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Wisynco Group Limited

Financial Statements
30 June 2021

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30 June 2021

Independent auditor's report

To the Members of Wisynco Group Limited

Report on the audit of the consolidated and stand-alone financial statements

Our opinion

In our opinion, the consolidated financial statements and the stand-alone financial statements give a true and fair view of the consolidated financial position of Wisynco Group Limited (the Company) and its subsidiary (together 'the Group') and the stand-alone financial position of the Company as at 30 June 2021, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and with the requirements of the Jamaican Companies Act.

What we have audited

The Group's consolidated and stand-alone financial statements comprise:

- the consolidated statement of financial position as at 30 June 2021;
- 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;
- the company statement of financial position as at 30 June 2021;
- the company statement of comprehensive income for the year then ended;
- the company statement of changes in equity for the year then ended;
- the company statement of cash flows for the year then ended; and
- the notes to the 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 and stand-alone 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.

PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica
T: (876) 922 6230, F: (876) 922 7581, www.pwc.com/jm

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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

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and stand-alone 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and stand-alone financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and stand-alone 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 for the Group's shareholding in associated company *Refer to notes 2(b)(ii), 4(b) and 18 to the consolidated and stand-alone financial statements for disclosures of related accounting policies and balances.*	
During the financial year, JP Snacks Caribbean Limited, an associated company of the Group, incurred losses due mainly to the effects of the COVID-19 pandemic. This was considered to be an indicator of impairment and resulted in management performing a formal impairment assessment.	We engaged independent qualified valuation experts to assist us in evaluating the work of management's experts. With the aid of our valuation experts, we performed the following procedures: • Evaluated the competence and objectivity of management's experts. • Evaluated the appropriateness of the valuation methodology utilised to determine the recoverable amount in accordance with IAS 36.

Key audit matter	How our audit addressed the key audit matter
At 30 June 2021, the investment in JP Snacks Caribbean Limited was carried at $580 million or 2.59% of total assets for the Group and $586 million or 2.64% of total assets for the Company. Management engaged an expert to perform a value-in-use (VIU) calculation to determine a value for the recoverable amount for its investments in the associate, as required by IAS 36, "Impairment of non-financial assets". Based on the assessment, management determined there was no impairment. We focused on this area due to its subjectivity and the sensitivity to changes in inputs and assumptions, as the performance of VIU calculations involves the use of a number of estimates including gross profit margins, pre-tax discount rates and terminal value growth rates. The judgement involved in determining the impact of COVID-19 on the key assumptions also caused us to focus on this area.	• Agreed the base year financial information used to generate forecast cash flows to current year results and compared the current year and previous forecasts to actual results to assess the performance of the business and the accuracy of management's forecasting. • Obtained an understanding of management's budgeting process and reconciled key cash flow forecast inputs such as revenue and gross margins to approved budgets. • Tested management's assumptions, including the impact of COVID-19 on those assumptions as follows: o Pre-tax discount rate - evaluated management's inputs against independent third party economic and industry data and, where applicable, company specific data; o Terminal value growth rate - evaluated management's terminal value growth by assessing the feasibility of management's plans to increase revenue over the forecast period and assessing the terminal value growth rate against long-term GDP growth rate forecasts for the Dominican Republic; and o Gross profit margins - evaluated management's expected gross profit margin over the period by reference to historical gross profit margins and by evaluating the potential impact of management's cost saving mechanisms. • Tested the mathematical accuracy of management's model and considered the sensitivity of the recoverable amount by factoring a discount for lack of marketability. Based on the procedures performed, management's assumptions and judgments in relation to the recoverable amount of the investment in associate, in our view, were not unreasonable and no adjustment for impairment was required.

Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated and stand-alone 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 and stand-alone 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 and stand-alone 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 and stand-alone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the 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 and stand-alone financial statements

Management is responsible for the preparation of the consolidated and stand-alone financial statements that give a true and fair view in accordance with IFRS and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of consolidated and stand-alone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and stand-alone financial statements, management is responsible for assessing the Group and Company'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 the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated and stand-alone financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and stand-alone 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 and stand-alone 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 and stand-alone 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 and Company'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 or Company'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 and stand-alone 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 or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone 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 and stand-alone 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.

Report on other legal and regulatory requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying consolidated and stand-alone financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

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

PricewaterhouseCoopers

Chartered Accountants
Kingston, Jamaica
27 August 2021

Wisynco Group Limited
Consolidated Statement of Comprehensive Income
Year ended 30 June 2021
(expressed in Jamaican dollars unless otherwise indicated)

Continuing operations	Note	2021 $'000	2020 $'000
Revenue	5	31,816,430	32,170,426
Cost of sales		(20,700,100)	(21,103,363)
Gross Profit		11,116,330	11,067,063
Other operating income	6	240,581	336,999
Selling and distribution expenses		(6,149,378)	(6,784,843)
Administration expenses		(1,416,660)	(1,370,277)
Operating Profit		3,790,873	3,248,942
Finance income	9	195,534	138,451
Finance costs	10	(153,730)	(168,145)
Share of results of associate	18	(29,722)	984
Profit before Taxation		3,802,955	3,220,232
Taxation	11	(730,655)	(557,565)
Profit for the year from continuing operations		3,072,300	2,662,667
Profit from discontinued operations	12	-	139,736
Net Profit		3,072,300	2,802,403
Other Comprehensive Income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign subsidiary		6,093	9,765
Share of other comprehensive income of associate	18	5,636	9,322
Items that will not be reclassified to profit or loss			
Unrealised gains on investment securities	20	11,362	17,302
Total Comprehensive Income		3,095,391	2,838,792
Earnings Per Stock Unit from continuing and discontinued operations attributable to stockholders of the Group	13		
Basic and Fully Diluted			
From continuing operations		$0.82	$0.71
From discontinued operations		-	$0.04
		$0.82	$0.75

Wisynco Group Limited

Consolidated Statement of Financial Position

30 June 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Non-Current Assets			
Property, plant and equipment	15	6,630,904	7,088,491
Intangible assets	16	18,247	32,162
Investment in associate	18	580,181	604,267
Loans receivable	19	205,685	175,932
Investment securities	20	640,840	131,253
		8,075,857	8,032,105
Current Assets			
Inventories	21	3,591,118	3,316,760
Receivables and prepayments	22	2,635,049	2,528,374
Investment securities	20	402,827	447,267
Cash and short-term deposits	23	7,661,003	4,950,743
		14,289,997	11,243,144
Current Liabilities			
Trade and other payables	24	4,590,330	3,339,033
Short-term borrowings	25	765,451	702,393
Lease liabilities	26	80,292	73,966
Taxation payable		464,199	437,338
		5,900,272	4,552,730
Net Current Assets		8,389,725	6,690,414
		16,465,582	14,722,519

Wisynco Group Limited

Consolidated Statement of Financial Position (Continued)

30 June 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Equity			
Capital and reserves attributable to the company's equity holders			
Share capital	27	1,192,647	1,192,647
Other reserves	28	369,039	248,534
Translation reserve	29	59,864	48,135
Retained earnings	30	13,432,757	11,485,457
		15,054,307	12,974,773
Non-Current Liabilities			
Deferred tax liabilities	31	99,966	155,647
Borrowings	25	1,311,309	1,546,947
Lease liabilities	26	-	45,152
		1,411,275	1,747,746
		16,465,582	14,722,519

Approved by the Board of Directors on 27 August 2021 and signed on its behalf by:

William Mahfood Director

Andrew Mahfood Director

Wisynco Group Limited

Consolidated Statement of Changes in Equity

Year ended 30 June 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Number of shares '000	Share Capital $'000	Other Reserves $'000	Retained Earnings $'000	Translation Reserve $'000	Total Equity $'000
Balance at 1 July 2019	3,750,000	1,192,647	130,832	9,733,054	29,048	11,085,581
Net profit	-	-	-	2,802,403	-	2,802,403
Changes in fair value of equity instruments measured at fair value through other comprehensive income (Note 20)	-	-	17,302	-	-	17,302
Share-based payment expenses, net of taxes	-	-	100,400	-	-	100,400
Share of other comprehensive income of associate (Note 18)	-	-	-	-	9,322	9,322
Exchange differences on translating foreign subsidiary	-	-	-	-	9,765	9,765
Total comprehensive income	-	-	117,702	2,802,403	19,087	2,939,192
Transactions with owners -						
Dividends (Note 34)	-	-	-	(1,050,000)	-	(1,050,000)
	-	-	-	(1,050,000)	-	(1,050,000)
Balance at 30 June 2020	3,750,000	1,192,647	248,534	11,485,457	48,135	12,974,773
Net profit	-	-	-	3,072,300	-	3,072,300
Changes in fair value of equity instruments measured at fair value through other comprehensive income (Note 20)	-	-	11,362	-	-	11,362
Share-based payment expenses, net of taxes	-	-	109,143	-	-	109,143
Share of other comprehensive income of associate (Note 18)	-	-	-	-	5,636	5,636
Exchange differences on translating foreign subsidiary	-	-	-	-	6,093	6,093
Total comprehensive income	-	-	120,505	3,072,300	11,729	3,204,534
Transactions with owners -						
Dividends (Note 34)	-	-	-	(1,125,000)	-	(1,125,000)
	-	-	-	(1,125,000)	-	(1,125,000)
Balance at 30 June 2021	3,750,000	1,192,647	369,039	13,432,757	59,864	15,054,307

Wisynco Group Limited

Consolidated Statement of Cash Flows

Year ended 30 June 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Operating Activities			
Cash provided by operating activities	32	4,663,560	3,673,191
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	15	(591,771)	(1,472,538)
Purchase of intangible assets	16	(3,849)	(21,275)
Purchase of investments	20	(768,075)	(150,442)
Net withdrawals/(placements) of deposits over 3 months		909,751	(678,848)
Proceeds from the sale of property, plant and equipment		1,039	4,300
Proceeds from the sale of investment securities		325,157	130,385
Dividend received		859	1,510
Promissory note		(19,131)	-
Interest received		190,064	126,554
Cash provided by/(used in) investing activities		44,044	(2,060,354)
Cash Flows from Financing Activities			
Interest paid		(147,191)	(178,525)
Long-term loans repaid	32	(661,950)	(525,000)
Lease liabilities repaid		(104,424)	(75,456)
Loan commitment fees paid	32	(2,875)	-
Long-term loans received	32	500,000	-
Finance lease repaid	32	-	(913)
Dividend paid		(712,500)	(712,500)
Cash used in financing activities		(1,128,940)	(1,492,394)
Increase in cash and cash equivalents		3,578,664	120,443
Cash and cash equivalents at beginning of year		3,637,130	3,415,897
Effects of changes in foreign exchange rates on cash and cash equivalents		49,773	100,790
Cash and Cash Equivalents at End of Year	23	7,265,567	3,637,130

