



CARIBBEAN FLAVOURS AND FRAGRANCES LTD.

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"Tease the Senses"

Report to the Shareholders on the Company's Financial Performance

For the Quarter Ended September 30, 2021

	Current Quarter			Year to Date		
	September 30, 2021 \$'000	September 30, 2020 \$'000	Change	September 30, 2021 \$'000	September 30, 2020 \$'000	% Change
Revenue	162,886	141,310	14.56%	464,187	451,900	2.72%
Gross Profit	53,612	45,120	18.82%	149,383	143,876	3.83%
Net Profit	17,333	14,728	16.33%	58,361	58,079	-0.48%
Earnings Per Share	\$0.02	\$0.02	0.00%	\$0.06	\$0.06	0.00%

Performance Review of Q3 2021

We are pleased to present the financial performance of Caribbean Flavours and Fragrances Limited (CFF) to shareholders for the third quarter ending September 30, 2021.

Revenue increased by 14.56% to \$162.866 million as our flavours business saw strong demand amid the re- opening of the Jamaican economy. This was achieved despite the loss of twelve (12) productive business days due to the government-imposed lockdown measures which were implemented in September. Though we were able to operate during those lockdown days, it meant we completely lost our front office sales from the small and medium sized customers.

Despite experiencing many price increases within the logistics chain, CFF maintained its base price for many of its products during the quarter. We cannot guarantee that this level of subsidy will continue in the future as inflationary pressures both locally and abroad continue to impact our business operations and will continue to assess the operating environment as we make the required adjustments.

Gross profit increased by 18.82% to \$53.612 million for the quarter and 3.83% for the nine (9) months period ending September 30, 2021. This can be attributed to the direct monitoring of costs and our ability to grow the revenue at a faster pace than our cost of sales. Though the gross profit expanded in this period, continued increases in world commodity costs could put further pressure on this expense line.

Total expenses increased by 19.24% for the quarter and 8.79% for the period ending September 30, 2021. This is as a result of increased expense lines such as utilities, maintenance, explorations

to seek out new market opportunities, and other costs associated with the growth of the organization. Selling and distribution expenses still remain flat given the nature of the business and the present operating environment in this quarter.

Performance Review of the Nine (9) Months to September 2021

Notwithstanding the challenges presented in the quarter, CFF's revenue remains higher than last year at \$464.187 million. Gross profit grew to \$149.383 million or by 3.83% despite cost of sales continuing to increase at a fast pace. Net profit before tax recorded is \$66.361 million and remained flat when compared to similar reporting period in 2020. Although CFF's earning capacity expanded at a faster rate in 2021, the increase in costs across the spectrum has slowed bottom-line performance during this reporting period. Earnings per share remained at \$0.06.

Balance Sheet

Total assets improved by 6.96% to \$656.154 million on a year over year basis. Current assets continue to represent the largest portion of our asset base at \$550.558 million. Our cash and cash equivalent balance currently stands at \$295 million despite making a dividend payment of \$43.245 million. Non-current assets were \$105.597 million.

Total liabilities decreased by 3.29% to \$151.041 million as well as current liabilities declined by 3.98% to \$63.979 million as the company reduced its payables balance to \$55.540 million. The company remains debt free at this time.

Shareholders' equity increased by 8.24% to \$505.114million from the higher accumulated surplus during the reporting period. A dividend of \$0.05 dividend was paid on September 17. This payment equated to \$43,245,569.80 and is the highest dividend payment in the history of the Company. It represents our earnings in the first half of the year and demonstrates our commitment to providing value to our shareholders.

Market Performance

	September 30, 2021	September 30, 2020	Percentage
CFF Stock Price	\$1.90	\$1.76*	7.95%
Junior Market Index	3,296.35	2,555.68	28.98%
JSE Manufacturing and Distribution Index	105.15	75.31	39.62%
Market Capitalization	\$1.71 Billion	\$1.58 Billion	8.23%

* 10 – 1 stock split effected in October 2020

The board took the astute decision to approve a stock split which was approved by our shareholders in September 2020 at our annual general meeting. This resulted in the stock being split 10 to 1 on October 9, 2020. As a result, the price has been adjusted to account for comparative purposes.

In the first 9 months of the year, CFF's stock has been trading consistently. Our shareholder base has nearly doubled from this vibrant activity surrounding the stock which is more accessible. A year over year comparison shows that the Junior Market Index and JSE Manufacturing and Distribution Index has appreciated more than CFF's stock performance. However, the JSE M&D Index's strong year to date performance demonstrates that companies in this sector are experiencing a surge as investors flock to these companies which have benefited from the surge in demand. CFF's stock and other Junior Market companies also continue to outperform the Main Market and overall JSE Index as market interest shifts into different segments of the investing space. The company's market capitalization stood at a solid \$1.71 Billion at the end of the quarter.

