lease income

The Group has a sub-lease agreement with Trinidad and Tobago Electricity Commission (T&TEC) for five (5) years from 2013 to 2018 for an annual amount of $700 of which 25% is payable to Port Authority of Trinidad and Tobago (PATT). This income is recognised as other income in profit or loss. This sub lease expired in 2018 and is currently in the process of being renewed.

(v) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the year in which they are incurred. No amounts were capitalised to property, plant and equipment in the current year or prior year.

(w) Share capital

Ordinary shares are classified as equity and stated at the amounts subscribed by shareholders, less any incremental costs directly attributable to the issue of the shares (net of tax).

(x) Other Reserves
Other Reserves represent movements in other comprehensive income related to investments at FVOCI.

(y) Earnings per share

(i) Basic earnings per share

Earnings per share is calculated by dividing the profit after income tax for the year of the Group by the weighted average number of ordinary shares outstanding during the year excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2. Significant Accounting Policies (continued)

(z) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

(aa) Segment reporting

IFRS 8 requires operating segments to be identified on the basis of internal financial information about components of the Group that are regularly reviewed by the Chief Operating Decision Maker ('CODM') to allocate resources to the segments and to assess their performance. The CODM has been identified as the Executive Management team. The CODM considers the business from a product/services perspective. Operating segments have been identified as Food, Animal Feed and Other.

Segment reporting is prepared based on the different categories of products sold by the Group.

3. 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 believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognised in the period in which the estimates are revised and any future periods affected.

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 outlined below.

Estimates

(a) Valuation of retirement benefit asset and medical and life insurance plan

The present values of the pension and medical and life assurance plan obligations depend on a number of factors that are determined on the actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for the pensions and medical and life assurance plan include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of the estimated future cash outflows, expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high quality 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.

Other key assumptions for pension obligations are based in part on current market conditions. Sensitivity analysis for the key assumptions are discussed in Notes 10 and 11.

(b) Impairment

The Group tests annually whether any non-financial assets/cash generating units have suffered impairment in accordance with the accounting policy stated in Note 2 (p).

For the purposes of the impairment test, the cash-generating unit was determined to be at the Company level.

The recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates. The significant assumptions and sensitivity analysis are disclosed in Note 34.

(c) Depreciation

Buildings are depreciated over 40 years on a straight line basis. These buildings are located on leasehold premises and the period of depreciation exceeds the lease terms and is based on the assumption that the underlying leases will be renewed upon expiry. This assumption is considered reasonable based on past experience.

(d) Government receivables

The Ministry of Finance has agreed to set off Amount due from the Government of the Republic of Trinidad and Tobago (GORTT) against Amount due to the Government of the Republic of Trinidad and Tobago (GORTT) subject to verification of a balance by a certain Ministry. Management is satisfied that the balances are accurate and no material adjustments will arise from the verification process. See Note 4(a) (i) and 13.

4. Financial risk management

a. Financial risk factors

The Group's activities expose it to a variety of financial risks. The Board reviews and agrees policies for managing its financial risk. These policies have remained unchanged throughout the year. The Group has exposure to the following risks from its use of financial instruments:

(i) Credit risk
(ii) Liquidity risk
(iii) Market risk which includes:

(a) Currency risk
(b) Interest rate risk and
(c) Price risk

This note presents information about the Group's exposure to each of the above risks, and its framework for managing these risks. Further quantitative disclosures are included in relevant notes throughout these consolidated financial statements.

The Board of Directors has ultimate responsibility for the establishment and oversight of the Group's risk management framework. The Audit Committee oversees compliance with the Group's risk management framework and is assisted in its oversight role by the Internal Audit Department. There has been no change in the management of these risks from the prior year.

The risk management policies employed by the Group to manage exposure to financial risks are discussed below:

(i) Credit risk

Credit risk arises from cash and cash equivalents, accounts receivables, amounts due from GORTT, VAT Bonds, investments at fair value through OCI, restricted deposits and credit exposures relating to outstanding receivable balances.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above. Refer to Note 22.

The Group is exposed to credit risk, which is the potential for loss due to a debtor's failure to pay amounts when due. The Group manages this by regular analysis of the ability of debtors to settle their outstanding balances. Impairment provisions are established for losses or potential losses that have been incurred at the reporting date.

The Group trades with third parties who are subject to credit verification procedures, which take into account their consolidated financial position and past experience. Individual risk limits are set based on internal analysis.

Credit risk on cash and cash equivalents held by the Group are minimised as all cash deposits are held with banks which have acceptable credit ratings.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 90 days past due. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

4. Financial risk management (continued)

a. Financial risk factors (continued)

(i) Credit risk (continued)

Impairment of financial assets

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Group assesses Trade and Other receivables that are subject to the expected credit loss model:

(i) Trade receivables for sales of inventory

The Group provides for two types of bad debts, specific provisions and general provisions.
Specific provision refers to sales invoices that are considered uncollectible. The Group considers these invoices that are 365 days and older to fall in this category.
The general provision refers to the expected credit losses calculated for all other receivables except for GORTT balances. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance.

To measure the expected credit losses, trade receivables were grouped based on shared credit risk characteristics and the days past due. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the trade receivables.

The expected loss rates are based on the payment profiles of sales over a period of 60 months before 31 December 2022 and 48 months before 31 December 2021 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the inflation rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance was determined as follows for trade receivables:

General pool of trade and other receivables

	Current	30 to 60 Days	61 to 90 Days	Over 90 Days	Total
As at December 31, 2022					
Expected loss rate	1%	8%	6%	29%	
Gross carrying amount	60,997	2,680	1,725	6,504	71,906
Loss allowance	711	209	98	1,858	2,876
As at December 31, 2021					
Expected loss rate	1%	2%	5%	87%	
Gross carrying amount	42,133	10,490	1,725	15,432	69,780
Loss allowance	576	205	86	13,475	14,342

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

4. Financial risk management (continued)

a. Financial risk factors (continued)

(i) Credit risk (continued)

Impairment of financial assets (continued)

(i) Trade receivables for sales of inventory (continued)

The above analysis includes all customers except the Group's two largest customers and receivables from Government. A separate analysis was completed on them and they were assessed as having a low risk of default, since all receivable balances relating to 2021 and 2022 are considered recoverable with impairment of $45 (2021: $0).