Wisynco Group Limited

Company Statement of Comprehensive Income

Year ended 30 June 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Continuing operations			
Revenue	5	31,804,754	32,159,881
Cost of sales		(20,675,931)	(21,059,942)
Gross Profit		11,128,823	11,099,939
Other operating income	6	230,469	334,472
Selling and distribution expenses		(6,216,406)	(6,856,195)
Administration expenses		(1,417,764)	(1,379,305)
Operating Profit		3,725,122	3,198,911
Finance income	9	195,534	138,451
Finance costs	10	(154,334)	(168,145)
Profit before Taxation		3,766,322	3,169,217
Taxation	11	(729,996)	(557,066)
Profit for the year from continuing operations		3,036,326	2,612,151
Profit from discontinued operations	12	-	139,736
Net Profit		3,036,326	2,751,887
Other Comprehensive Income			
Items that will not be subsequently reclassified to profit or loss			
Unrealised gains on investment securities	20	11,362	17,302
Total Comprehensive Income		3,047,688	2,769,189

Wisynco Group Limited

Company Statement of Financial Position

30 June 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Non-Current Assets			
Property, plant and equipment	15	6,630,904	7,088,491
Intangible assets	16	18,247	32,162
Investment in subsidiary	17	11,375	11,375
Investment in associate	18	586,169	586,169
Loans receivable	19	205,685	175,932
Investment securities	20	640,840	131,253
		8,093,220	8,025,382
Current Assets			
Inventories	21	3,591,118	3,316,760
Receivables and prepayments	22	2,604,413	2,526,649
Investment securities	20	402,827	447,267
Cash and short-term deposits	23	7,478,877	4,824,206
		14,077,235	11,114,882
Current Liabilities			
Trade and other payables	24	4,568,547	3,330,291
Short-term borrowings	25	765,451	702,393
Lease liabilities	26	80,292	73,966
Taxation payable		463,836	436,645
		5,878,126	4,543,295
Net Current Assets		8,199,109	6,571,587
		16,292,329	14,596,969
Shareholders' Equity			
Share capital	27	1,192,647	1,192,647
Other reserves	28	369,039	248,534
Retained earnings		13,319,368	11,408,042
		14,881,054	12,849,223
Non-Current Liabilities			
Deferred tax liabilities	31	99,966	155,647
Borrowings	25	1,311,309	1,546,947
Lease liabilities	26	-	45,152
		1,411,275	1,747,746
		16,292,329	14,596,969

Approved for issue by the Board of Directors on 27 August 2021 and signed on its behalf by:

William Mahfood — Director

Andrew Mahfood — Director

Wisynco Group Limited
Company Statement of Changes in Equity
Year ended 30 June 2021
(expressed in Jamaican dollars unless otherwise indicated)

	Note	Number of shares '000	Share Capital $'000	Other Reserves $'000	Retained Earnings $'000	Total $'000
Balance at 1 July 2019		3,750,000	1,192,647	130,832	9,706,155	11,029,634
Net profit		-	-	-	2,751,887	2,751,887
Changes in fair value of equity instruments measured at fair value through other comprehensive income	20	-	-	17,302	-	17,302
Share-based payment expenses, net of taxes		-	-	100,400	-	100,400
Total comprehensive income		-	-	117,702	2,751,887	2,869,589
Transactions with owners -						
Dividends	34	-	-	-	(1,050,000)	(1,050,000)
		-	-	-	(1,050,000)	(1,050,000)
Balance at 30 June 2020		3,750,000	1,192,647	248,534	11,408,042	12,849,223
Net profit		-	-	-	3,036,326	3,036,326
Changes in fair value of equity instruments measured at fair value through other comprehensive income	20	-	-	11,362	-	11,362
Share-based payment expenses, net of taxes		-	-	109,143	-	109,143
Total comprehensive income		-	-	120,505	3,036,326	3,156,831
Transactions with owners -						
Dividends	34	-	-	-	(1,125,000)	(1,125,000)
		-	-	-	(1,125,000)	(1,125,000)
Balance at 30 June 2021		3,750,000	1,192,647	369,039	13,319,368	14,881,054

Wisynco Group Limited
Company Statement of Cash Flows
30 June 2021
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Operating Activities			
Cash provided by operating activities	32	4,607,971	3,613,417
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	15	(591,771)	(1,472,538)
Purchase of intangible assets	16	(3,849)	(21,275)
Proceeds from the sale of property, plant and equipment		1,039	4,300
Purchase of investment securities	20	(768,075)	(150,442)
Proceeds from the sale of investment securities		325,157	130,385
Net withdrawals/(placements) of deposits over 3 months		909,751	(678,849)
Dividend received		859	1,510
Promissory note		(19,131)	-
Interest received		190,064	126,554
Cash provided by/(used in) investing activities		44,044	(2,060,355)
Cash Flows from Financing Activities			
Interest paid		(147,191)	(178,525)
Long-term loans repaid	32	(661,950)	(525,000)
Lease liabilities repaid		(104,424)	(75,456)
Long-term loans received	32	500,000	-
Finance leases repaid	32	-	(913)
Commitment fees paid	32	(2,875)	-
Dividend paid		(712,500)	(712,500)
Cash used in financing activities		(1,128,940)	(1,492,394)
Increase in cash and cash equivalents		3,523,075	60,668
Cash and cash equivalents at beginning of year		3,510,593	3,349,135
Effects of changes in foreign exchange rates on cash and cash equivalents		49,773	100,790
Cash and Cash Equivalents at End of Year	23	7,083,441	3,510,593

Wisynco Group Limited

1. Identification and Principal Activities

(a) Wisynco Group Limited (the Company) is a limited liability company, incorporated and domiciled in Jamaica. The parent company is Wisynco Group (Caribbean) Limited, a Barbados International Business Company. The ultimate controlling party of the Company is Evesam Investments Holdings Limited, a company incorporated in the Cayman Islands. The registered office of the Company is located at Lakespen, St Catherine. The Company's ordinary shares are listed on the Jamaica Stock Exchange (JSE).

(b) The Company together with the wholly owned subsidiary, Indies Insurance Company Limited, incorporated and resident in St. Lucia as well as associate JP Snacks Caribbean Limited is referred to as "the Group". On 29 April 2019, the Company acquired a 30% interest in JP Snacks Caribbean Limited which comprise JP Snacks Caribbean Limited (standing alone) incorporated as a non-resident company in the Cayman Islands and its wholly-owned subsidiary Antillean Foods Inc, legally organised under the laws of Cayman Islands.

(c) The principal activities of the Group are the bottling and distribution of water and beverages, the distribution and retailing of food items and the provision of insurance services. The Group's plastic manufacturing and foam packaging operations were discontinued on 31 December 2019 as disclosed in Note 12.

2. Significant Accounting Policies

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets.

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

Standards, interpretations and amendments to published standards effective in current year

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of all such new standards, interpretations and amendments and has put into effect the following IFRS, which are immediately relevant to its operations.

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards effective in the current year (continued)

Amendments to IFRS 3 – Definition of a business (effective for annual periods beginning or after January 1, 2020). This amendment revises the definition of a business which may impact whether a transaction is accounted for as a business combination or asset acquisition. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations. The adoption of this amendment did not have a significant impact on the Group.

Amendments to IAS 1 and IAS 8 on the definition of material (effective for annual periods beginning or after January 1, 2020). These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs: i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information. The adoption of this amendment did not have a significant impact on the Group.

Wisynco Group Limited
Notes to the Financial Statements
30 June 2021
(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective
At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which were not yet effective for the Group at the statement of financial position date, and which the Group has not early adopted. The Group has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be relevant to its operations, and has concluded as follows:

IFRS 17, 'Insurance contracts' (effective for annual periods beginning on or after 1 January 2023). This standard was issued as a replacement for IFRS 4 'Insurance contracts' and requires a current measurement model where estimates are re-measured each reporting period. The standard allows a choice between recognising changes in discount rates either in the profit or loss or directly in other comprehensive income. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short-duration contracts. The Group is currently assessing the impact of this standard.

Amendments to IFRS 16, 'Leases' – COVID-19 related rent recessions - Extension of the practical expedient, (effective for annual periods beginning on or after 1 April 2021). As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral or lease payments. On 31 March 2021, the IASB published an additional amendment to extend the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event of condition that triggers the reduced payment occurs. The adoption of this amendment is not expected to have a significant impact on the Group.

Amendments to IAS 1, Presentation of financial statements', on the classification of liabilities (effective for annual periods beginning on or after 1 June 2023). These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The Group will apply this amendment to future transactions.

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 (effective for annual periods beginning on or after 1 January 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. The Group is currently assessing the impact of these amendments.

Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction (effective for annual periods beginning on or after 1 January 2023). These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences. The Group is currently assessing the impact of these amendments.

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2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective (continued)

The Group has concluded that all other standards, interpretations and amendments to existing standards, which are published but not yet effective are either relevant to its operations but will have no material impact on adoption; or are not relevant to its operations and will therefore have no material impact on adoption, or contain inconsequential clarifications that will have no material impact when they come into effect.

(b) Basis of consolidation

(i) Subsidiaries
Subsidiaries are all entities (including structured entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses the existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

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

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that are deemed to be an asset or liability are recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest over the fair value of the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

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2. Significant Accounting Policies (Continued)

(b) Basis of consolidation (continued)

(i) Subsidiaries (continued)

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, the accounting policies of the subsidiary have been changed to ensure consistency with the policies adopted by the Group.

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

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

The Group's subsidiary is as follows:

Entity	**Financial Reporting Year-end**	**Country of Incorporation**	**Nature of Business**	**Group's percentage interest**	
				2021	**2020**
Indies Insurance Company Limited	30 June	St. Lucia	Captive insurance	100	100

2. Significant Accounting Policies (Continued)

(b) Basis of consolidation (continued)

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the investee's profit or loss, other comprehensive income and changes recognised directly in equity after the date of acquisition. The Group's investment in associates includes goodwill and other intangible assets identified on acquisition, net of any amortisation and accumulated impairment losses.

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

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

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount as part of the 'share of results of associated companies' in the statement of comprehensive income.

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

In the Company's statement of financial position, investment in associates is shown at cost.

The Group's associated company is as follows:

	Financial Reporting Year-end	Country of Incorporation	Nature of Business	Group's percentage interest	
				2021	2020
JP Snacks Caribbean Limited (consolidated)	31 December	Cayman Islands	Manufacturing and distribution	30.0	30.0

2. Significant Accounting Policies (Continued)

(c) Revenue and income recognition

Group revenue comprises revenue of the group and its subsidiary. Revenue is shown net of General Consumption Tax or applicable sales tax, returns, rebates and discounts and after eliminating sales within the Group.