Outlook and Risks

The government has removed the restrictions on Sundays in the last week of October with the curfew time remaining at 8pm. Although this means that there is less pressure on our operations to operate in a 6-day work week, we cannot take this for granted as COVID-19 remains a threat to the country and by extension most businesses. The current measures are set to be revised on December 10 with any potential surge in cases being a possible trigger for the government to tighten the restrictions once again.

Some schools will be reopening in a physical setting as of November 8 which will allow for some of our clients to benefit from the demand which is expected to come from kids being in school. We are grateful that schools have begun to open up as many vulnerable students were limited by the constraints in their environment.

The emerging variants of COVID-19 continue to present serious concern as we monitor the impact it might have on our healthcare sector and productivity in the economy. As a service-oriented economy, any slowdown in movement and consumption results in reduced business for a variety of businesses.

Since the start of the financial year, a multitude of risks have begun to pop up across the region and globe. We have identified many of these key risks to our businesses and have initiated strategies on how to address many of them.

Currency Risk – The Jamaican Dollar (JMD) has faced severe volatility against the major foreign currencies in the weeks after the reporting period. The JMD depreciated by 5.03% in the month of October moving from \$147.24 to \$154.65. Since most of our inputs are sourced from overseas, this creates additional cost when we decide to restock. The company continues to maintain an adequate balance of foreign exchange relative to our JMD bank holdings and by maintaining our current position plus exporting more to other markets, we've limited some of the risks that come with the depreciation of the local currency.

Supply Chain Risk – The COVID-19 pandemic has totally disrupted the global supply chain and created bottlenecks in the globalized network of trade. Some inputs from markets like China are taking an extra month or two with shipping costs rising exorbitantly largely from the jump in shipping container costs from an average of US \$3,000 in 2020 to US \$25,000 in 2021. Some of our key inputs have been slightly affected from these supply chain disruptions. We have been

purchasing more inventory to mitigate against the delay in receiving raw materials from suppliers. Though this limits any short-term impact to our business, it does mean better inventory management to limit any new risk from holding extra inventory.

The country recently received an additional 145,000 doses of the Pfizer vaccine for persons who are looking to get their second dose. At CFF, our vaccination rate is 90% with all our employees set to be fully vaccinated by the start of the new year barring any disruption for vaccines reaching the country. We encourage all able-bodied Jamaicans to register with the Ministry of Health and get vaccinated once they get clearance from their primary medical practitioners.

We continue to thank our employees for their commitment and dedication to the business while bearing through one of the country's most difficult times in its modern history. We continue to balance protecting our staff members and operating as a successful Jamaican manufacturing business. As a local manufacturing business, we will continue to make our shareholders and stakeholders proud to be associated with our company. We are currently improving our labelling for our various cordials and look forward to improving our exports to North America through our parent company. The company has several new products under development which will be revealed soon. As a company with strong cash generation capacity and no debt, we are looking at acquisitions as one of the other tools to fuel our business expansion for the future. We are exploring a possible acquisition in the next 24 months.

We would like to salute our frontline workers who not only put their lives at risk during the pandemic, but selflessly put their wellbeing for the greater good of our nation. We implore all Jamaicans to sanitize, mask up and maintain their distance as we collectively try to exit the storm which is COVID-19.

Earnings Per Stock Unit

Earnings per stock unit are calculated by dividing the profit for the period by the weighted average number of shares issued for the period.

	Quarter ended September 30, 2021 \$'000	Quarter ended September 30, 2020 \$'000	9 Months ended September 30, 2021 \$'000	9 Months ended September 30, 2020 \$'000	Year ended December 31, 2020 \$'000
Net profit	17,133	14,728	58,361	58,079	82,299
Weighted average number of shares	899,200,330	89,920,033	899,200,330	89,920,033	899,200,330
Earnings Per share	\$0.02	\$0.02	\$0.06	\$0.06	\$0.09

Share Capital

	<u>2021</u> \$'000	<u>2020</u> \$'000
<u>Authorized:</u> 2,600,000,000 ordinary shares of no-par value (2020:91,452,000)		
<u>Issued and fully paid:</u> 899,200,330	56,200	56,200

On October 7, 2020, the Company held an Annual General Meeting which resulted in the following resolutions being approved:

- (a) The authorized share capital of the Company was increased from 91,452,000 shares to 2,600,000,000 shares, by the creation of an additional 2,508,548,000 ordinary shares each ranking pari passu in all respects with the existing ordinary shares or stock units in the capital of the Company.
- (b) The issued ordinary shares in the capital of the Company was subdivided into 10 ordinary shares with effect from the close of business on October 13, 2020 resulting in the total issued shares capital of the Company being increased from 89,920,033 ordinary shares of no par value to 899,200,330 ordinary shares of no par value.

