

Massy Finance GFC Ltd

Abridged Financial Statements

30 September 2022

(Expressed in Trinidad and Tobago Dollars)

Massy Finance GFC Ltd

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Independent auditor's report on the abridged financial statements

To the shareholder of Massy Finance GFC Ltd

Our opinion

In our opinion, the accompanying abridged financial statements of Massy Finance GFC Ltd (the Company) are consistent, in all material respects, with the audited financial statements, on the basis described in note 2.

The abridged financial statements

The Company's abridged financial statements derived from the audited financial statements for the year ended 30 September 2022 comprise:

- the abridged statement of financial position as at 30 September 2022;
- the abridged statement of profit or loss and other comprehensive income for the year then ended;
- the abridged statement of changes in equity for the year then ended;
- the abridged statement of cash flows for the year then ended; and
- the related notes to the abridged financial statements.

The abridged financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the abridged financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 22 December 2022.

Management responsibility for the abridged financial statements

Management is responsible for the preparation of the abridged financial statements on the basis described in note 2.

Auditor's responsibility

Our responsibility is to express an opinion on whether the abridged financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

A handwritten signature in blue ink that reads "Price waterhouse Coopers".

Port of Spain,
Trinidad, West Indies
22 December 2022

Massy Finance GFC Ltd

Abridged Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

	As at 30 September	
	2022 (\$'000)	2021 (\$'000)
Assets		
Cash on hand and due from banks	28,201	17,659
Statutory deposit with Central Bank	47,304	26,543
Instalment credit and other loans	416,244	389,692
Investment securities	173,025	34
Property and equipment	2,912	1,576
Right of use assets	3,156	4,448
Intangible assets	4,549	--
Deferred tax assets	2,498	2,445
Taxation recoverable	2,669	1,770
Other assets	6,462	604
Total assets	<u>687,020</u>	<u>444,771</u>
Shareholders' equity		
Share capital	15,000	15,000
Statutory reserve	15,000	15,000
General banking reserve	2,390	2,390
Retained earnings	109,148	106,706
Total shareholders' equity	<u>141,538</u>	<u>139,096</u>
Liabilities		
Customers' deposits	532,311	294,697
Taxation payable	1,230	82
Derivative liability	203	--
Lease liabilities	3,730	4,628
Other liabilities	8,008	6,268
Total liabilities	<u>545,482</u>	<u>305,675</u>
Total shareholders' equity and liabilities	<u>687,020</u>	<u>444,771</u>

The notes on pages 6 to 8 are an integral part of these abridged financial statements.

On 19 December 2022, the Board of Directors of Massy Finance GFC Ltd authorised these abridged financial statements for issue.



Director



Director

Massy Finance GFC Ltd

Abridged Statement of Profit or loss and Other Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

	Year ended 30 September	
	2022 (\$'000)	2021 (\$'000)
Interest income	36,189	29,897
Interest expense	<u>(11,674)</u>	<u>(7,131)</u>
Net interest income	24,515	22,766
Net change in fair value of FVTPL assets	576	--
Other income	<u>13,029</u>	<u>7,727</u>
Total net income	<u>38,120</u>	<u>30,493</u>
Impairment losses on financial assets, net of recoveries	(4,162)	87
Operating expenses	<u>(22,797)</u>	<u>(20,455)</u>
Total non-interest expenses	<u>(26,959)</u>	<u>(20,368)</u>
Profit before taxation	11,161	10,125
Taxation	<u>(3,158)</u>	<u>(3,173)</u>
Profit after taxation	8,003	6,952
Other comprehensive income	<u>--</u>	<u>--</u>
Total comprehensive income for the year	<u>8,003</u>	<u>6,952</u>

The notes on pages 6 to 8 are an integral part of these abridged financial statements.