Revenue comprises amounts charged to customers in respect of the sale of water and beverages, general food items and fast food items.

Sales of goods

Revenue is recognised as performance obligations are satisfied, that is, over time or at a point in time. Where a customer contract contains multiple performance obligations, the transaction price is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services being provided to the customer.

Certain contracts with customers provide a right of return, free goods, volume discounts, rebates and other incentives. Accumulated experience is used to estimate and provide for customer returns and sales incentives using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability, representing amounts payable to customers, is recognised for expected returns and sales incentives. Where customer contracts entitle customers to free goods, revenue is allocated to each performance obligation, including free goods, and recognised as the performance obligations are satisfied.

Interest and dividend income

Interest income is recorded on an accrual basis using the effective interest method. Dividends are recognised when the right to receive payments is established.

Other operating income

Other operating income primarily comprising rebates received and the sale of miscellaneous items is recognised as it accrues unless collectability is in doubt.

2. Significant Accounting Policies (Continued)

(d) Foreign currency translation

Transactions and balances
Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currency are translated using the closing exchange rate. Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in profit or loss.

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

(e) Property, plant and equipment
Property, plant and equipment are stated at historical or deemed cost less depreciation.

The carrying values of property, plant and equipment are written off on a straight-line basis over their expected useful lives using the following rates:

Buildings	2½ - 3 ⅓%
Furniture, fixtures and equipment	10 - 50%
Motor vehicles	20%
Leasehold improvements	Shorter of the life of the lease or the useful life of the asset

Land is not depreciated.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

Repairs and maintenance expenses are charged to profit or loss during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

(f) Intangible assets

Computer software
Computer software is recorded at cost. This cost is amortised over a period of three years.

Wisynco Group Limited

2. Significant Accounting Policies (Continued)

(g) Impairment of non-current assets
Property, plant and equipment and other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

(h) Financial instruments

Classification of financial instruments

The Group classifies financial assets and liabilities as those measured at fair value through other comprehensive income (FVOCI) or measured at amortised cost in accordance with IFRS 9 'Financial Instruments'.

The classification is based on the business model used to manage the financial instruments as well as the terms of the contractual cashflows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. The equity instruments held by the Group 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 FVOCI.

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

Measurement of financial instruments

Debt instruments
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 into the following measurement category:

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

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2. Significant Accounting Policies (Continued)

(h) Financial instruments (continued)

Measurement of financial instruments (continued)

Equity instruments
The Group 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 when the Group's right to receive payments is established.

Impairment of financial instruments

The Group determines impairment of financial instruments using the expected credit loss (ECL) model. The Group incorporates forward-looking information and applies both the general model and the simplified approach when calculating ECLs.

Application of the General Model
The Group has applied the 'general model' as required under IFRS 9 for debt instruments other than trade receivables. Under this model, the Group is required to assess on a forward-looking basis the ECL associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The ECL will be recognised in profit or loss before a loss event has occurred. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The probability-weighted outcome considers multiple scenarios based on reasonable and supportable forecasts. Under current guidance, impairment amount represents the single best outcome; the time value of money; and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

ECL is calculated as the product of the Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

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

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

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

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

2. Significant Accounting Policies (Continued)

(h) Financial instruments (continued)

Impairment of financial instruments (continued)

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

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

Macroeconomic Factors, Forward-Looking Information and Multiple Scenarios
The Group applies an unbiased and probability-weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions.

Macroeconomic factors and forward-looking information are incorporated into the measurement of ECL as well as the determination of whether there has been a significant increase in credit risk since origination. Measurement of ECLs at each reporting period reflect reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group uses three scenarios that are probability-weighted to determine ECL.

Expected Life
When measuring ECL, the Group considers the maximum contractual period over which the Group is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment options and extension and rollover options.

Application of the Simplified Approach
For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using a lifetime ECL. As a practical expedient, a provision matrix is utilised in determining the lifetime ECLs for trade receivables.

The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward-looking information.

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2. Significant Accounting Policies (Continued)

(i) Inventories
Inventories are stated at the lower of cost and net realisable value.

The cost of raw materials is determined using the weighted average cost method. The cost of work in progress and manufactured finished goods is determined using standard raw material cost, plus budgeted cost of labour and factory overheads, which approximates actual cost. The cost of goods purchased for resale is the suppliers' invoice price applied on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

(j) Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Impairment of trade receivables is determined using the simplified approach based on the requirements of IFRS 9 as outlined in Note 2(h) above.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the profit or loss in selling and distribution expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in profit or loss.

(k) Cash and cash equivalents
Cash and cash equivalents are carried on the statement of financial position at cost. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise investment securities with less than 90 days maturity from the date of acquisition including cash balances, short term deposits, securities purchased under agreements to resell and bank overdrafts.

(l) Payables
Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables are initially recognised at fair value and subsequently stated at amortised cost.

2. Significant Accounting Policies (Continued)

(m) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability 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. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

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;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point.

Potential future increases in variable lease payments based on an index or rate are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

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

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

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

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

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2. Significant Accounting Policies (Continued)

(m) Leases (continued)

The lease term is determined as the non-cancellable period of the lease and also takes account of extension and termination options if reasonably certain to be exercised. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of warehouses, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

As lessor

When assets are sold under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned income. Lease income is recognised over the term of the lease so as to reflect a constant periodic rate of return.

2. Significant Accounting Policies (Continued)

(n) Borrowings and borrowings costs

Borrowings are recognised at the proceeds received; net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective yield method.

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.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(o) Income taxes

Taxation expense in the statement of comprehensive income comprises current and deferred tax charges.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The Group's liability for current tax is calculated at tax rates that have been enacted at the year-end.

Deferred tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2. Significant Accounting Policies (Continued)

(o) Income taxes (continued)

IFRS 16 'Leases' requires that the lessee recognises a right-of-use asset and a lease liability. The lease payments made by the Group are tax-deductible on a cash basis. Consequently, the tax bases of the right-of-use assets and lease liabilities are nil. The result is a taxable temporary difference in relation to the right-of-use asset and a deductible temporary difference in relation to the lease liability.

IAS 12 'Income Taxes' provides that an entity does not recognise a deferred tax asset or a deferred tax liability to the extent that it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit. This is referred to as the initial recognition exception.

IAS 12 'Income Taxes' does not specifically address the tax effects of right-of-use assets and lease liabilities. There are two principal approaches to the deferred tax accounting. The choice of approach is a matter of accounting policy, to be applied on a consistent basis. The Group's accounting policy choice considers the asset and the liability separately. With this approach, the Group applies the initial recognition exemption separately to the right-of-use asset and lease liability. The lease transaction will not affect accounting or taxable profit on initial recognition and consequently there is no deferred tax accounting throughout the entire lease term. Instead, the temporary differences related to the right-of-use asset and the lease liability affect the effective tax rate and are disclosed as reconciling items when explaining the relationship between tax expense and accounting profit.

(p) Employee benefits

Pension obligations
The Company participates in a defined contribution plan whereby it pays contributions to a privately administered fund. Once the contributions have been paid, the Company has no further payment obligations. The regular contributions constitute net periodic costs for the year in which they are due and are included in staff costs.

Termination benefits
Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date. The Company recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve months after the year-end are discounted to present value.

Profit-sharing plans
A liability for employee benefits in the form of profit-sharing plans is recognised when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

(i) There is a formal plan and the amounts to be paid are determined before the time of issuing the financial statements; or

(ii) Past practice has created a valid expectation by employees that they will receive a profit-sharing and the amount can be determined before the time of issuing the financial statements.

Liabilities for profit-sharing plans are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

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2. Significant Accounting Policies (Continued)

(p) Employee benefits (continued)

Leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

Share-based payments

The Group operates an equity-settled, share-based compensation scheme. Senior executives and key management are awarded stock options. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense in staff costs. The total amount expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of non-marketing conditions. When options are exercised, the proceeds net of any transactions costs or the value transferred are credited to share capital.

(q) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed; the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(r) Dividends

Dividends are recorded as a deduction from equity in the period in which they are approved.

(s) Discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of comprehensive income.

(t) Segment reporting

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

3. Financial Risk Management

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

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

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The Board has established a Group Finance Department for managing and monitoring risks. This department is responsible for managing the Group's assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group. It identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

COVID-19 has caused a contraction in all the sectors in which the Group operates. The spread of the virus, travel restrictions and measures to curtail the spread of the virus has had a significant effect on the demand for tourism, entertainment and related services. There has been no significant change to the Group's exposure to financial risks or the manner in which it manages and measures risk.

(a) Credit risk

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

Credit review process

The Group has a credit department whose responsibility involves regular analysis of the ability of customers and other counterparties to meet trade, interest, capital and other repayment obligations.

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

(i) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit department has established a credit policy under which each customer is analysed individually for creditworthiness prior to the Group offering them a credit facility. Risky customers are required to provide a banker's guarantee and credit limits are assigned to each customer, which represents the maximum credit allowable without approval from the credit department; these are reviewed semi-annually. The Group has procedures in place to restrict customer orders if the order will exceed their credit limits. Customers that fail to meet the Group's benchmark creditworthiness may transact business with the Group on a prepayment basis.

Customers' credit risks are monitored according to their credit characteristics such as whether the customer is an individual or company, industry, ageing profile, and previous financial difficulties. Trade and other receivables relate mainly to the Group's wholesale, retail and food service customers.

The Group's average credit period on the sale of goods is 30 days. The Group has provided fully for all receivables based on an estimate of amounts that would be irrecoverable, determined by taking into consideration past default experience, current economic conditions and expected receipts and recoveries once impaired.

(ii) Investments

The Group limits its exposure to credit risk by investing mainly in liquid securities, with counterparties that have high credit quality. Accordingly, management does not expect any counterparty to fail to meet its obligations.

(iii) Loans receivable

The Group's exposure for credit risk for loans receivable is limited to related party JP Snacks Caribbean Limited; which management does not expect to fail to meet its obligations.

Wisynco Group Limited

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Maximum exposure to credit risk

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Receivables	2,513,230	2,437,692	2,482,612	2,435,967
Cash and short-term deposits	7,661,003	4,950,743	7,478,877	4,824,206
Investment securities	984,954	516,578	984,954	516,578
Loans receivable	205,685	175,932	205,685	175,932
	11,364,872	8,080,945	11,152,128	7,952,683

The table above represents a worst-case scenario of credit risk exposure at 30 June. During the year, the Group did not renegotiate any trade receivables.