These receivables amounted to $9,047 (2021: $8,170).

Included in receivables are amounts due from the Government of the Republic of Trinidad and Tobago ('GORTT') for goods and services provided to them . Some of the balances are from 2014. No provisions have been made for these balances as these amounts are expected to be settled within twelve months and the impact of any discounting for the time value of money is considered immaterial . Refer to Note 3 (d) and 13.

Government receivables and VAT Bonds were also considered for impairment and no amounts were recorded because the default risk is considered negligible.

Investments at fair value through OCI represents equity instruments which are assessed for impairment at each reporting date using the quoted share price.

	2022 $	2021 $
Allowance as at 1 January	14,341	15,051
(Decrease) / increase in loss allowance recognised in profit or loss	(637)	107
Bad debts collected	7	36
Decrease in specific provision	(10,835)	(853)
Closing loss allowance as at 31 December	2,876	14,341

(ii) Liquidity risk

The Group's policy throughout the year has been to maintain a mix of short and medium term borrowings. Short-term flexibility is achieved by bank overdraft and revolving loan facilities. In addition, it is the Group's policy to maintain committed undrawn facilities in order to provide flexibility in the management of the Group's liquidity. The tables below analyse the Group's financial liabilities which will be settled based on its relevant maturity groupings using the remaining period at the consolidated statement of financial position date to the contractual maturity date. The amounts disclosed in the tables are the contractual undiscounted cash flows which have been calculated using spot rates at the relevant consolidated statement of financial position date.

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

4. Financial risk management (continued)

a. Financial risk factors (continued)

(ii) Liquidity risk (continued)

Contractual maturities of financial liabilities

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 Years	Total Cashflow	Carrying value
At 31 December 2022						
Accounts payable and accruals	87,014	-	-	-	87,014	87,014
Borrowings	79,010	-	-	-	79,010	75,757
Lease liabilities	2,414	1,498	417	3,713	8,041	7,217
Amounts due to GORTT	19,211	-	-	-	19,211	19,211
Due to related parties	134	-	-	-	134	134
	187,783	1,498	417	3,713	193,410	189,333
At 31 December 2021						
Accounts payable	103,485	-	-	-	103,485	103,485
Lease liabilities	2,425	2,705	417	2,799	8,346	8,274
Amounts due to GORTT	18,928	-	-	-	18,928	18,928
	124,838	2,705	417	2,799	130,759	130,687

Accounts payable and accruals cash flows included in the tables above exclude statutory liabilities which do not meet the definition of financial liabilities under IFRS 7, while borrowings and lease liabilities include interest payments.

The Group monitors cash balances and net debt on a daily basis to ensure adequate headroom exists on banking facilities and that it is compliant with banking terms.

(iii) Market risk

(a) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's functional currency. The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar. The Group's management monitors the exchange rate fluctuations on a continuous basis and employs appropriate strategies to mitigate any potential losses.

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

4. Financial risk management (continued)

a. Financial risk factors (continued)

(iii) Market risk (continued)

(a) Currency risk (continued)

A 1% increase in the exchange rate as at the year-end will have the following impact on profit or loss for the period. Management believes that a 1% increase in the foreign exchange rate is considered a reasonable and possible shift.

	Impact on profit or loss	
	2022	**2021**
	$	**$**
Cash	482	250
Accounts receivable	826	53
Accounts payable	(886)	(611)
Borrowings	(758)	-
	(336)	(308)

(b) Interest rate risk

The Group finances its operations through a mixture of retained earnings and borrowings. The Group borrows in the desired currencies at fixed and floating rates of interest.

Cash flow interest rate risk is the risk that the Group's cash flows will change due to changes in interest rates. Fair value interest rate risk is the risk that the fair value of recognised financial assets and liabilities may change due to changes in interest rates.

Sensitivity analysis

In relation to cash flow interest rate risk, the group's main interest rate arises from short-term borrowings with fix rates, which does not expose the group to cash flow interest rate risk. The Directors consider that a 1% movement in interest rates represents reasonable possible changes, which the impact on profit after income tax would be $530 (2021: $0).

This sensitivity analysis is not an indication of actual results, which may materially differ. For the purposes of this sensitivity analysis all other variables have been held constant.

The Group's consolidated financial assets and liabilities are carried on the consolidated financial statements at amortised cost. Thus the Group is not exposed to fair value interest rate risk.

(c) Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the consolidated statement of financial position as fair value through other comprehensive income.

All of the Group's equity investments are publicly traded on the Trinidad and Tobago Stock Exchange.

There were no changes to policies and procedures from the prior year.

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

4. Financial risk management (continued)

a. Financial risk factors (continued)

(c) Price risk (continued)

Sensitivity analysis

The table below summarises the impact of increases/decreases on the Group's other comprehensive income for the period. The analysis is based on the assumption that the equity index increased by 10% or decreased by 5% with all other variables held constant.

	Impact on other comprehensive income 2022 $	Impact on other comprehensive income 2021 $	Impact on other components of equity 2022 $	Impact on other components of equity 2021 $
Trinidad and Tobago Stock Exchange increase by 10% in 2022 (2021: 10%)	72	72	72	72
Trinidad and Tobago Stock Exchange decrease by 5% in 2022 (2021: 5%)	(36)	36	(36)	(36)

(d) Fair value estimation

The fair value of Group financial assets and liabilities are a close approximation to the carrying value of the financial asset and liabilities due to the short-term nature of these items.

All the Group's financial assets and liabilities, except for Investments at fair value through OCI are carried at amortised cost. Investments are carried at its the fair value at the reporting date, with all changes being recognised in other comprehensive income.

(b) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an efficient capital structure to optimise the cost of capital. Capital is defined as stated capital, retained earnings and borrowings. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders and return capital to shareholders. The policy and procedures for managing capital risk remains unchanged from the prior year.

Refer to Note 33 (Net debt reconciliation).