SHAREHOLDINGS OF TOP TEN (10) STOCKHOLDERS, DIRECTORS, SENIOR OFFICERS
AS AT SEPTEMBER 30, 2021

#	Name of Shareholder	Volume	%age Ownership
1	DERRIMON TRADING COMPANY LIMITED	584,653,270	65.02%
2	DIGIPOINT LIMITED	69,220,000	7.70%
3	JCSD TRUSTEE SERVICES LIMITED A/C BARITA UNIT TRUST CAPITAL GROWTH FUND	36,836,653	4.10%
4	IDEAL GLOBAL INVESTMENTS LIMITED	30,968,610	3.44%
5	IAN C. KELLY	23,228,140	2.58%
6	NIGEL O. COKE	21,442,781	2.38%
7	MAYBERRY MANAGED CLIENTS ACCOUNT	21,042,045	2.34%
8	TROPICAL BATTERY COMPANY LTD CONTRIBUTORY PENSION SCHEME	10,208,000	1.14%
9	MAYBERRY INVESTMENTS LIMITED PENSION SCHEME	9,729,450	1.08%
10	KONRAD BERRY	9,633,330	1.07%
Top 10 Holdings		816,962,261	90.85%
Other Shareholders		82,238,069	9.15%
Total		899,200,330	100%

Directors	Direct	Connected Parties	Total	Percentage
DERRICK COTTERELL ¹	0	584,653,270	584,653,270	65.02%
ANAND JAMES	0	0	0	0%
IAN C. KELLY ¹	23,228,140	0	23,228,140	2.58%
CLIVE C. NICHOLAS	1,000,000	0	1,000,000	0.11%
CARLTON E. SAMUELS	500,000	0	500,000	0.06%
WILFORD HEAVEN	0	0	0	0%
TANIA WALDRON-GOODEN	0	0	0	0%

1. Executive Directors of Derrimon Trading Company Limited.

Senior Managers	SHAREHOLDINGS	PERCENTAGE
JANICE LEE	110,000	0.01%
ANAND JAMES	0	0%
RHONDE MCPHERSON	0	0%
CHRISTOPHER CARLESS	0	0%
RECHAL TURNER	0	0%

CARIBBEAN FLAVOURS AND FRAGRANCES LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE NINE MONTHS TO 30 SEPTEMBER 2021

CARIBBEAN FLAVOURS AND FRAGRANCES LIMITED

FINANCIAL STATEMENTS

FOR THE NINE MONTHS TO 30 SEPTEMBER 2021

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CARIBBEAN FLAVOURS AND FRAGRANCES LIMITED
STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME
FOR THE NINE MONTHS TO 30 SEPTEMBER 2021

	Unaudited 3 months ended 30 September 2021 \$ '000	Unaudited 3 months ended 30 September 2020 \$ '000	Unaudited 9 months ended 30 September 2021 \$ '000	Unaudited 9 months ended 30 September 2020 \$ '000	Audited 12 months ended 31 December 2020 \$ '000
REVENUE	162,886	141,310	464,187	451,900	593,753
Cost of sales	<u>(109,274)</u>	<u>(96,190)</u>	<u>(314,804)</u>	<u>(308,024)</u>	<u>(403,172)</u>
Gross profit	53,612	45,120	149,383	143,876	190,581
Selling and distribution costs	(1,217)	(74)	(2,815)	(2,191)	(6,197)
Administrative expenses	(35,269)	(29,577)	(94,451)	(86,816)	(114,937)
Net finance income	<u>3,007</u>	<u>1,434</u>	<u>14,244</u>	<u>11,507</u>	<u>24,205</u>
Profit before tax	20,133	16,903	66,361	66,376	96,512
Taxation	(3,000)	(2,175)	(8,000)	(8,297)	(14,213)
Net profit	17,133	14,728	58,361	58,079	82,299
Earnings per share	\$0.02	\$0.02 *	\$0.06	\$0.06 *	\$0.09

* Restated to reflect October 2020 stock split

CARIBBEAN FLAVOURS AND FRAGRANCES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