Loss allowance

	2021			2020		
	Gross Carrying Amount $'000	**Loss Allowance $'000**	**Expected loss rate**	**Gross Carrying Amount $'000**	**Loss Allowance $'000**	**Expected loss rate**
0 to 30 days	1,531,884	460	0.03%	1,311,116	447	0.03%
31 to 60 days	370,009	111	0.03%	378,238	110	0.03%
60 to 90 days	119,116	60	0.05%	136,596	73	0.05%
90 days or more	61,136	39,334	64.34%	231,093	59,270	25.65%
Gross amount	2,082,145	39,965		2,057,043	59,900	

3. **Financial Risk Management (Continued)**

(a) Credit risk (continued)

Movements on the provision for impairment of trade receivables are as follows:

	The Group and Company	
	2021	**2020**
	$'000	**$'000**
At 1 July	59,900	30,981
Provision for receivables impairment	12,881	43,388
Bad debt recovered	(32,816)	(14,469)
At 30 June	39,965	59,900

There are no financial assets other than those listed above that were individually impaired.

Credit exposure for trade receivables

The following table summarises the Group's and Company's credit exposure for trade receivables at their carrying amounts:

	The Group and Company	
	2021	**2020**
	$'000	**$'000**
Retail	1,104,130	1,049,960
Wholesale	502,013	458,920
Hotels and Restaurants	321,212	419,328
Export	154,790	128,835
	2,082,145	2,057,043
Less: Provision for credit losses	(39,965)	(59,900)
	2,042,180	1,997,143

Investment securities and Loan receivables

The Group has assessed that the investment securities and loan receivables have not experienced a significant increase in credit risk since origination and are not credit impaired. The investment securities and loan receivables are classified at Stage 1. The Group computed the ECL using a 12-month PD that represents the PD occurring over the next 12 months. The resulting expected credit loss is insignificant and has not been recognised in the current and prior year. There were no stage migrations in the current year and prior year.

Wisynco Group Limited

3. Financial Risk Management (Continued)

(b) Liquidity risk

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

Liquidity risk management process

The Group's liquidity management process, as carried out within the Group and monitored by the Group Finance Department, includes:

(i) Monitoring future cash flows and liquidity on a regular basis. This incorporates an assessment of expected cash flows and the availability of high-grade collateral which could be used to secure funding if required.

(ii) Maintaining committed lines of credit; and

(iii) Optimising cash returns on investment.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates.

The Company is contingently liable to its bankers in respect of guarantees in the ordinary course of business totaling approximately $64,500,000 (2020 - $11,500,000).

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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Financial liabilities cash flows

The tables below summarise the maturity profile of the Group's and Company's financial liabilities at 30 June based on contractual undiscounted payments at contractual maturity dates.

	The Group					
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
	2021					
Liabilities						
Borrowings	145,319	145,653	548,839	1,331,486	75,344	2,246,641
Lease liabilities	9,135	18,270	55,111	-	-	82,516
Trade and other payables	3,190,606	830,001	275,269	-	-	4,295,876
Total financial liabilities	3,345,060	993,924	879,219	1,331,486	75,344	6,625,033

	The Group					
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
	2020					
Liabilities						
Borrowings	153,364	147,295	548,654	1,713,045	-	2,562,358
Lease liabilities	6,592	13,184	59,326	46,113	-	125,215
Trade and other payables	2,362,568	359,938	364,329	-	-	3,086,835
Total financial liabilities	2,522,524	520,417	972,309	1,759,158	-	5,774,408

Assets available to meet all the liabilities and to cover financial liabilities include cash and short-term deposits.

Wisynco Group Limited

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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

	The Company					
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
	2021					
Liabilities						
Borrowings	145,319	145,653	548,839	1,331,486	75,344	2,246,641
Lease liabilities	9,135	18,270	55,111	-	-	82,516
Trade and other payables	3,168,823	830,001	275,269	-	-	4,274,093
Total financial liabilities	3,323,277	993,924	879,219	1,331,486	75,344	6,603,250

	The Company					
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
	2020					
Liabilities						
Borrowings	153,365	147,295	548,654	1,713,045	-	2,562,359
Lease liabilities	6,591	13,183	59,326	46,113	-	125,213
Trade and other payables	2,353,826	359,938	364,329	-	-	3,078,093
Total financial liabilities	2,513,782	520,416	972,309	1,759,158	-	5,765,665

Assets available to meet all the liabilities and to cover financial liabilities include cash and short-term deposits.

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3. Financial Risk Management (Continued)

(c) Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the Group Finance Department. Market risk exposures are measured using sensitivity analysis.

(i) Currency risk

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

The Group is exposed to foreign exchange risk primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

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

Concentrations of currency risk

The Group and Company have accounts receivable, cash and deposits, long term receivable net of accounts payable and lease liabilities denominated in United States dollars, amounting to an asset of J$1,906,313,000 and J$1,896,927,000 at 30 June 2021 (2020 - J$2,341,830,000 and J$2,107,047,000) respectively. The Group and Company also have cash and deposits net of accounts payable denominated in Euros, amounting to an asset of J$22,113,000 (2020 - J$34,000).

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity

The following tables indicate the currencies to which the Group and Company had significant exposure on their monetary assets and liabilities and forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a reasonably expected change in foreign currency rates.

	The Group			
	% Change in Currency Rate	Effect on Profit before Taxation	% Change in Currency Rate	Effect on Profit before Taxation
		2021		2020
	%	$'000	%	$'000
Currency:				
USD - revaluation	(38,126)	+2	+2	(46,837)
USD - devaluation	114,379	-6	-6	140,510
EURO - revaluation	(442)	+2	+2	(1)
EURO - devaluation	1,327	-6	-6	2

	The Company			
	% Change in Currency Rate	Effect on Profit before Taxation	% Change in Currency Rate	Effect on Profit before Taxation
		2021		2020
	%	$'000	%	$'000
Currency:				
USD - revaluation	(37,939)	+2	+2	(42,141)
USD - devaluation	113,816	-6	-6	126,423
EURO - revaluation	(442)	+2	+2	(1)
EURO - devaluation	1,327	-6	-6	2

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

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

The following tables summarise the exposure to interest rate risk. It includes the financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	The Group						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
				2021			
Assets							
Investment securities	-	72,715	330,112	582,127	-	58,713	1,043,667
Receivables	-	-	-	-	-	2,513,230	2,513,230
Cash and short-term deposits	4,272,335	3,388,194	-	-	-	474	7,661,003
Long-term receivable	-	-	-	197,476	-	8,209	205,685
Total financial assets	4,272,335	3,460,909	330,112	779,603	-	2,580,626	11,423,585
Liabilities							
Borrowings	138,938	130,050	496,463	1,241,800	72,800	-	2,080,051
Trade and other payables	-	-	-	-	-	4,295,876	4,295,876
Lease liabilities	8,734	17,598	53,960	-	-	-	80,292
Total financial liabilities	147,672	147,648	550,423	1,241,800	72,800	4,295,876	6,456,219
Total interest repricing gap	4,124,663	3,313,261	(220,311)	(462,197)	(72,800)	(1,715,250)	4,967,366

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	The Group						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
	2020						
Assets							
Investment securities	-	-	447,267	69,311	-	61,942	578,520
Receivables	-	-	-	-	-	2,437,692	2,437,692
Cash and short-term deposits	3,404,307	1,545,995	-	-	-	441	4,950,743
Long-term receivable	-	-	-	-	172,414	3,518	175,932
Total financial assets	3,404,307	1,545,995	447,267	69,311	172,414	2,503,593	8,142,887
Liabilities							
Borrowings	147,365	112,250	443,062	1,547,750	-	-	2,250,427
Trade and other payables	-	-	-	-	-	3,086,835	3,086,835
Lease liabilities	5,996	12,082	55,888	45,152	-	-	119,118
Total financial liabilities	153,361	124,332	498,950	1,592,902	-	3,086,835	5,456,380
Total interest repricing gap	3,250,946	1,421,663	(51,683)	(1,523,591)	172,414	(583,242)	2,686,507

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company						
	Within 1 Month $'000	**1 to 3 Months $'000**	**3 to 12 Months $'000**	**1 to 5 Years $'000**	**Over 5 Years $'000**	**Non-Interest Bearing $'000**	**Total $'000**
				2021			
Assets							
Investment securities	-	72,715	330,112	582,127	-	58,713	1,043,667
Receivables	-	-	-	-	-	2,482,612	2,482,612
Cash and short-term deposits	4,090,209	3,388,194	-	-	-	474	7,478,877
Long term receivable	-	-	-	197,476	-	8,209	205,685
Total financial assets	4,090,209	3,460,909	330,112	779,603	-	2,550,008	11,210,841
Liabilities							
Borrowings	138,938	130,050	496,463	1,241,800	72,800	-	2,080,051
Lease liabilities	8,734	17,598	53,960	-	-	-	80,292
Trade and other payables	-	-	-	-	-	4,274,093	4,274,093
Total financial liabilities	147,672	147,648	550,423	1,241,800	72,800	4,274,093	6,434,436
Total interest repricing gap	3,942,537	3,313,261	(220,311)	(462,197)	(72,800)	(1,724,085)	4,776,405

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company						
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-Interest Bearing $'000	Total $'000
				2020			
Assets							
Investment securities	-	-	447,267	69,311	-	61,942	578,520
Receivables	-	-	-	-	-	2,435,967	2,435,967
Cash and short-term deposits	3,277,770	1,545,995	-	-	-	441	4,824,206
Long term receivable	-	-	-	-	172,414	3,518	175,932
Total financial assets	3,277,770	1,545,995	447,267	69,311	172,414	2,501,868	8,014,625
Liabilities							
Borrowings	147,365	112,250	443,062	1,547,750	-	-	2,250,427
Lease liabilities	5,996	12,082	55,888	45,152	-	-	119,118
Trade and other payables	-	-	-	-	-	3,078,093	3,078,093
Total financial liabilities	153,361	124,332	498,950	1,592,902	-	3,078,093	5,447,638
Total interest repricing gap	3,124,409	1,421,663	(51,683)	(1,523,591)	172,414	(576,225)	2,566,987

Interest rate sensitivity

The Group and Company have no significant sensitivity to interest rate risk as all borrowings are at fixed rates.

(iii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group is exposed to equity price risk because of equity investments held and classified on the statement of financial position as fair value through other comprehensive income. The Group manages its price risk by trading these instruments when appropriate to reduce the impact of any adverse price fluctuations.

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(iii) Price risk (continued)

The table below summarises the impact of increases/ (decreases) on the Company's other components of equity. The analysis is based on the assumption that the equity prices had increased by 5% and decreased by 5% (2020 - 10% increase and decrease) with all other variables held constant.