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

5. Property, Plant and Equipment

	Buildings $	Plant machinery and equipment $	Office furniture and equipment $	Motor vehicles $	Work in progress $	Total $
Year Ended December 31, 2022						
Opening net book value	103,468	44,602	7,616	969	2,381	159,036
Additions	1,040	4,744	1,185	-	8,580	15,549
Disposals	-	-	-	-	-	-
Write off - Assets Under Construction*	-	-	-	-	(1,017)	(1,017)
Write-off Capital Spares	-	(1,250)	-	-	-	(1,250)
WIP Commissioned	4,487	-	-	-	(4,487)	-
Depreciation	(6,450)	(7,054)	(1,857)	(394)	-	(15,755)
Closing net book value	102,543	41,041	6,943	575	5,457	156,559
At December 31, 2022						
Cost	177,093	127,345	16,370	2,526	5,457	328,791
Accumulated depreciation	(74,548)	(86,303)	(9,426)	(1,951)	-	(172,228)
Net book value	102,543	41,041	6,943	575	5,457	156,559
Year Ended December 31, 2021						
Opening net book value	107,857	47,137	7,949	685	1,437	165,065
Additions	648	2,924	1,648	744	2,685	8,649
Disposals	-	-	-	-	(96)	(96)
WIP Commissioned	317	1,328	-	-	(1,645)	-
Depreciation	(5,354)	(6,787)	(1,981)	(460)	-	(14,582)
Closing net book value	103,468	44,602	7,616	969	2,381	159,036
At December 31, 2021						
Cost	171,566	123,851	15,185	2,526	2,381	315,509
Accumulated depreciation	(68,098)	(79,249)	(7,569)	(1,557)	-	(156,473)
Net book value	103,468	44,602	7,616	969	2,381	159,036

*Write-off - Asset Under Construction - During the year a Management decision to discontinue the Carlsen Field Dry Mix Facility and New Warehouse resulted in the write-off of these assets under construction.

(i) Non-current assets pledged as security

The Group's Commercial loan agreement with Republic Bank Limited calls for the assignment of a debenture to be stamped to cover TT$90 million comprising of a fixed charge over leasehold land and buildings situated at Wrightson Road, Port of Spain and a floating charge over all assets ranking pari-passu with debentures in favour of Citibank Limited and First Citizen's Bank Limited supported by:

- First Demand legal mortgage over leasehold property comprising 4 acres, 3 roods and 13 perches at #27-29 Wrightson Road, Port of Spain to be stamped collateral to the debenture; and
- Assignment of All Risk insurance policies over the assets of the borrower for the insurable and replacement values.

(ii) Depreciation of $13,021 (2021: $11,700) was recogised in cost of sales with $2,734 (2021: $2,882) recognised in expenses.

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

6. Intangible assets

	Software $
Year Ended December 31, 2022	
Opening net book value	3,219
Additions	151
Adjustment - Assets Under Construction	95
Amortization	(1,813)
Closing net book value	1,652
At December 31, 2022	
Cost	8,636
Accumulated amortization	(6,984)
Net book value	1,652
Year Ended December 31, 2021	
Opening net book value	3,968
Amortization	(749)
Closing net book value	3,219
At December 31, 2021	
Cost	8,390
Accumulated amortization	(5,171)
Net book value	3,219
At January 1, 2021	
Cost	7,460
Accumulated amortization	(3,492)
Net book value	3,968

Included in software are costs expended on integration of the Company's ERP and other licenses. The remaining useful economic life of intangible assets is estimated to be 2-4 years. Amortisation is included under administration expenses on the statement of comprehensive income.

Write-off - Asset Under Construction - During the year a Management decision to discontinue the CSB Software Bank Automation module resulted in the write-off of this asset under construction.

Amortization of $1,813 (2021: $1,679) was recognised in expenses.

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

7. Right-of-use assets

	2022 $	2021 $
Opening net book value	6,264	7,266
Additions	-	-
Depreciation charge	(1,006)	(1,002)
Closing net book value	5,258	6,264
Cost	8,969	8,969
Accumulated depreciation	(3,711)	(2,705)
Net book value	5,258	6,264

The Group leases mainly comprise of land and a motor vehicle. The Group leases land for manufacturing, warehouse facilities and office space and also sublets some property. Plant and equipment includes leases for vehicles.

8. VAT Bonds

These fixed rate bonds carry interest of 3.3% per annum and mature on May 15, 2023. They are secured by a Trust Deed dated May 15 2020 between the Republic of Trinidad and Tobago and the Trinidad and Tobago Unit Trust Corporation as trustee for the bondholders.

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

9. Investments at Fair Value through OCI

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the consolidated financial statements. The Group has classified its financial instruments into Level 1 as prescribed under the accounting standards.

Recurring fair value measurements at December 31 2022	Level 1 $	Total $
Financial assets		
Investments listed on Trinidad and Tobago Stock Exchange- NEL Shares	724	724
Recurring fair value measurements at December 31 2021		
Financial assets		
Investments listed on Trinidad and Tobago Stock Exchange- NEL Shares	697	697

	Listed Securities	
	2022 $	2021 $
Opening balance 1 January	697	672
Appreciation in value of shares refer note 21	57	25
Adjustment in opening balance of equity viaues 2020 vs 2021	(25)	-
Sale of shares	(5)	-
Closing balance 31 December	724	697

Recognised fair value measurements

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

The listed security represents investment in NEL shares. Refer note 21.

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

10. Retirement Benefit Asset

	2022 $	2021 $
Present value of defined benefit obligation	(220,516)	(203,155)
Fair value of the assets in the Plan	233,914	246,273
Recognised asset for the Plan	13,398	43,118

a. *Change in defined benefit obligation*

Defined benefit obligation at start of year	(203,155)	(199,542)
Benefits paid	12,174	7,978
Current service cost	(5,331)	(6,016)
Interest cost	(11,853)	(11,259)
Members' contribution	(2,578)	(2,355)
Re-measurements:		
-Experience adjustments	(1,572)	1,705
-Actuarial (loss)/gain from changes in financial assumptions	(7,814)	6,334
Transfers In (prior year adjusment)	(387)	-
Defined benefit obligation at end of year	(220,516)	(203,155)

b. *The defined benefit obligation was allocated among the Plan's members as follows:*

- Active members	58%	58%
- Deferred members	10%	10%
- Pensioners	32%	32%

The weighted average duration of the defined benefit obligation was 12.9 years (2021: 13.1 years).