Note	Unaudited 30 September 2021 \$ '000	Unaudited 30 September 2020 \$ '000	Audited 31 December 2020 \$ '000
ASSETS			
CURRENT ASSETS			
Cash and bank balances	23,567	29,555	57,231
Short term investments	285,164	234,100	238,195
Tax recoverable	3,225	3,156	3,222
Receivables and prepayments	97,252	89,634	79,711
Inventories	144,339	152,330	150,721
	<u>553,547</u>	<u>508,775</u>	<u>529,080</u>
NON-CURRENT ASSETS			
Property, plant and equipment	22,388	23,618	22,728
Right of use	83,208	81,083	83,208
	<u>105,596</u>	<u>104,701</u>	<u>105,936</u>
	<u>659,143</u>	<u>613,476</u>	<u>635,016</u>
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Payables and accruals	58,439	60,434	42,130
Taxation payable	3,881	-	9,102
Current portion of long term loan	-	2,819	2,077
Current portion of lease liability	4,648	3,381	4,648
	<u>66,968</u>	<u>66,634</u>	<u>57,957</u>
LONG TERM LIABILITIES			
Deferred tax liabilities	3,550	-	3,550
Long term bank loan	-	21	-
Lease liability	83,512	80,149	83,512
	<u>87,062</u>	<u>80,170</u>	<u>87,062</u>
EQUITY			
Share capital	56,200	56,200	56,200
Retained earnings	448,913	410,472	433,797
	<u>505,113</u>	<u>466,672</u>	<u>489,997</u>
Total liabilities and equity	<u>659,143</u>	<u>613,476</u>	<u>635,016</u>

Approved and signed on behalf of the Board by:


Anand James - Director


Ian Kelly - Director

CARIBBEAN FLAVOURS AND FRAGRANCES
STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS TO 30 SEPTEMBER 2021

	Unaudited 30 September 2021		Unaudited 30 September 2020		Audited 31 December 2020	
	Share Capital \$ '000	Retained Earnings \$ '000	Share Capital \$ '000	Retained Earnings \$ '000	Share Capital \$ '000	Retained Earnings \$ '000
Balance at beginning of period	56,200	433,797	56,200	373,978	56,200	373,978
Issue of shares					-	
Net profit		58,361		58,079	-	82,299
Dividends paid	-	(43,245)	-	(21,585)	-	(22,480)
	<u>56,200</u>	<u>448,913</u>	<u>56,200</u>	<u>410,472</u>	<u>56,200</u>	<u>433,797</u>

CARIBBEAN FLAVOURS AND FRAGRANCES LIMITED
STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS TO 30 SEPTEMBER 2021

	9 months ended 30 September 2021 \$ '000	9 months ended 30 September 2020 \$ '000
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
OPERATING ACTIVITIES		
Profit after taxation	58,361	58,079
Adjustment for non-cash income and expenses		
Depreciation	5,673	4,845
Interest income	(4,980)	(1,134)
	<u>59,054</u>	<u>61,790</u>
Changes in operating assets and liabilities		
Inventories	6,382	14,567
Receivables and prepayments	(17,541)	(23,268)
Payables and accruals	16,309	15,754
Taxation	(5,224)	1,515
	<u>(74)</u>	<u>8,568</u>
Net cash provided by operating activities	<u>58,980</u>	<u>70,358</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(5,333)	(9,912)
Purchase of investments	(46,969)	(19,993)
Dividends paid	(43,245)	(21,585)
Interest received	4,980	1,134
Net cash used in investing activities	<u>(90,567)</u>	<u>(50,356)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Bank loan	(2,077)	(1,993)
Net cash used in financing activities	<u>(2,077)</u>	<u>(1,993)</u>
NET (DECREASE)/INCREASE IN NET CASH AND CASH EQUIVALENTS	(33,664)	18,009
Cash and cash equivalents at beginning of year	57,231	11,546
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>23,567</u>	<u>29,555</u>
Represented by:		
Cash on hand	8,526	7,449
Bank balances	15,041	22,106
	<u>23,567</u>	<u>29,555</u>

CARIBBEAN FLAVOURS AND FRAGRANCES LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
NINE MONTHS ENDED 30 SEPTEMBER 2021

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

Caribbean Flavours and Fragrances Limited ("the Company") is a company limited by shares, incorporated and domiciled in Jamaica. Its registered office is located at 226 Spanish Town Road, Kingston 11. The principal activity of the company is the manufacture of and distribution of flavours mainly for the beverage, baking and confectionery industries. The company also sells food colouring and fragrances.