	Equity Securities	
	Effect on Other Components of Equity	Effect on Other Components of Equity
	2021	2020
Change in index:	$'000	$'000
Decrease of 5% (2020 – 10%)	(2,936)	(6,194)
Increase of 5% (2020 – +5%)	2,936	3,097

(d) Capital management

The Group manages its capital resources according to the following objectives:

(i) To continue as a going concern in order to provide benefits for stakeholders;

(ii) To maintain a strong capital base which is sufficient for the future development of the Group's operations; and

(iii) To comply with capital requirements as stipulated by loan covenants.

The Group is exposed to externally imposed capital requirements as a result of loans issued by specific financial institutions as follows:

	Required	Actual 2021	Actual 2020
Minimum current assets to current liabilities	1.20:1	2.44:1	2.46:1
Maximum debt to equity ratio	2.33:1	0.10:1	0.12:1
Minimum interest cover	2.9 times	34 times	30 times
Minimum debt service coverage margin	2.0 times	6.19 times	5.71 times

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3. Financial Risk Management (Continued)

(e) Fair value estimation

Financial instruments that are measured in the statement of financial position at fair value are classified by level in one of the following fair value measurement hierarchy:

- Level 1 includes those instruments which are measured based on quoted prices in active markets for identical assets or liabilities.
- Level 2 includes those instruments which are measured using inputs other than quoted prices within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 includes those instruments which are measured using valuation techniques that include inputs for the instrument that are not based on observable market data (unobservable inputs).

The Group's financial instruments are classified as amortised cost and fair value through other comprehensive income as disclosed in Note 20.

The amounts included in the financial statements for cash and short-term deposits, receivables and payables, and due to parent company reflect their approximate fair values because of the short-term maturity of these instruments.

The fair value of long-term borrowings and long-term receivables approximates carrying value as the contractual cash flows are at current market interest rates that are available to the Group for similar financial instruments.

There were no transfers between the Levels.

	The Group and Company			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
		2021		
Investment securities –				
Quoted equities	58,713	-	-	58,713
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
		2020		
Investment securities –				
Quoted equities	61,868	-	-	61,868
Unquoted equities	-	-	74	74
	61,868	-	74	61,942

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

(a) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has not made any judgements that would cause a significant impact on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

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

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

Impairment of investment in associate
In assessing impairment of the Group's investments of its associated company, JP Snacks Caribbean Limited, management has used a value-in-use (VIU) methodology to determine the recoverable amount. The VIU methodology requires management to estimate discount rates, gross profit margins and a terminal value of growth rate in determining the recoverable amount. These estimates are unobservable, and the recoverable amount is sensitive to changes in these estimates.

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5. Revenue

Revenues can be disaggregated as follows:

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Export	628,009	445,275	628,009	445,275
Local	30,709,582	31,083,541	30,709,582	31,083,541
Related parties	467,163	631,065	467,163	631,065
Revenue transferred at a point in time	31,804,754	32,159,881	31,804,754	32,159,881
Revenue from insurance contracts (being total revenue recognised over time)	11,676	10,545	-	-
	31,816,430	32,170,426	31,804,754	32,159,881

6. Other Operating Income

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Bad debts recovered	32,816	14,469	32,816	14,469
Capital grant	-	8,586	-	8,586
Commission income	10,112	9,690	-	-
Discount received	25,908	30,093	25,908	30,093
Foreign exchange gains	69,449	194,345	69,449	194,345
Gain on disposal of property, plant and equipment	901	95	901	95
Management fees (Note 14(d))	7,314	13,034	7,314	13,034
Other	4,515	120	4,515	7,283
Rebates	32,226	32,400	32,226	32,400
Rental income (Note 14(d))	25,654	11,883	25,654	11,883
Royalty income	23,712	15,883	23,712	15,883
Storage income	7,974	6,401	7,974	6,401
	240,581	336,999	230,469	334,472

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7. Expenses by Nature

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Advertising costs	426,478	786,942	426,478	786,942
Audit fees	15,527	13,550	12,571	11,740
Bad debt expense	12,881	43,388	12,881	43,388
Commissions	111,358	149,990	111,358	149,990
Cost of inventory recognised as expense	17,919,750	18,063,794	17,919,750	18,063,794
Delivery and motor vehicle expense	1,539,294	1,584,202	1,539,294	1,584,202
Directors fees	13,261	14,572	12,820	14,160
Insurance	30,094	10,427	274,197	247,228
Other operating expenses	1,209,876	1,041,609	1,013,133	843,989
Property expenses, including depreciation	2,082,886	2,218,684	2,082,886	2,218,684
Royalties (Note 14 (c))	22,406	30,939	22,406	30,939
Staff costs (Note 8)	4,539,779	4,678,085	4,539,779	4,678,085
Utilities	342,548	622,301	342,548	622,301
	28,266,138	29,258,483	28,310,101	29,295,442

8. Staff Costs

	The Group and Company	
	2021	2020
	$'000	$'000
Wages and salaries	3,622,830	3,777,391
Statutory contributions	377,465	386,471
Other	249,290	267,219
Pension contributions (Note 33)	158,815	156,246
Share-based payment expenses	87,314	80,320
Termination costs	44,065	10,438
	4,539,779	4,678,085

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9. Finance Income

	The Group and Company	
	2021	**2020**
	$'000	**$'000**
Dividend income	859	1,510
Gain on disposal of investments	1,840	-
Interest income	192,835	136,941
	195,534	138,451

10. Finance Costs

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Interest expense -				
Bank borrowings	137,500	146,037	137,500	146,037
Leases (note 27)	8,319	9,524	8,319	9,524
	145,819	155,561	145,819	155,561
Net foreign exchange loss on foreign currency leases	7,844	12,301	7,844	12,301
Other	67	283	671	283
	153,730	168,145	154,334	168,145

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11. Taxation

The taxation charge is computed on the profit for the year, adjusted for tax purposes, and comprises income tax at 25%:

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Current income tax	703,574	628,600	702,915	628,101
Prior year under/(over-accrual)	60,933	(7,779)	60,933	(7,779)
Deferred income tax (Note 31)	(33,852)	(37,784)	(33,852)	(37,784)
	730,655	583,037	729,996	582,538
Tax expense attributable to:				
Profit from continuing operations	730,655	557,565	729,996	557,066
Profit from discontinued operations (Note 12)	-	25,472	-	25,472
	730,655	583,037	729,996	582,538

The tax on the Group's and Company's profit differs from the theoretical amount that would arise using the statutory tax rate as follows:

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Profit before tax from continuing operations	3,802,955	3,220,232	3,766,322	3,169,217
Profit before tax from discontinued operations	-	165,208	-	165,208
	3,802,955	3,385,440	3,766,322	3,334,425
Tax calculated at applicable tax rate on continuing operations	950,739	846,360	941,581	833,606
Adjusted for the effects of:				
Income not subject to tax	(28,842)	(30,546)	(28,842)	(30,546)
Expenses not deductible for tax purposes	20,249	11,658	20,249	11,658
Share of results of associate	7,431	(246)	-	-
Employment tax credit	(266,505)	(233,021)	(266,505)	(233,021)
Adjustment to prior provision	60,933	(7,779)	60,933	(7,779)
Tax incurred at another rate	(15,930)	(12,009)	-	-
Other	2,580	8,620	2,580	8,620
Tax expense	730,655	583,037	729,996	582,538

12. Discontinued Operations

On 31 December 2019, the Group and Company ceased operations of the manufacturing of foam products due to the January 1, 2020 ban on Styrofoam products by the Government of Jamaica.

The financial performance and cash flow information presented at June 30, 2020 are as follows:

	2020 $'000
Revenue	945,035
Cost of sales	(664,111)
Gross profit	280,924
Other operating expense	(115,716)
Profit before taxation	165,208
Taxation	(25,472)
Net profit after tax from discontinued operations	139,736

Other operating expense represents loss on disposal of property, plant and equipment.

	2020 $'000
Operating cash flows, being net cash flows	286,118

Details of the net assets of the discontinued operations are as follows:

	2020 $'000
Property, plant and equipment	115,716
Inventories	30,666
	146,382

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13. Earnings Per Stock Unit

Earnings per stock unit is calculated on net profit and is based on the weighted average number of ordinary stock units in issue during both years.

	2021	2020
Net profit attributable to ordinary stockholders from continuing operations ($'000)	3,072,300	2,662,667
Net profit attributable to ordinary stockholders from discontinued operations ($'000)	-	139,736
Net profit attributable to ordinary stockholders ($'000)	3,072,300	2,802,403
Weighted average number of ordinary stock units in issue ('000)	3,750,000	3,750,000
Basic earnings per stock unit from continuing operations ($)	0.82	0.71
Basic earnings per stock unit from discontinued operations ($)	-	0.04
Basic earnings per stock unit ($)	0.82	0.75

The diluted earnings per stock unit is calculated by adjusting the weighted average number of ordinary stock units outstanding to assume conversion of all dilutive potential ordinary stock units.

	2021	2020
Net profit attributable to ordinary stockholders from continuing operations ($'000)	3,072,300	2,662,667
Net profit attributable to ordinary stockholders from discontinued operations ($'000)	-	139,736
Net profit attributable to ordinary stockholders ($'000)	3,072,300	2,802,403
Weighted average number of ordinary stock units in issue ('000)	3,750,000	3,750,000
Effect of dilutive potential ordinary stock units ('000)	3,298	1,237
	3,753,298	3,751,237
Diluted earnings per stock unit from continuing operations ($)	0.82	0.71
Diluted earnings per stock unit from discontinued operations ($)	-	0.04
Diluted earnings per stock unit ($)	0.82	0.75

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14. Related Party Transactions and Balances

Parent Entities:
The group is controlled by the following entity:

Entity	Type	Country of Incorporation	Group's percentage interest 2021	2020
Wisynco Group Caribbean Limited	Immediate parent	Barbados	74	74
Evesam Investments Holdings Limited	Ultimate parent	Cayman Islands	74	74

Subsidiary:
Interest in subsidiary is set out in note 2(b)(i).

Associate:
Interests in associates are set out in note 2(b)(ii) and note 18.