- 98% (2021: 98%) of the benefits for active members were vested.
- 18% (2021: 18%) of the defined benefit obligation for active members was conditional on future salary increases.

c. *Change in plan assets*

Plan assets at start of year	246,273	218,721
Interest income	14,687	12,594
Return on plan assets, excluding interest income	(23,640)	14,714
Company's contributions	6,320	6,391
Members' contributions	2,578	2,355
Benefits paid	(12,174)	(7,978)
Administrative expenses	(517)	(524)
Transfers In (prior year adjusment)	387	-
Plan assets at end of year	233,914	246,273
Actual return on Plan assets	(8,953)	27,308

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

10. Retirement Benefit Asset (continued)

	2022 $	2021 $
d. Asset allocation		
Locally listed equities	81,601	88,624
Foreign equities	29,412	32,231
TT$ denominated bonds	93,904	87,253
Non TT$ denominated bonds (mainly US$)	15,890	16,998
Mutual funds	4,257	6,181
Cash and cash equivalents	3,548	8,958
Other (immediate annuity policies)	5,302	6,028
	233,914	246,273
e. Expense recognised in profit or loss		
Current service cost	5,331	6,016
Net interest on defined benefit obligation	(2,834)	(1,335)
Administrative expenses	517	524
Total amount recognised	3,014	5,205
f. Re-measurements recognised in other comprehensive income		
Experience (loss) / gain	(33,026)	22,753
g. Reconciliation of opening and closing statement of financial position		
Opening defined benefit asset	43,118	19,179
Net pension cost	(3,014)	(5,205)
Re-measurements recognised in other comprehensive income	(33,026)	22,753
Company contributions paid	6,320	6,391
Closing defined benefit asset	13,398	43,118

h. The Company meets the balance of the cost of funding the defined benefit Pension Plan and the Company must pay contributions at least equal to those paid by members, which are fixed. The funding requirements are based on regular (at least every 3 years) actuarial valuations of the Plan and the assumptions used to determine the funding required may differ from those set out above. The Company expects to pay around $6.4 million to the Pension Plan during 2023.

i. Summary of principal assumptions

	2022	2021
Discount rate at 31 December	6.00%	6.00%
Salary increases	4.00%	3.25%
Future pension increases	0.00%	0.00%

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

10. Retirement Benefit Asset (continued)

i. Summary of principal assumptions (continued)

The assumptions regarding future mortality are based on publised mortality tables. The life expectancies underlying the value of the defined benefit obligation are as follows:

	2022	2021
Life expectancy at age 60 for current pensioners (in years)		
- Male	21.9	21.8
- Female	26.1	26.1
Life expectancy at age 60 for current members age 40 (in years)		
- Male	22.7	22.7
- Female	27.1	27.0

j. Sensitivity

The calculation of the defined obligation is sensitive to the assumptions used. The following table summarises how the defined obligation would have changed as a result of a change in the assumptions

	1% pa higher $' 000	1% pa lower $' 000
December 31 2022		
Discount rate	(24,142)	29,753
Future salary increases	9,128	(8,032)
December 31 2021		
Discount rate	(22,760)	28,095
Future salary increases	8,631	(7,588)

An increase of one year in the assumed life expectancy would increase the defined benefit obligation at 31 December, 2022 by $3.427 million (2021: $3.421 million). These sensitivities were calculated by re-calculating the defined benefit obligations using the revised assumptions as adjusted for the sensitivities.

The most recent actuarial assessment of the Pension Plan was at 31 December 2020.

11. Medical and life assurance plan

	$	$
Recognised liability for the Medical and Life Assurance Plan	35,754	30,837

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

11. Medical and life assurance plan (continued)

	2022 $	2021 $
a. Change in the obligations		
Obligation at start of year	(30,837)	(23,543)
Benefits paid	1,523	1,134
Current service cost	(816)	(847)
Interest cost	(1,805)	(1,321)
Re-measurements:		
-Experience adjustments	(1,892)	(7,295)
-Actuarial (loss)/gain from changes in financial assumptions	(1,927)	1,035
Obligation at end of year	(35,754)	(30,837)

b. *The defined benefit obligation was allocated between the Plan's members as follows:*

Active members	41%	40%
Pensioners	59%	60%

The weighted average duration of the defined benefit obligation was 15.5 years (2021: 14.0 years). 0% of the benefits for active members were vested. (2021: $:0 years).

c. *The amount recognised in the loss for the year for medical benefits obligations is as follows:*

	$	$
Current service cost	816	847
Interest on defined benefit obligations	1,805	1,321
Net benefit cost	2,621	2,168

d. *Re-measurements recognised in other comprehensive income*

Experience loss	(3,819)	(6,260)

e. *Reconciliation of opening and closing statement of financial position entries:*

Opening defined benefit obligations	30,837	23,543
Net benefit cost	2,621	2,168
Re-measurements recognised in other comprehensive income	3,819	6,260
Benefits paid by the Company	(1,523)	(1,134)
Closing defined benefit obligations	35,754	30,837

f. The Group expects to pay $1.1 million in benefits in 2023.

g *Summary of principal assumptions*

Discount rate at 31 December	6.00%	6.00%
Future medical cost increases	5.00%	4.50%
Future salary increases	4.00%	3.25%

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

11. Medical and life assurance plan (continued)

h. Sensitivity

The calculation of the Medical Plan obligation is sensitive to the assumptions used. The following table summarises how the Medical Plan obligation would have changed as a result of a change in the assumptions used.

	1% pa higher $	1% pa lower $
December 31 2022		
Discount rate	(4,646)	5,910
Medical cost increases	4,989	(3,966)
December 31 2021		
Discount rate	(3,752)	4,721
Medical cost increases	3,920	(3,147)

An increase of one year in the assumed life expectancies would increase the defined benefit obligation as at 31 December 2022, by $0.574 million (2021: $0.416 million).