2. BASIS OF PREPARATION

Statement of Compliance

The financial statements of Caribbean Flavours and Fragrances Limited have been prepared in accordance with and compliance with International Financial Reporting Standards (IFRS) under the historical cost convention, as modified by the revaluation of certain financial assets. The same accounting policies and methods of computation are followed in the unaudited financial statements as were applied in the audited financial statements for the year ended December 31, 2020.

New Standards

IAS 1 (Amended)

Presentation of Financial Statements (effective for annual reporting periods beginning on or after 1 July 2012), amendments to revise the way other comprehensive income is presented.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Although these estimates are based on management's best knowledge of current events and action, 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 noted below:

Critical Accounting Estimates and Judgements in Applying Accounting Policies

The company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The 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.

CARIBBEAN FLAVOURS AND FRAGRANCES LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
NINE MONTHS ENDED 30 SEPTEMBER 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized below and have been consistently applied for all the years presented.

IFRS 16, 'Leases' (effective for accounting periods beginning on or after 1 January 2019) IFRS 16 eliminates the classification by a lessee of leases as either operating or finance. Instead, all leases are treated in a similar way to finance leases in accordance with IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets US\$5,000 and short-term leases (i.e., leases with a lease term of 12 months or less).

Lessees will be required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Upon adoption of IFRS 16, the lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The adoption of IFRS 16 from 1 January 2019 resulted in changes in accounting policies and adjustments to the amounts recognized in the financial statements. Management has decided it will apply the modified retrospective adoption method, and therefore, the revised requirements are not reflected in the prior year financial statements.

Depreciable assets

Management exercises judgement in determining whether cost incurred can accrue significant future economic benefits to the Company to enable the value to be treated as a capital expense. Further judgement is applied in the annual review of the useful lives of all categories of property, plant and equipment and their expected utility to the Company resulting in the depreciation determined thereon

Allowance for losses

In determining amounts recorded for provision for impairment of receivables in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measureable decrease in the estimated future cash flows from receivables, for example, default and adverse economic conditions. Management also makes estimate of likely future cash flows from impaired receivables as well as the time of such cash flows. Historical cost experience is applied where indicators of impairment are not observable on individual significant receivables with similar characteristics, such as credit risks.

CARIBBEAN FLAVOURS AND FRAGRANCES LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
NINE MONTHS ENDED 30 SEPTEMBER 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Comparative information

Comparative figures have been reclassified, where necessary, to conform to changes in presentation in the current year.

Valuation of property, plant and equipment

Management exercises judgement in determining whether cost incurred can accrue significant future economic benefits to the Company to enable the value to be treated as a capital expense. Further judgement is applied in the annual review of the useful lives of all categories of property, plant and equipment and their expected utility to the Company resulting in the depreciation determined thereon.

Depreciation

Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation is calculated on the straight-line basis at annual rates estimated to write-off the cost of fixed assets over their expected useful lives. The annual rates are as follows:

Leasehold property & improvements	10%
Plant and machinery, furniture & fixtures, office equipment	10%
Computer equipment	33⅓%
Motor vehicles	25%

The assets' residual values and useful lives are reviewed periodically for impairment. Where an asset's carrying amount is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognized in other income in the statement of comprehensive income.

Repairs and maintenance expenditure are charged to statement of comprehensive income during the financial period in which they are incurred.

Revenue recognition

Revenue from the sale of goods is recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due or material associated costs on the possible return of goods.

CARIBBEAN FLAVOURS AND FRAGRANCES LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
NINE MONTHS ENDED 30 SEPTEMBER 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Foreign currency translation

Balances in foreign currencies are translated at the rate of exchange ruling at the statement of financial position date. Transactions during the year are translated at the exchange rate prevailing at the date of the transactions. Gains or losses on translation are dealt with in the statement of comprehensive income. Exchange rates are determined by the weighted average rate at which Commercial Banks trade in foreign currencies as published by the Central Bank.

Trade receivables

Trade receivables are carried at anticipated realizable value. A provision is made for impairment of trade receivables when it is established that there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivable. Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income.

4. TAXATION

The Company's shares were listed on the Junior Market of the Jamaica Stock Exchange on October 7, 2013. Consequently, the company is entitled to a remission of taxes for ten (10) years in the proportions set out below, provided the shares remain listed for at least fifteen (15) years.

Years 1 to 5 (October 7, 2013 – October 6, 2018) – 100%

Years 6 to 10 (October 7, 2018 – October 6, 2023) – 50%

The Company's 100% remission of income taxes expired 6 October 2018 and as a consequence the Company's taxable profits will be subject to 50% tax remission until 6 October 2023.