Massy Finance GFC Ltd

Abridged Statement of Changes in Equity

(Expressed in Trinidad and Tobago Dollars)

	Share capital (\$'000)	Statutory reserve (\$'000)	General banking reserve (\$'000)	Retained earnings (\$'000)	Total shareholders' equity (\$'000)
Year ended 30 September 2022					
Balance at beginning of year	15,000	15,000	2,390	106,706	139,096
Dividends paid	--	--	--	(5,561)	(5,561)
Total comprehensive income for the year	--	--	--	8,003	8,003
Balance at end of year	<u>15,000</u>	<u>15,000</u>	<u>2,390</u>	<u>109,148</u>	<u>141,538</u>
Year ended 30 September 2021					
Balance at beginning of year	15,000	15,000	2,390	99,754	132,144
Total comprehensive income for the year	--	--	--	6,952	6,952
Balance at end of year	<u>15,000</u>	<u>15,000</u>	<u>2,390</u>	<u>106,706</u>	<u>139,096</u>

The notes on pages 6 to 8 are an integral part of these abridged financial statements.

Massy Finance GFC Ltd

Abridged Statement of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	Year ended 30 September	
	2022 (\$'000)	2021 (\$'000)
Cash flows from operating activities		
Profit before taxation	11,161	10,125
Adjustments for:		
Impairment losses on financial assets	(4,162)	(87)
Depreciation	644	388
Depreciation on right to use asset	1,719	1,856
Profit on disposal of property and equipment and assets	(144)	--
Cash flows before changes in operating assets and liabilities	9,218	12,282
(Increase)/decrease in operating assets:		
Statutory deposit with Central Bank	(20,761)	4,500
Instalment credit and other loans	(23,031)	(23,434)
Due from related parties	(72)	(35)
Other assets	(5,787)	(183)
Increase/(decrease) in operating liabilities		
Customers' deposits	207,560	4,475
Due to related parties	32,793	1,778
Derivative liability	203	--
Other liabilities	(998)	1
Cash generated from/(used in) operating activities	199,125	(616)
Taxation payments	(2,962)	(3,215)
Net cash generated from/(used in) operating activities	<u>196,163</u>	<u>(3,831)</u>
Investing activities		
Purchase of equipment and assets	(6,612)	(604)
Proceeds from sale of equipment and assets	49	81
Payments for financial assets at FVTOCI	2,563	--
Purchase of investment	(174,913)	--
Net cash used in investing activities	<u>(178,913)</u>	<u>(523)</u>
Financing activities		
Principal repayments on lease liabilities	(1,146)	(1,728)
Dividends paid to parent company	(5,562)	--
Net cash used in financing activities	<u>(6,708)</u>	<u>(1,728)</u>
Increase/(decrease) in cash and cash equivalents	10,542	(6,082)
Cash and cash equivalents at beginning of year	<u>17,659</u>	<u>23,741</u>
Cash and cash equivalents at end of year	<u>28,201</u>	<u>17,659</u>
Represented by:		
Cash on hand and due from banks	<u>28,201</u>	<u>17,659</u>

The notes on pages 6 to 8 are an integral part of these abridged financial statements.

Massy Finance GFC Ltd

Notes to the Abridged Financial Statements

30 September 2022

(Expressed in Trinidad and Tobago Dollars)

1 Incorporation and principal activities

The Company is incorporated in the Republic of Trinidad and Tobago and is licensed under the Financial Institutions Act, 2008. It is a wholly owned subsidiary of Massy Holdings Ltd., a company also incorporated in the Republic of Trinidad and Tobago.

The registered office was relocated effective 19 April 2022, to 3rd Floor, Princes Court 15-17 Keate Street, Port of Spain.

The principal activities of the Company are the acceptance of deposits for fixed terms and the granting of instalment credit secured on specific equipment and goods, demand loans and mortgage loans. It also undertakes insurance premium financing and lease financing. The Company also conducts foreign currency trades which is mainly with the Massy Group. The Company operates through its Head Office in Port of Spain with 4 other offices throughout Trinidad and 1 office in Tobago.

On the 1 July 2014, the Registrar General of Trinidad and Tobago under Section 217 of the companies Act 1995 approved the Articles of Amendment for change of name from General Finance Corporation Limited to Massy Finance GFC Ltd.

The Company was registered as a Broker Dealer and Underwriter with the Trinidad and Tobago Stock Exchange on 3 March 2022.