Risk exposure - Retirement Benefit Asset (the Plan) and Medical and Life Assurance Plan (Medical Plan)

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

(i) Asset volatility

The Retirement Benefit Asset Plan and the Medical Plan liabilities are calculated using a discount rate set with reference to government bond yields; if plan assets underperform this yield, this will create a deficit. The Plan holds a significant proportion of equities, government bonds and corporate bonds, which all provide volatility and risk. As the Plan matures, the Group intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

The Group believes that due to the long-term nature of the Plan liabilities, a level of continuing equity investment is an appropriate element of the Group's long term strategy to efficiently manage the Plan.

(ii) *Changes in bond yields*

A decrease in government bond yields will increase the Plan's liabilities, although this will be partially offset by an increase in the value of the Plan's bond holdings.

(iii) *Inflation risks*

Some of the Goup's pension obligations are linked to salary inflation, and higher inflation will lead to higher liabilities. The majority of the Plan's assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

(iv) *Life expectancy*

The majority of the Pension Plan and Medical Plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the Plans' liabilities.

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

12. Accounts receivable and prepayments

Accounts receivable and prepayments are initially recognised at fair value plus any directly attributable transaction costs. Subsequently these assets are held at amortised cost, using the effective interest method and net of any impairment losses. Discounts payable to customers are shown as a reduction in trade receivables when there is a legal right and intent to settle them on a net basis. We do not consider the fair values of accounts receivable and prepayments to be significantly different from their carrying values.

	2022 $	2021 $
Trade receivables	71,906	69,780
Less expected credit loss	(2,876)	(14,341)
	69,030	55,439
Prepayments	7,005	7,583
Other receivables	7,017	16,546
	83,052	79,568

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.
Included within other receivables are Value Added Tax receivables of $4,997 (2021: $4,561).

The movement in the provision for impaired trade receivables consists of increases for additional provisions offset by receivables written off and unused provisions released to the profit or loss account. The provision is utilised when there is no expectation of recovering additional cash.

The other classes of receivables are not considered to be impaired.

2022

	Performing $	Past due but not impaired $	Impaired	ECL (Note 4a)	Total
Current	60,997	-	711	(711)	60,997
30 to 60 days	-	2,680	209	(209)	2,680
61 to 90 days	-	2,803	98	(98)	2,803
Over 90 days	-	2,550	1,858	(1,858)	2,550
	60,997	8,033	2,876	(2,876)	69,030

2021

	Performing $	Past due but not impaired $	Impaired	ECL (Note 4a)	Total
Current	40,026	-	576	(576)	40,026
30 to 60 days	-	2,858	205	(205)	2,858
61 to 90 days	-	1,631	86	(86)	1,631
Over 90 days	-	10,924	13,474	(13,474)	10,924
	40,026	15,413	14,341	(14,341)	55,439

The credit quality of customers is assessed at the Company level, taking into account their financial positions, past experiences and other relevant factors. Individual customer credit limits are imposed based on these factors. It is the Groups policy that overdue accounts are reviewed monthly at sales and marketing management meetings to mitigate exposure to credit risk and provided for where appropriate.

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

13. Amounts due to / from the Government of the Republic of Trinidad and Tobago (GORTT)

Amounts due from the Government of the Republic of Trinidad and Tobago (GORTT) arise during the normal course of business. This includes transactions with the Ministry of Agriculture, Lands and Fisheries for the processing of rice paddies as well as amounts due from GORTT for the offering of discounts to customers to pass on to the public. Amounts due from the GORTT amounted to $20,081 (2021: $19,726) and amounts payable to the GORTT amounted to $19,211 (2021: $18,928).

In 2021, the Minister of Finance approved a request from NFM for setting off the receivable and payable balances subject to verification of the amounts claimed to be owed to NFM by the Ministry of Agriculture, Lands and Fisheries and the feasibility of the options proposed. This approval was obtained by letter from the Ministry of Finance, dated February 2021 by virtue of which the GORTT has taken responsibility for the Gift to the Nation component of the receivables from the GORTT to NFM. National Flour Mills Limited received further correspondence dated December 20, 2022, from the Ministry of Trade and Industry in response to correspondence sent dated August 26, 2022, acknowledging that they are working with the Ministry of Agriculture, Land and Fisheries to determine the value of the debt.

14. Inventories

	2022 $	2021 $
Raw materials	129,837	73,152
Packaging materials	8,970	5,990
Finished goods and work in progress	23,806	11,232
Spares	10,940	10,163
	173,553	100,537

Inventories are stated after a provision for impairment of $459 (2021: $1,320). The amount recognised as an expense in the year in respect of the write down of inventories is $1,708 (2021: $13,327).

The cost of inventories recognised as an expense and included in cost of sales is $340,947 (2021: $270,251) (Note 24).

15. Restricted deposit

Restricted deposits comprise of $1,584 with a financial institution and is used to secure the Group's lease facility. The funds are held in a deposit and earn interest of 0.35%

16. Cash and Cash Equivalents

	$	$
Cash at bank and in hand	48,255	50,316
Short-term bank deposits	268	265
	48,523	50,581

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

17. Borrowings

	2022 $	2021 $
Total borrowings	75,757	-
Current portion	(75,757)	-
Non-current portion	-	-

Revolving grain purchase loans have been provided by the following institutions to finance the importation of grains:

	US$	TTD$	TTD$
Export Import Bank of Trinidad and Tobago Limited	6,000	40,757	-
RBC Royal Bank of (Trinidad and Tobago) Limited	-	35,000	-
Total borrowings	6,000	75,757	-

Loan details	Tenor (months)	Interest Rate	Maturity Date
Export Import Bank of Trinidad and Tobago Limited	6	8.25%	09 June 2023
RBC Royal Bank of (Trinidad and Tobago) Limited	6	4.50%	15 May 2023

18. Lease liabilities

	$	$
Balance at January 1	8,275	7,939
Interest Expense	339	407
Principal repayments	(1,397)	(71)
Balance at December 31	7,217	8,275
Current portion	(2,414)	(2,425)
Non-current portion	4,803	5,850

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

18. Lease liabilities (continued)

Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	2022	2021
	$	$
Amortization charge	1,007	1,002
Interest expense (included in finance cost)	339	407
Expense relating to short-term leases (included in cost of sales and administrative expenses)	284	284
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	120	120

The total cash outflow for leases in 2022 was $2,140 (2021: $882).