Affiliates:
Affiliates comprise companies in which the immediate parent has some share ownership. The following entities are affiliates of the Group:

Convenient Brands Limited
Trade Winds Citrus Limited
Worthy Park Estate Limited
Seville Development Corporation Limited
Recycling Partners

The Group and Company entered into the following significant transactions with related parties during the year:

(a) Sale of goods and services

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Convenient Brands Limited	475,115	630,053	463,439	619,508
JP Snacks Caribbean Limited	971	9,504	971	9,504
Trade Winds Citrus Limited	86	649	86	649
Worthy Park Estate Limited	1,638	1,404	1,638	1,404
Key management	1,029	-	1,029	-
	478,839	641,610	467,163	631,065

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14. Related Party Transactions and Balances (Continued)

(b) Purchases of goods and services

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Trade Winds Citrus Limited	3,469,596	3,699,907	3,469,596	3,699,907
Antillean Foods Inc	592,534	793,287	592,534	793,287
Worthy Park Estate Limited	3,498,845	3,039,939	3,498,845	3,039,939
	7,560,975	7,533,133	7,560,975	7,533,133

(c) Expenses

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Insurance Expense				
Indies Insurance Company Limited	-	-	263,856	236,801
Interest expense				
Seville Development Corporation Limited	357	381	357	381
Rebates				
Convenient Brands Limited	1,019	1,293	1,019	1,293

(d) Expenses

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Royalties				
Trade Winds Citrus Limited	22,406	30,939	22,406	30,939

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14. Related Party Transactions and Balances (Continued)

Income

	The Group and Company	
	2021	2020
	$'000	$'000
Interest Income		
JP Snacks Caribbean Limited	5,638	5,438
Management Fees		
Convenient Brands Limited	7,314	13,034
Rental Income		
Worthy Park Estates Limited	25,654	11,883

(f) Year-end balances

	The Group		The Company	
Receivables (Note 22)	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Receivables from subsidiary -				
Indies Insurance Company Limited	-	-	-	3,164
Receivables from affiliates -				
Convenient Brands Limited	182,319	125,905	182,319	125,905
Trade Winds Citrus Limited	33,509	26,709	33,509	26,709
JP Snacks Caribbean Limited	19,337	3,898	19,337	3,898
Worthy Park Estates Limited	3,661	51,582	3,661	51,582
Other affiliates	383	2,266	383	2,266
Receivable from parent company	5	5	5	5
Included in receivables and prepayments	239,214	210,365	239,214	213,529
Long term receivable from associate				
Antillean Foods Inc (Note 19)	19,225	-	19,225	-
JP Snacks Caribbean Limited (Note 19)	186,460	175,932	186,460	175,932
	205,685	175,932	205,685	175,932

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14. Related Party Transactions and Balances (Continued)

(f) Year-end balances (continued)

	The Group and Company	
Payables (Note 24)	**2021**	**2020**
	$'000	**$'000**
Payables to affiliate -		
Convenient Brands Limited	7,943	204
Recycling Partners	95,425	82,789
Seville Development Corporation Limited	29,045	27,708
Trade Winds Citrus Limited	358,068	318,381
Worthy Park Estates Limited	266,804	192,760
	757,285	621,842
Payable to associate		
Antillean Foods Inc	12,289	52,949
Included in trade and other payables	769,574	674,791

(g) Key management compensation

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Salaries and other short-term employee benefits	407,504	372,152	407,504	372,152
Statutory contributions	27,218	21,577	27,218	21,577
Pension benefits	24,468	22,958	24,468	22,958
	459,190	416,687	459,190	416,687
Directors' emoluments –				
Management remuneration (included above)	253,137	230,690	253,137	230,690
Fees	13,261	14,572	12,820	14,160

14. Related Party Transactions and Balances (Continued)

(h) Dividends declared

	The Group and Company	
	2021	**2020**
	$'000	**$'000**
Parent company	832,855	777,331
Key management	19,646	16,657
	852,501	793,988

Included in dividends declared are dividends accrued of $568,310,000 (2020 - $254,328,000) (Note 14(h)).

Dividends accrued

	The Group and Company	
	2021	**2020**
	$'000	**$'000**
Parent company	555,237	249,857
Key management	13,073	4,471
	568,310	254,328

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15. Property, Plant and Equipment

	The Group and Company						
	Land and Buildings	**Furniture, Fixtures & Equipment**	**Motor Vehicles**	**Leasehold Improvements**	**Right of use assets**	**Work in Progress**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cost -							
At 1 July 2019	3,819,577	7,092,943	782,702	19,032	-	-	11,714,254
Additions	53,336	468,459	156,684	-	182,273	794,059	1,654,811
Transfers to intangible assets (Note 16)	-	(158,971)	-	-	-	-	(158,971)
Adjustment	(83,390)	83,390	-	-	-	-	-
Disposals/Adjustments	-	(474,004)	(12,064)	-	-	-	(486,068)
At 30 June 2020	3,789,523	7,011,817	927,322	19,032	182,273	794,059	12,724,026
Additions	1,164	252,819	110,680	6,093	57,754	221,015	649,525
Transfers	109,418	543,515	-	-	-	(652,933)	-
Transfer to intangible assets (Note 16)	-	-	-	-	-	(6,086)	(6,086)
Adjustment	-	10,309	(20,703)	-	-	(28,245)	(38,639)
Disposals	(691)	(131,790)	(7,105)	-	-	-	(139,586)
At 30 June 2021	3,899,414	7,686,670	1,010,194	25,125	240,027	327,810	13,189,240
Depreciation -							
At 1 July 2019	511,235	4,040,658	419,051	19,032	-	-	4,989,976
Charge for the year	113,111	773,233	136,747	-	73,786	-	1,096,877
Relieved on disposal	-	(358,288)	(7,859)	-	-	-	(366,147)
Transfer to intangible assets (Note 16)	-	(85,171)	-	-	-	-	(85,171)
At 30 June 2020	624,346	4,370,432	547,939	19,032	73,786	-	5,635,535
Charge for the year	111,642	705,167	161,493	73	92,641	-	1,071,016
Relieved on disposal	(553)	(131,790)	(7,105)	-	-	-	(139,448)
Adjustments	-	(7,034)	(1,733)	-	-	-	(8,767)
At 30 June 2021	735,435	4,936,775	700,594	19,105	166,427	-	6,558,336
Net Book Value -							
30 June 2021	3,163,979	2,749,895	309,600	6,020	73,600	327,810	6,630,904
30 June 2020	3,165,177	2,641,385	379,383	-	108,487	794,059	7,088,491

The categorisation of right-of-use assets is detailed in Note 26.

Included in depreciation charges are amounts in respect of discontinued operations of $Nil (2020: $13,225,000).

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16. Intangible Assets

	The Group and Company	
	Computer Software $'000	Total $'000
Cost -		
At 1 July 2019	-	-
Transfer from property, plant and equipment	158,971	158,971
Additions	21,275	21,275
At 1 July 2020	180,246	180,246
Transfer from property, plant and equipment (Note 15)	6,086	6,086
Additions	3,849	3,849
At 30 June 2021	190,181	190,181
Amortisation -		
At 1 July 2019	-	-
Transfer from property, plant and equipment	85,171	85,171
Charge for the year	62,913	62,913
At 1 July 2020	148,084	148,084
Charge for the year	23,850	23,850
At 30 June 2021	171,934	171,934
Net Book Amount		
30 June 2021	18,247	18,247
30 June 2020	32,162	32,162

17. Investment in Subsidiaries

	The Company	
	2021	2020
	$'000	$'000
Indies Insurance Company – 100% 50,000 Ordinary shares, fully paid	11,375	11,375

18. Investment in Associate

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
At beginning of year	604,267	593,961	586,169	586,169
Amounts recognised in other comprehensive income	5,636	9,322	-	-
Amounts recognised in profit and loss	(29,722)	984	-	-
Amounts recognised in the statement of financial position	580,181	604,267	586,169	586,169

Investment in associate for the current year comprise amounts recognised in the statement of financial position relating to ownership of 30% of the issued share capital of JP Snacks Caribbean Limited (consolidated) which was acquired on 29 April 2019. JP Snacks Caribbean Limited is the parent company and provides administrative services to its subsidiary Antillean Foods Inc. Antillean Foods Inc. manufactures and sells organic and tropical snacks of dried fruits.

JP Snacks Caribbean Limited and its subsidiary Antillean Foods Inc. are private companies and there is no quoted market price available for its shares.

There are no contingent liabilities relating the Group's interest in JP Snacks Caribbean Limited (consolidated).

The Group's share of intangible assets related to JP Snacks Caribbean Limited includes trademarks, brands, customer relationships with an estimated useful life of 25, 5 and 10 years respectively, as well as goodwill.

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18. Investment in Associates (Continued)

The summarised information for JP Snacks Caribbean Limited (consolidated) that was accounted for using the equity method as at 30 June 2021 is as follows:

Summarised statement of financial position

	2021 $'000	2020 $'000
Current		
Cash and cash equivalents	71,357	91,348
Other current assets (excluding cash)	454,467	248,626
Total current net assets	525,824	339,974
Other current liabilities (including trade payables)	223,134	136,776
Total current liabilities	223,134	136,776
Non-current		
Intangible assets	508,037	538,430
Total non-current assets	879,736	958,956
Total non-current liabilities	674,866	574,304
Net assets	507,562	587,850

Summarised income statement

	Group	Group
	2021 $'000	2020 $'000
Revenue	1,456,742	1,390,449
Depreciation	(82,203)	(66,937)
Amortisation	(57,744)	(54,409)
Interest expense	(24,943)	(17,310)
(Loss)/Profit before income tax	(97,361)	4,037
Taxation expense	(1,712)	(759)
(Loss)/Profit after tax	(99,073)	3,278
Total comprehensive income	(80,288)	34,352

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18. Investment in Associates (Continued)

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associate

	2021 $'000	2020 $'000
Summarised financial information		
Opening net assets	587,850	553,498
(Loss)/Profit for the period	(99,073)	3,278
Other comprehensive income for the period	18,785	31,074
Closing net assets	507,562	587,850
Interest in associates (%)	30%	30%
Interest in associates (J$)	152,269	176,355
Carrying value	580,181	604,267

Reconciliation of investment in associate to the Company's share of net assets:

	The Group	
	2021 $'000	2020 $'000
Share of net assets	152,269	176,355
Goodwill	427,912	427,912
Carrying value	580,181	604,267

An impairment assessment was conducted by comparing the recoverable amount of the Group's investment in JP Snacks Caribbean Limited to the carrying amount as at 30 June 2021. Management has determined that the investment in JP Snacks Caribbean Limited is not impaired as the recoverable amount determined exceeds the carrying amount. The recoverable amount of the investment was determined based on VIU calculations as discussed in Note 4(b).

The VIU calculation uses cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The key assumptions used in the estimation of value-in-use were as follows:

	The Group	
	2021	2020
Pre-tax discount rate	12%	-
Terminal value growth rate	3%	-
Gross profit margin	38%	-

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18. Investment in Associates (Continued)

If the terminal value growth rate had been 1.4% lower than management's estimates, the carrying value of the investment in JP Snacks Caribbean Limited would have been equal to the recoverable amount.

If the pre-tax discount rate had been 0.9% higher than management's estimates, the carrying value of the investment in JP Snacks Caribbean Limited would have been equal to the recoverable amount.