2 Basis of preparation

The abridged financial statements are prepared in accordance with the Guideline on the Publication of Abridged Financial Statements, issued by the Central Bank of Trinidad and Tobago, in conjunction with Section 80(1A) of the Financial Institutions Act. The abridged financial statements are derived from the audited financial statements of the Company which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations, stated in Trinidad and Tobago dollars. These abridged financial statements have been extracted from the audited financial statements which will be available on Massy Finance GFC Ltd. Website (www.massyfinance.com).

The Company has prepared the abridged financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

3 Significant accounting policies

The principal accounting policies applied in the preparation of these abridged financial statements are set out in 'Note 2' of the 30 September 2022 audited financial statements, consistently applied to all the years presented. The Company has adopted all new and revised accounting standards and interpretations that are mandatory for annual accounting periods on or after 1 January 2021 and which are relevant to Company's operations.

Massy Finance GFC Ltd

Notes to the Financial Statements (continued)

30 September 2022

(Expressed in Trinidad and Tobago Dollars)

4 Foreign currency translation

a. Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Abridged Statement of Profit or Loss and Other Comprehensive Income.

5 Contingent liabilities and commitments

a. Contingent liabilities

There were no contingent liabilities at the abridged statement of financial position date. (2021: Nil).

b. Loan commitments

At the abridged statement of financial position date, there were loan commitments amounting to \$20,412,314 (2021: \$15,006,110) related to approved facilities not yet disbursed. The provision for expected credit losses on loan commitment was \$239,863 as at 30 September 2022 (2021: \$124,412).

c. Capital commitments

There was no capital expenditure contracted for at the statement of financial position date of but not recognised in the financial statements (2021: \$Nil).

6 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. A number of transactions are entered into with related parties in the normal course of business.

The following are details of related party transactions:

	2022 (\$'000)	2021 (\$'000)
a. <i>Income/(expenses)</i>		
Loans to customers:		
- Interest income (affiliated companies)	680	280
- Interest income (directors and key management)	16	--
	<u>696</u>	<u>280</u>

Massy Finance GFC Ltd

Notes to the Financial Statements (continued)

30 September 2022

(Expressed in Trinidad and Tobago Dollars)

6 Related party transactions (continued)

a. Income/(expenses) (continued)

	2022 (\$'000)	2021 (\$'000)
Customers' deposits:		
- Interest expense (affiliated company)	(723)	(178)
- Interest expense (directors and key management)	(598)	--
Legal and management charges (parent company)	(1,312)	(1,667)
Rental charges (affiliated company)	<u>(109)</u>	<u>(1,036)</u>
	<u>(2,742)</u>	<u>(2,881)</u>
Lease asset/liability:		
- Depreciation on right to use asset	1,288	1,774
- Interest expense on lease liability	<u>(1,240)</u>	<u>(1,652)</u>
	<u>48</u>	<u>122</u>

b. Key management compensation

Salaries and other short term benefits	<u>1,071</u>	<u>1,171</u>
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c. Year-end balances – assets/(liabilities)

Due from related parties:		
- Loans to customers (affiliated companies)	11,006	12,735
- Loans to customers (directors and key management)	507	--
- Other assets (affiliated companies)	<u>--</u>	<u>72</u>
	<u>11,513</u>	<u>12,807</u>

Due to related parties:		
- Customers' deposits (affiliated company)	(38,766)	(8,712)
- Lease liability (affiliated company)	--	(4,351)
- Other liabilities (affiliated companies)	<u>(4,461)</u>	<u>(1,723)</u>
	<u>(43,227)</u>	<u>14,786</u>

Loans to directors and key management:

Balance at beginning of year	--	--
Additions	522	--
Repayments	<u>(15)</u>	<u>--</u>
Balance at end of year	<u>507</u>	<u>--</u>

There were no loans to directors and key management that were impaired.

7 Subsequent events

There were no events after the reporting period which were material to the abridged financial statements and should have resulted in adjustments to the abridged financial statements or disclosures when the abridged financial statements were authorised for issue.