Lessor

Amounts recognised in profit or loss for operating leases from which sub-lease income is derived

	$	$
Rental income from operating leases	700	700
Direct operating expenses from property that	236	236

19. Accounts payable and accruals

	$	$
Trade payables	56,140	81,604
Payroll related liabilities	14,623	5,871
Accrued expenses	14,896	12,728
Vacation accrual	2,899	3,282
Related Parties	134	-
	88,692	103,485

Included within payroll related liabilities is the amount payable to employees of $617 (2021: $917) under the Employee Share Ownership Plan (note 21).

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

20. Stated capital & reserves

(a) Ordinary shares and reserves are classified as equity. Each share has one voting right and also has equal rights to dividend distribution.

(b) Other reserves represent movements in other comprehensive income related to investments at FVOCI.

	$	$
Authorised		
Unlimited number of ordinary shares of no par value		
Issued and fully paid		
120,200,000 ordinary shares of no par value	120,200	120,200

21. Treasury shares

The Group provides for employee participation in the capital ownership structure of the Group by providing access to shares in the Group through its Employee Share Ownership Plan (ESOP). The plan which took effect from 5 May 1995, allowed for an initial injection of $700 into the Trust with annual amounts not exceeding 3% of after-tax profits for distribution to all permanent members of staff each year. The plan is classified as a cash settled share-based payment whose allocation vest immediately.

The amount paid to each employee is pro-rated based on that employee's basic salary as a factor of total basic salaries of permanent employees in the particular year of distribution. The ESOP requires that a minimum of 40% of each employee's entitlement be taken in the form of a share-based payment. The Trust is managed by a Financial Institution in the name of the Group on behalf of the employees. The Group's liability relating to this arrangement is included within Accounts Payables.

Treasury shares are shares in National Flour Mills Limited that are held by the National Flour Mills Limited Employee Share Trust for the purpose of issuing shares under the National Flour Mills Limited Employee Share Ownership Plan. The number of Company shares held by the plan as at 31 December 2022 was 2,212,845 (2021: 2,236,475) with a fair value of $3,319 (2021: $4,249). During the year, the loss on treasury shares amounted to $616.

In addition to the Company shares above, as part of the employees' compensation package and in accordance with the Trust Deed and rules, employees are awarded shares in the parent company, National Enterprises Limited (NEL). As these shares are held by the ESOP on behalf of the employees, these shares are accounted for as an investment on the consolidated statement of financial position. Refer to Note 9.

The number of NEL shares held by the plan as at year end was 212,869 (2021: 214,481) with a fair value of $724 (2021: $695). The fair value was derived from the Trinidad and Tobago Stock Exchange at the consolidated statement of financial position date.

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

22. Financial instruments by category

	2022 $	2021 $
Financial assets		
VAT bond	5,460	5,460
Accounts receivable and prepayments	83,052	79,568
Amounts due from the GORTT	20,081	19,726
Cash and cash equivalents	48,523	50,581
Investments at fair value through OCI	724	697
Restricted deposit	1,584	1,584
	159,424	157,616
Financial liabilities		
Accounts payable and accruals	88,692	103,485
Lease liability	7,217	8,275
Amounts due to the GORTT	19,211	18,928
Borrowings	75,757	-
Related Parties	134	-
	191,011	130,688

23. Revenue from contracts with customers

National Flour Mills Limited derives revenue from the transfer of goods and services at a point in time in the following major product lines:

	Food $	Feed $	Other $	Total $
Year ended December 31 2021				
Segment revenue	296,015	134,402	11,472	441,890
Less: Intersegment revenue	-	-	(238)	(238)
Revenue from external customers	296,015	134,402	11,234	441,652
Timing of revenue recognition				
At a point in time	296,015	134,402	11,234	441,652
Revenue from external customers	296,015	134,402	11,234	441,652
Year ended December 31 2022				
Segment revenue	357,235	140,310	35,787	533,332
Less: Intersegment revenue	-	-	(524)	(524)
Revenue from external customers	357,235	140,310	35,263	532,808
Timing of revenue recognition				
At a point in time	357,235	140,310	35,263	532,808
Revenue from external customers	357,235	140,310	35,263	532,808

Revenue from external customers come from food products and animal feed products.

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

24. Expenses by nature

	2022 $	2021 $
Direct materials	340,947	270,251
Salaries and wages	101,169	96,875
ESOP Allocation to employees	48	89
Rents, rates and taxes	721	2,078
Transportation, security, electricity, communication and handling charges	20,141	21,703
Repairs and maintenance	9,653	7,105
Depreciation and amortisation	18,575	17,264
Insurance	7,947	6,101
Professional and legal fees	5,033	3,187
Provision for doubtful accounts	196	(710)
Advertising and promotion	3,123	2,225
Other	19,365	17,430
Total cost of sales, selling and distribution and administrative expenses	526,918	443,598

25. Other operating income

The following amounts are included within other operating income in the profit or loss:

	2022	2021
Management fee	4,800	4,800
Rental income - sublease	700	700
Dividend income	84	24
Other amounts	966	1,021
Interest income	19	34
	6,569	6,579

26. Finance cost

	2022	2021
Interest and bank charges	3,176	1,686
Lease interest	339	407
Foreign exchange (loss)/gain (Note 27)	(136)	26
	3,379	2,119

27 Foreign exchange gains/(losses)

The aggregate net foreign exchange gains / (losses) recognised in profit or loss were:

	2022	2021
Exchange (loss)/gain on foreign currency borrowings included in finance cost (Note 26)	136	(26)
Total net foreign exchange gains / (losses) recognised in profit before tax for the period	136	(26)