If the gross profit margins had been 1% lower than management's estimates, the carrying value of the investment in JP Snacks Caribbean Limited would have been equal to the recoverable amount.

19. Loans Receivable

A promissory note of US$1,230,555 was issued to JP Snacks Caribbean Limited on 29 April 2020. The note matures 29 April 2026 and interest accrues daily at an interest rate of 3% per annum payable at the maturity date. The carrying amount of $186,460,000 (2020 - $175,932,000) includes interest receivable of $8,115,000 (2020 – 3,518,000).

A promissory note of US$132,000 was issued to Antillean Foods Inc. on 28 April 2021. The note matures 30 June 2024 and interest accrues daily at an interest rate of 6% per annum payable at the maturity date. The carrying amount of $19,225,000 includes interest receivable of $94,000.

20. Investment Securities

	The Group and Company	
	2021 $'000	2020 $'000
Equity investment securities measured at fair value through other comprehensive income:		
Quoted	58,713	61,868
Unquoted	-	74
	58,713	61,942
Debt investment securities measured at amortised cost:		
Corporate bonds	984,954	516,578
Total investment securities	1,043,667	578,520

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20. Investment Securities (Continued)

	The Group and Company	
	2021	2020
	$'000	$'000
At beginning of year	578,520	509,445
Additions	768,075	150,442
Disposals	(323,317)	(130,385)
Foreign exchange gain	9,027	31,716
Fair value gains charged to fair value reserve	11,362	17,302
	1,043,667	578,520
Current portion	(402,827)	(447,267)
Non-current portion	640,840	131,253
Quoted	58,713	61,868
Unquoted	984,954	516,652
	1,043,667	578,520

21. Inventories

	The Group and Company	
	2021	2020
	$'000	$'000
Raw materials	953,736	1,000,649
Finished goods	124,946	174,530
Merchandise for resale	1,651,287	1,640,649
	2,729,969	2,815,828
Less: Provision for obsolete inventories	(11,476)	(10,553)
	2,718,493	2,805,275
Goods-in-transit	872,625	511,485
	3,591,118	3,316,760

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22. Receivables

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables	2,082,145	2,057,043	2,082,145	2,057,043
Less: Provision for doubtful debts	(39,965)	(59,900)	(39,965)	(59,900)
Trade receivables, net	2,042,180	1,997,143	2,042,180	1,997,143
Prepayments	77,400	60,991	77,382	60,991
Receivables from related parties (Note 14(e))	239,214	210,365	239,214	213,529
Principal receivables	117,376	96,846	117,376	96,846
Other receivables	158,879	163,029	128,261	158,140
	2,635,049	2,528,374	2,604,413	2,526,649

23. Cash and Cash Equivalents

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Cash and bank balances	2,450,213	2,112,130	2,268,087	1,985,593
Short-term deposits	5,210,790	2,838,613	5,210,790	2,838,613
	7,661,003	4,950,743	7,478,877	4,824,206
Bank overdrafts (Note 25)	(103,501)	(111,927)	(103,501)	(111,927)
Balances with maturity dates over 3 months	(291,935)	(1,201,686)	(291,935)	(1,201,686)
	7,265,567	3,637,130	7,083,441	3,510,593

The weighted average effective interest rates on cash and short-term bank deposits at the year-end are as follows:

	2021	**2020**
	%	**%**
Short-term deposits –		
J$	3.20	3.84
US$	3.44	3.81

24. Payables

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Trade payables	2,082,876	1,518,319	2,082,876	1,518,319
Statutory contributions payable	75,482	60,856	75,482	60,856
Dividend payable (Note 34)	750,000	337,500	750,000	337,500
Accrued expenses	537,551	378,257	537,551	378,257
Payables to related parties (Note 14 (e))	769,574	674,791	769,574	674,791
Other payables	374,847	369,310	353,064	360,568
	4,590,330	3,339,033	4,568,547	3,330,291

25. Borrowings

(a) Composition of borrowings

	The Group and Company	
	2021	2020
	$'000	$'000
Total borrowings -		
Bank loans -		
Long term	1,973,259	2,137,413
Bank overdraft	103,501	111,927
	2,076,760	2,249,340
Current -		
Bank overdraft (Note 23)	(103,501)	(111,927)
Current portion of long-term loans	(661,950)	(590,466)
Total current borrowings	(765,451)	(702,393)
Non-current borrowings	1,311,309	1,546,947

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25. Borrowings (Continued)

(a) Composition of borrowings (continued)

	The Group and Company	
	2021	2020
	$'000	$'000
Non-current -		
(i) Bank of Nova Scotia (6% - 2023)	362,500	507,500
(ii) National Commercial Bank (6.18% -2023)	760,000	1,064,000
(iii) Bank of Nova Scotia (5.65%, 2024)	424,423	565,913
(iv) National Commercial Bank (5.5% -2027)	426,336	-
	1,973,259	2,137,413
Less: Current portion	(661,950)	(590,466)
	1,311,309	1,546,947

Non-current borrowings

(i) This loan is unsecured and attracts interest at a fixed rate of 6% per annum. It is repayable over six years at $36,250,000 principal payments per quarter after an initial moratorium period of up to 15 months from the initial disbursement.

(ii) This loan is unsecured and attracts interest at a fixed rate of 6.18% per annum. It is repayable over seven years at $76,000,000 principal payments per quarter after an initial moratorium period of up to 9 months from the initial disbursement.

(iii) This loan is unsecured and attracts interest at a fixed rate of 5.65% per annum. It is repayable over 5 years at $35,437,500 principal payments per quarter after an initial moratorium period of up to 15 months. The carrying value includes unamortised commitment fees of $827,000 (2020 - $1,087,000).

(iv) This loan is unsecured and attracts interest at a fixed rate of 5.5% per annum. It is repayable over seven years at $17,800,000 principal payments per quarter. The carrying value includes unamortised commitment fees of $2,464,000.

25. Borrowings (Continued)

(b) Interest rate risk exposure

The weighted average effective interest rates on borrowings at the year-end were as follows:

	The Group and Company	
	2021	**2020**
	%	**%**
Current -		
Bank overdraft	34.75 - 37.75	39.75 - 40
Bank borrowings	5.5 - 6.18	5.65 - 6.18
Non-current -		
Bank borrowings	5.65 - 6.18	5.65 - 6.18

26. Leases

This note provides information for leases where the Group is a lessee.

(a) Amounts recognised in the statement of financial position

	The Group and Company	
	30 June 2021	**1 July 2020**
	$'000	**$'000**
Right-of-use assets		
Land and buildings (Note 15)	73,600	108,487
Lease liabilities		
Current	80,292	73,966
Non-current	-	45,152
	80,292	119,118

The right-of-use assets in the statement of financial position relate to warehouse spaces leased for the storage of inventory.

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26. Leases (Continued)

(b) Lease liabilities

	The Group and Company
	$'000
1 July 2019	182,273
Lease payments	(84,980)
Interest expense	9,524
Foreign exchange translation	12,301
1 July 2020	119,118
Additions	57,754
Lease payments	(112,743)
Interest expense	8,319
Foreign exchange translation	7,844
30 June 2021	80,292

Income arising from the sub-lease of right-of-use assets to a related party amounted to $23,266,000 (2020 - $11,883,000) (Notes 6 and 14).

(c) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to right-of-use assets and lease liabilities:

	The Group and Company	
	2021	**2020**
	$'000	**$'000**
Depreciation charge on right-of-use assets		
Land and buildings (Note 15)	92,641	73,786
Interest expense	8,319	9,524

27. Share Capital

	2021	2020
	$'000	**$'000**
Authorised –		
4,000,000,000 (2020 – 4,000,000,000) Ordinary stock units		
Issued and fully paid –		
3,750,000,000 (2020 – 3,750,000,000) Ordinary stock units at no par value	1,192,647	1,192,647

28. Other Reserves

	The Group and Company	
	2021	**2020**
	$'000	**$'000**
Realised gains	24,998	24,998
Unrealised surplus on revaluation of land and buildings	72,740	72,740
Share-based payments, net of taxes	209,543	100,400
Fair value gains on financial instruments – fair value through other comprehensive income	61,758	50,396
	369,039	248,534

Realised gains
This represents realised gains on the sale of assets.

Unrealised surplus on revaluation of land and building
This represents freehold land and buildings which were valued in 1993 by Stoppi Cairney Bloomfield and the resulting revaluation surplus of $126,400,000 was credited to capital reserve. The revalued amounts were used as the deemed cost of these assets, upon transition to IFRS.

Fair value gains on financial instruments measured at fair value through other comprehensive income and financial instruments
This represents the fair value of quoted equity instruments.

Share-based payments
The share-based payments reserve is used to recognise the grant date fair value of options issued to employees but not exercised under the Group's Employee Share Option Scheme (Note 36).

29. Translation Reserve

The translation reserve represents a cumulation of exchange differences arising on translation of the Company's foreign-controlled entity and foreign associate. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

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30. Net Profit/Retained Earnings

	The Group	
	2021	**2020**
	$'000	**$'000**
At beginning of the year	11,485,457	9,733,054
Net profit/(loss) attributable to:		
Company	3,036,326	2,751,887
Subsidiary	65,696	49,532
Associate	(29,722)	984
	3,072,300	2,802,403
Dividends	(1,125,000)	(1,050,000)
At end of the year	13,432,757	11,485,457

31. Deferred Income Taxes

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

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

	The Group and Company	
	2021	2020
	$'000	$'000
At the beginning of the year	155,647	213,511
Credited to profit or loss (Note 11)	(33,852)	(37,784)
Credited to equity	(21,829)	(20,080)
At end of the year	99,966	155,647

The movement in deferred tax assets and liabilities during the year is as follows:

Deferred tax liabilities

	The Group and Company			
	Excess of Capital Allowances over Depreciation	Unrealised Foreign Exchange Gain	Interest Receivable	Total
	$'000	$'000	$'000	$'000
At 1 July 2019	227,667	11,824	-	239,491
(Credited)/Charged to profit or loss	(55,287)	8,859	-	(46,428)
At 30 June 2020	172,380	20,683	-	193,063
(Credited)/Charged to profit or loss	(32,055)	(2,328)	2,052	(32,331)
At 30 June 2021	140,325	18,355	2,052	160,732

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31. Deferred Income Taxes (Continued)

Deferred tax assets

	Finance lease $'000	Accrued vacation $'000	Employee share option scheme	Unrealised Foreign exchange losses $'000	Interest payable $'000	Total $'000
At 1 July 2019	228	13,011	-	5,716	7,025	25,980
(Charged)/credited to profit or loss	(228)	(2,868)	-	193	(5,741)	(8,644)
Credited to equity	-	-	20,080	-	-	20,080
At 30 June 2020	-	10,143	20,080	5,909	1,284	37,416
Credited/(charged) to profit or loss	-	(327)	-	2,191	(343)	1,521
Credited to equity	-	-	21,829	-	-	21,829
At 30 June 2021	-	9,816	41,909	8,100	941	60,766