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

28. Current and deferred taxation

	2022 $	2021 $
Current taxation expense		
Deferred tax credit	(1,065)	(3,391)
Current tax charge	3,236	4,528
	2,171	1,137

The Group's effective tax rate of 24% (2021: 45%) differs from the statutory tax rate of 30% as follows:

	2022 $	2021 $
Profit before taxation	9,080	2,514
Tax calculated at 30%	2,724	754
Tax impact of expenses not deductible for tax purposes	(656)	222
Tax impact of income not subject to tax	103	(34)
Other differences	-	195
	2,171	1,137
Deferred taxation		
Deferred income tax asset	11,915	9,704
Deferred income tax liabilities	(38,470)	(48,378)
Net deferred income tax liability	(26,555)	(38,674)

	IFRS 9 Provision $	Retirement Benefit Asset $	Medical Plan $	Property Plant and Equipment & Intangible Assets $	IFRS 16 $	Inventory Provision	Total $
Year Ended December 31, 2022							
At 1 January 2022	452	(12,936)	9,252	(36,045)	603	-	(38,674)
(Charge) / credit to:							
- profit or loss	(891)	(991)	329	1,908	588	122	1,065
- other comprehensive loss	-	9,908	1,146	-	-	-	11,054
At 31 December 2022	(439)	(4,019)	10,727	(34,137)	1,191	122	(26,555)
Year Ended December 31, 2021							
At 1 January 2021	419	(5,754)	7,064	(38,847)	-	-	(37,118)
(Charge) / credit to:							
- profit or loss	33	(356)	309	2,802	603	-	3,391
- other comprehensive loss	-	(6,826)	1,879	-	-	-	(4,947)
At 31 December 2021	452	(12,936)	9,252	(36,045)	603	-	(38,674)

In 2016 the Group was audited by the Board of Inland Revenue (BIR) in relation to the financial year 2010, resulting in an assessment for additional taxes. Management has since filed an objection against the BIR assessment. Based on advice obtained, management is of the view that the assessment for additional taxes is without merit and as a result no adjustment has been made to the consolidated financial statements in relation to this matter.

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

29. Related party transactions

Balances and transactions with key management personnel during the year were as follows:

	2022 $	2021 $
Key management compensation		
All managers and executive salaries and key compensation	11,518	11,427
Post-employment benefits	682	781
Director's fees	579	529
	12,779	12,737

Amounts due to / from the Government of the Republic of Trinidad and Tobago (GORTT)

Refer to Note 13

Sales and purchases of goods and services	2022 $	2021 $
Sales from the rendering of services to related parties	4,844	4,849
Purchases of goods from related parties	477	831

NATIONAL FLOUR MILLS LIMITED received correspondence dated December 20, 2022, from the Ministry of Trade and Industry in response to a letter sent dated August 26, 2022, acknowledging that they are working with the Ministry of Agriculture, Lands and Fisheries to determine the value of the debt.

No provisions have been made for these balances.

30. Earnings per share

Earnings per share is calculated by dividing the profit attributable to ordinary shareholders of $6,909 (2021: $1,377) by the weighted average number of ordinary shares outstanding of 120,200,000 (2021: 120,200,000) less treasury shares of 2,212,845 (2021: 2,236,475).

Diluted earnings per share is calculated by dividing the profit attributable to ordinary shareholders of $6,909 (2021: $1,377) by the weighted average number of ordinary shares outstanding of 120,200,000 (2021: 120,200,000) less unallocated treasury shares of 909,536 (2021: 663,800).

31. Dividends

Final dividends to the shareholders of the Group are recognised in the year that they are approved by the directors. Interim dividends are recognised in the year that they are declared. No Dividends in respect of the year ended December 31, 2022 was declared in the 2022 financial year (2021: 3 cents per share or $3,606).

Dividends payable as at year end amounted to $0 (2021: $0).

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

32. Operating segments

The Group has three reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the Chief Operating Decision Maker (CODM) reviews internal management reports monthly. The following summary describes the operations in each of the Group's reportable segments:

- Food includes manufacturing and distribution of flour, milled cereals and dry mixes.
- Animal feed includes manufacturing and distribution of feed products for animals.
- Other operations include the purchase and sale of imported dry goods, rice and oil.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment gross profit, as included in the internal management reports that are reviewed by the Chief Operating Decision Maker (CODM). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Financial information regarding assets and liabilities by operating segment is not reported on a regular basis to the Chief Operating Decision Maker (CODM).

	Food		Animal feed		Other		Total	
	2022 $	2021 $	2022 $	2021 $	2022 $	2021 $	2022 $	2021 $
Segment revenue	357,235	296,015	140,310	134,402	35,263	11,234	532,808	441,651
Gross profit	62,269	55,947	24,164	18,912	6,506	3,939	92,939	78,798
Depreciation and amortization	17,461	16,228	929	863	186	173	18,576	17,264
Net finance cost	2,872	1,801	304	191	203	127	3,379	2,119
Other operating income	4,928	6,316	131	132	1,510	131	6,569	6,579
Profit before tax	6,447	1,785	2,270	629	363	100	9,080	2,514
Property, plant and equipment	145,600	149,494	7,828	7,952	3,131	1,590	156,559	159,036
Intangible assets	1,536	3,026	83	161	33	32	1,652	3,219
Borrowings	-	-	-	-	-	-	75,757	-
Accounts payable and accruals	-	-	-	-	-	-	88,692	103,485

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

32. Operating segments (continued)

Entity wide disclosures

Revenues from external customers are derived from the sale of products by individual business segment.

The breakdown of revenue by business:	2022 $	2021 $
Revenue		
Flour	337,208	260,787
Feed mill	140,310	134,402
Parboiled rice	7,554	5,354
Dry mixes	20,027	21,171
Trading	11,526	8,704
Oil	16,183	11,234
	532,808	441,652

Revenue from external customers

Export sales	35,110	39,791
Local sales	497,698	401,861
	532,808	441,652

Major customers

The Group has one third party customer whose revenue exceeds 10% of total sales. In 2022 sales with this customer was 12% of total sales (2021: 13%).

33. Net debt reconciliation

The Group's cash and cash equivalents does not exceed lease liabilities and borrowings as at the current year end, however, in the prior year end the cash and cash equivalents exceeded lease liabilities and borrowings.

	2022 $	2021 $
Net debt		
Cash and cash equivalents	48,523	50,581
Lease liabilities	(7,217)	(8,275)
Borrowings payable within one year	(75,757)	-
	(34,451)	42,306
Cash and cash equivalents	48,523	50,581
Gross debt - fixed interest rates	(82,974)	(8,275)
Net debt	(34,451)	42,306
Total equity	260,789	278,471
Gearing	13%	Nil

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

33. Net debt reconciliation (continued)

	Cash $	Finance leases $	Borrowings due within one year $	Total $
Net debt as at 1 January 2021	92,795	(7,939)	(44,932)	39,924
Cash flows	(42,214)	(336)	44,932	2,382
Net debt as at 31 December 2021	50,581	(8,275)	-	42,306
Net debt as at 1 January 2022	50,581	(8,275)	-	42,306
Cash flows:	(2,058)	-	-	(2,058)
Interest expense	-	(339)	-	(339)
Principal repayments	-	1,397	-	1,397
Borrowings	-	-	(75,757)	(75,757)
Net debt as at 31 December 2022	48,523	(7,217)	(75,757)	(34,451)

(i) Other changes in finance leases of $339 relates to the interest cost on the lease obligation.

34. Impairment test for carrying value of net assets

For the year ended 31 December 2022, the carrying value of the Group's net assets was $260,789 while the market capitalisation was $180,300. This was a trigger for an impairment test to be carried out. The impairment assessment performed by management was at the entity level since this is the level that the impairment trigger existed.

The recoverable amount of this business unit is determined based on a value-in-use calculation. This calculation uses pre-tax cash flow projections based on financial budgets and forecasts approved by management covering a five-year period. Cash flows for the five-year period were extrapolated using the estimated growth rates stated below.

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

34. Impairment test for carrying value of net assets (continued)

The key assumptions for the value-in-use calculations are as follows:	2022	2021
Average annual revenue growth rate	7.98%	3.20%
Terminal growth rate	0.50%	1.40%
Pre-tax discount rate	17.03%	10.40%
EBITDA as a % of sales	14.96%	7.90%
Gross margin %	26.06%	20.00%

Assumption	Approach used to determining values
Average annual revenue growth rate	Average annual revenue growth rate over the five-year forecast period was based on past performance and management's expectations of market development.
Terminal growth rate	This is the growth rate used to extrapolate cash flows beyond the budget period. The rate was based on management's expectation of the Group's long-term growth rate.
Pre-tax discount rate	Reflects specific risks of the Group.
EBITDA as a % of sales	Based on past performance and management's expectations for the future.
Gross Profit margin	In line with current gross profit margins and based on assumptions for future commodity prices and economic conditions.

The recoverable amount of this CGU would equal its carrying amount if the key assumptions were to change as follows:

	2022 Rate changes	
	From	To
	%	%
Average annual revenue growth rate	7.98	5.21
Terminal growth rate	0.50	(9.13)
Discount rate	17.03	22.95
EBITDA rate	14.96	11.64
Gross profit margin	26.06	17.41

	2021 Rate changes	
	From	To
	%	%
Average annual revenue growth rate	3.20	(3.0)
Terminal growth rate	1.40	(12.0)
Discount rate	10.40	26.0
EBITDA rate	7.91	1.0
Gross profit margin	20.00	17.0

(Presented in thousands of Trinidad and Tobago Dollars unless otherwise stated)

35. Commitments

Capital commitments

There was no capital expenditure contracted for at the end of the reporting period but not recognised as liabilities.

36. Contingent liabilities

a. *Legal Liabilities*
In the normal course of operations, the Group is party to various legal proceedings. Management has assessed the Group's likely liability for all claims in the consolidated financial statements and provisions have been made where applicable. The actual liability could differ from these estimates.

The Group has contingent liabilities in the amount of $0.7M in relation to legal claims.

b. *Customs Bonds*
The following are the customs bonds being held with Scotiabank Trinidad and Tobago Limited and Republic Bank Limited.

Currency	In favour of	Balance	Expiry date
TTD	The Comptroller of Customs and Excise Accounts of Trinidad and Tobago	50	04-Mar-23
TTD	The Comptroller of Customs and Excise Accounts of Trinidad and Tobago	1,500	04-Mar-23
TTD	The Comptroller of Customs and Excise Accounts of Trinidad and Tobago	10	23-Mar-23
TTD	The Ministry of National Security	11	28-Sep-23
TTD	The Comptroller of Customs	10	07-Feb-24
TTD	The Comptroller of Customs and Excise Accounts of Trinidad and Tobago	1,500	08-Feb-23

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

37. Subsequent events

The Russian invasion of Ukraine on 24 February 2022, and occupation of parts of Ukraine continues to have an impact on global grain prices and supplies. Ukrainian grain exports from select Black Sea ports had stabilized, and the Russian government agreed to extend a deal on exporting grain to Ukraine for a further 60 days in early March. However, continuing uncertainty about the renewal of the grain export corridor beyond the 60 day renewal continues to create volatility in grain prices, despite efforts around the world to increase grain production. The impact of global warming and prolonged drought conditions continue to impact major grain producers such as the United States which faces difficult conditions for winter wheat production, Argentina which is expected to deliver significantly reduced corn and soyabean harvests in 2023, and Brazil which bumper soyabean harvests are being affected by unusually high rainfall delaying harvests and driving up prices. Grain prices are also affected by geopolitical uncertainty in the middle east, and global financial markets.

The adverse impact of these events on grain prices and supply has been considered by management and no new issues are expected to affect the supply of raw materials. Contracts for one shipment of grain in March and another in May 2023 have been entered by management at the date of management's approval of the consolidated financial statements, to maintain cover for six months of production. The recent price increase in NFM flour products would match inreases in the cost of grain and allow the Group to continue generating sufficient operating cashflow from revenue.