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31. Deferred Income Taxes (Continued)

The amounts shown in the statement of financial position include the following to be recovered or settled after more than twelve months:

	The Group and Company	
	2021	2020
	$'000	$'000
Deferred tax assets to be recovered	41,909	20,080
Deferred tax liabilities to be settled	140,325	172,380

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position

	The Group and Company	
	2021	2020
	$'000	$'000
Deferred tax liabilities	(99,966)	(155,647)
At end of the year	(99,966)	(155,647)

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32. Cash Provided by Operating Activities

Cash provided by operating activities includes the following amounts:

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Net Profit from:				
Continuing operations	3,072,300	2,662,667	3,036,326	2,612,151
Discontinued operations	-	139,736	-	139,736
Net profit before tax including discontinued operations	3,072,300	2,802,403	3,036,326	2,751,887
Items not affecting cash:				
Share of results of associates (Note 18)	29,722	(984)	-	-
Depreciation (Note 15)	1,071,016	1,096,877	1,071,016	1,096,877
Amortisation (Note 16)	23,850	62,913	23,850	62,913
Amortisation of loan commitment fees	671	283	671	283
Non-cash employee benefits expense – share-based payments (Note 8)	87,314	80,320	87,314	80,320
Gain on sale of property, plant and equipment	(901)	(95)	(901)	(95)
Interest income (Note 9)	(192,835)	(136,941)	(192,835)	(136,941)
Gain on sale of investment (Note 9)	(1,840)	-	(1,840)	-
Write-off of property, plant and equipment	-	115,716	-	115,716
Adjustment to property, plant and equipment (Note 15)	29,872	115,716	29,872	-
Dividend income (Note 9)	(859)	(1,510)	(859)	(1,510)
Interest expense (Note 10)	145,819	155,561	145,819	155,561
Taxation expense (Note 11)	730,655	583,037	729,996	582,538
Exchange gain on foreign currency balances	(52,716)	(115,389)	(58,809)	(125,154)
	4,942,068	4,642,191	4,869,620	4,582,395
Changes in operating assets and liabilities:				
Inventories	(274,358)	(91,074)	(274,358)	(91,074)
Receivables and prepayments	(106,675)	62,093	(77,764)	59,662
Trade and other payables	840,171	(311,567)	827,130	(309,457)
Cash generated from operations	5,401,206	4,301,643	5,344,628	4,241,526
Taxation paid	(737,646)	(628,452)	(736,657)	(628,109)
Cash provided by operating activities	4,663,560	3,673,191	4,607,971	3,613,417

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32. Cash Provided by Operating Activities (Continued)

Reconciliation of movements of liabilities to cash flows arising from financing.
Amounts represent bank and other loans, excluding bank overdrafts

	The Group and Company	
	2021	**2020**
	$'000	**$'000**
At 30 June 2020	2,137,413	2,663,043
Loans received	500,000	-
Commitment fees paid	(2,875)	-
Loans repaid	(661,950)	(525,913)
Amortisation of commitment fees	671	283
At 30 June 2021	1,973,259	2,137,413

The principal non-cash transactions include the acquisition of right-of-use assets (Note 15).

33. Pension Scheme

The Company participates in a defined contribution pension plan administered by Sagicor Life Jamaica Limited. Members contribute 5% of pensionable earnings which is matched by the employer. The employer also matches additional voluntary contributions, not exceeding 5%, made by members aged 45 and over who have 10 or more years of service. Pension contributions for the year was $158,815,000 (2020 - $160,741,000) for the Group and the Company.

Pension contributions comprise

	The Group and Company	
	2021	**2020**
	$'000	**$'000**
Continuing operations (Note 8)	158,815	156,246
Discontinued operations	-	4,495
	158,815	160,741

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34. Dividends

	2021 $'000	2020 $'000
10 cents per stock unit – 27 August 2019	-	375,000
9 cents per stock unit – 3 March 2020	-	337,500
9 cents per stock unit – 12 August 2020 (declared on 26 June 2020)	-	337,500
10 cents per stock unit - 25 February 2021	375,000	-
20 cents per stock unit - 5 August 2021 (declared on 28 June 2021)	750,000	-
	1,125,000	1,050,000

35. Segment Reporting

The CODM regularly reviews local versus export sales, however, the export sales do not meet the threshold of a reportable segment under IFRS 8 and as such no separate segment information is presented. There are no individual customers that constitute more than 10% of total revenue and the CODM does not review assets on a segment basis.

36. Employee Share Option Scheme

On October 1, 2019, the Company established an Employee Share Option Scheme administered by a committee of the Board of Directors. The Company received the approval to authorize a maximum of 5% of the total number of issued shares of no-par value, to be set aside for allocation and sale to the executive and other key management of the Company, at this year's annual general meeting. The allocation and sale of these shares are governed by the provisions of the Company's Long-Term Incentive Plan Policy and the plan provides for an equitable adjustment of the allocated number of shares by reason of stock splits, stock dividend, recapitalization, combinations or exchanges of shares.

The plan is designed to provide long term incentives for executive and key management to deliver long-term shareholder returns. Under the plan, participants are granted options which vest when service conditions are met. Participation in the plan is at the board's discretion, responsibility of which has been delegated to the Corporate Governance and Compensation sub-committee. No individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Options are granted under the Plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share. The exercise price of options is determined by the Corporate Governance and Compensation Committee.

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36. Employee Share Option Scheme (Continued)

Options granted under the plan during the financial year 2021 are as follows:

	Average exercise price per option $	Number of options
As at 1 July 2019	-	-
Granted during the year	15.62	24,574,000
Forfeited during the year	15.62	(930,000)
As at 30 June 2020	15.62	23,644,000
Forfeited during the year	15.62	(1,170,200)
As at 30 June 2021	15.62	22,473,800

The number of options vested and exercisable at the year-end is 11,407,000 (2020 – nil).
No options expired during the period.
Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Expiry Date	Exercise Price	Share options 30 June 2021	Share options 30 June 2020
1 Oct 2019	1 April 2024	7.87	2,281,400	2,364,400
1 Oct 2019	1 April 2024	16.00	8,974,400	9,457,600
1 Oct 2019	1 April 2025	23.00	11,218,000	11,822,000
Total			22,473,800	23,644,000

36. Employee Share Option Scheme (Continued)

The fair value at the grant date is independently determined using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at the grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The model inputs for options granted during the year ended 30 June 2021 included:

(a) Options vest based on defined service period.
(b) Vested options are exercisable for a period of three years after vesting.
(c) Exercise price: $7.87, $16.00, $23.00
(d) Grant date: 1 October 2020
(e) Expiry date: 1 April 2024, 1 April 2025
(f) Share price: $23.79
(g) Expected price volatility: 35.55% (based on historic volatility)
(h) Expected dividend yield: 0.71%
(i) Risk-free interest rate: 3.5%

37. Subsequent Event

An additional 6,250,000 ordinary stock units were listed on The Jamaica Stock Exchange on July 1, 2021. This increased the company's total issued ordinary shares to 3,756,250,000 units of which 779,000 units were issued to employees who exercised stock options under the Company's Long-Term Incentive Plan Policy.

38. Impact of the COVID-19 Pandemic

Since the outbreak of COVID-19 in March 2020, global markets have experienced, and continue to experience significant volatility and there are significant consequences for the global and local economies from travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The impact of the COVID-19 pandemic contributed to a decline in the Group's revenue of 1.1% for the year ended 30 June 2021 compared to the prior year. This decline is the result of the closure of certain sectors of the local economy such as hotels, restaurants, bars and schools. During this period, the Group has taken measures to preserve its operations and the health and safety of its employees and customers. These measures include working from home orders, social distancing practices and mandatory wearing of masks by employees. The Group continues to assess the credit worthiness of its counterparties, and where necessary, has implemented payment plans to minimise the possibility of default and non-collection.

39. Prior Year Adjustments

Foreign Exchange Gains

Net foreign exchange gains recognised in the prior year, in relation to operating assets and liabilities (accounts receivable, accounts payable and cash balances) have been reclassified to other income. Additionally, foreign exchange losses in relation to leases were reclassified from finance income to finance cost. The Group is of the view that the reclassification of the gains results in a more relevant characterisation of the gains, and a better presentation of the financial statements. The reclassification of these gains is permitted under IAS 1, 'Presentation of Financial Statements'.

The impact of the reclassification on the company statement of comprehensive income as at 30 June 2020 is described below:

	Previously reported	Reclassification adjustment	Reclassified balance
Finance income	320,495	(182,044)	138,451
Finance cost	(155,844)	(12,301)	(168,145)
Other operating income	140,127	194,345	334,472

The impact of the reclassification on the consolidated statement of comprehensive income as at 30 June 2020 is described below:

	Previously reported	Reclassification adjustment	Reclassified balance
Finance income	320,495	(182,044)	138,451
Finance cost	(155,844)	(12,301)	(168,145)
Other operating income	142,654	194,345	336,999

The exchange differences charged/credited to the income statement are included as follows:

	The Group and Company	
	2021	2020
	$'000	$'000
Other operating income	85,118	194,345
Finance cost	(7,844)	(12,301)
Net foreign exchange gain	77,274	182,044

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39. Prior Year Adjustments (Continued)

Key Management Compensation and Directors' Emoluments

Certain expenses should not have been included in the prior year's financial statement disclosure for key management compensation and director's emoluments. The prior year's disclosure has been amended to exclude these amounts. The impact of the inclusion on the prior year's disclosure is as follows. The adjustments relate to both the Group and the Company.

	Previously reported	Adjustment	Restated Balance
Salaries and other short-term employee benefits	453,574	(81,422)	372,152
Statutory contributions	22,358	(781)	21,577
Pension benefits	22,958	-	22,958
	498,890	(82,203)	416,687

Directors' Emoluments-	Previously reported	Adjustment	Restated Balance
Management remuneration	343,717	(113,027)	230,690

Group Insurance Expenses

The prior year elimination of insurance expenses was recorded against other operating expenses and not insurance expense. The impact of the adjustment on the Group financial statements, is as below.

	Previously reported	Reclassification adjustment	Reclassified Balance
Insurance expense	247,228	(236,801)	10,427
Other operating expenses	804,808	236,801	1,041,609

None of the above adjustments impacted the net profit, or equity recorded in the prior year's financial statements. Also, there was no impact on the prior year's statement of financial position or statement of cash flows.