
SALADA FOODS JAMAICA LIMITED

AUDITED FINANCIAL REPORT TO THE STOCKHOLDERS FOR THE FINANCIAL YEAR ENDED SEPTEMBER 30, 2021

The Directors of Salada Foods Jamaica Limited are pleased to release the audited financial results of the Group for the financial year ended September 30, 2021.

Revenues for the year was \$1.190 billion, 11.5% above last year's \$1.067 billion, brought about by, among other things, the successful introduction of new, non-coffee products, namely the Jamaica Mountain Peak Ginger Turmeric Tea and continued strong export sales.

Selling and Promotional spend increased by 18.3% from \$44.34M to \$52.43M in support of new products and shifting market trends from bottles to sachets. Consumers reduced their media consumption patterns while adhering to various COVID-19 restrictions forcing the team to develop innovative tactics to gain or maintain their attention.

Administration Expenses decreased by 7.4% from \$135.7M to \$125.7M even as the Company grappled with unpredictable lockdowns, shifting curfews, increased sanitation exercises and stringent COVID-19 health protocols.

The year's operating profit increased by 43.8% to \$182.13M from \$126.69M at the last reporting period. The Company suffered the deleterious effects of complying with the Jamaica Agricultural Commodities Authority (JACRA) regulations for a 30% locally grown coffee quota, ongoing supply chain disruptions and increasing freight costs. However, the negative impact was mitigated by relying on built up inventory of raw materials and lower cost beans.

The Group recorded \$156.83M in net profit, an improvement of 41.9% when compared to last year's \$110.49M.

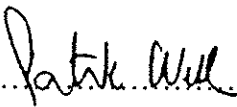
At our last AGM held in March 2021, shareholders approved a 10-for-one share split with effect March 31, 2021. Accounting for this stock split, year over year EPS increased from 11 cents to 15 cents. Stockholders received two interim dividend payment, 50 cents per share on December 4, 2020 and 54 cents per share on June 24, 2021.

The Company expanded its commitment to Corporate Social Responsibility, with donations of

\$1.5 million to the Jebb Memorial Basic School, in a substantial effort to help teachers and students stay connected, and \$200,000 to Jamaica Reach to Recovery, an affiliate of the Jamaica Cancer Society, among other activities.

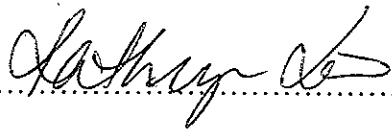
The challenging regulations, ongoing COVID-19 Pandemic, supply chain issues and the capricious nature of the exchange rate remain threats to Company operations. However, the early success of the diversification strategy is encouraging, as are strong exports to established markets with new markets on the horizon. The ingenuity and resilience of the team resulted in the twin benefits of holding costs and increasing revenue.

Salada is proud to offer “A Cup for Everyone” thereby securing the growth of the company and increasing shareholder value.



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Patrick Williams, Chairman



.....

Kathryn Lewis-Green, Director

SALADA FOODS JAMAICA LIMITED

FINANCIAL STATEMENTS

SEPTEMBER 30, 2021



KPMG
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INDEPENDENT AUDITORS' REPORT

To the Members of
SALADA FOODS JAMAICA LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Salada Foods Jamaica Limited ("the company") comprising the consolidated financial statements of the company and its subsidiaries ("the group") and the separate financial statements of the company, set out on pages 9 to 54 which comprise the group's and company's statements of financial position as at September 30, 2021, the group's and company's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the group and the company as at September 30, 2021, and of the group's and company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants including International Independence Standards (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SALADA FOODS JAMAICA LIMITED

Report on the Audit of the Financial Statements (continued)

Key Audit Matters

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

1. Inventory costing and valuation

<i>Key Audit Matter</i>	<i>How the matter was addressed in our audit</i>
<p>The group's and company's inventory cost calculation for finished goods and work-in-progress accounts for raw and packaging materials, direct labour, other direct costs and a proportion of related production overheads. At the reporting date, finished goods and work-in-progress inventories account for 38% of total inventories for the group and company.</p> <p>In view of the group's manufacturing processes and its numerous product lines, the identification of and the basis of various overheads and labour cost allocation in the costing process is complex and requires an increased level of audit effort in applying audit procedures.</p> <p>Due to the complexity involved in the costing process, there is an inherent risk that a material misstatement could arise due to cost of inventory being incorrectly recorded.</p>	<p>In this area, our audit procedures included:</p> <ul style="list-style-type: none">• Tested controls over management review and recording of inventory costing.• Tested a sample of inventory items to assess whether all elements of costs have been accurately input into the costing calculations including testing the basis and calculation of labour and overheads absorbed; and agreeing the cost of raw materials and packaging inventories to supporting records e.g. purchase invoices.• Obtained an understanding of management's inventory provisioning policy. Attended and observed annual inventory count at year end for the identification of obsolete and damaged items. Also, selected a sample of items for testing and agreeing count quantities to supporting records and assessed the conditions under which inventory including processed green beans are stored.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SALADA FOODS JAMAICA LIMITED

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

1. Inventory costing and valuation (continued)

<i>Key Audit Matter (continued)</i>	<i>How the matter was addressed in our audit (continued)</i>
<p>The group and the company holds inventory of green beans purchased under a project in 2019. There is a risk that if not properly stored and a market available for sale/usage, then the product may be impaired.</p>	<p>In this area, our audit procedures included (continued):</p> <ul style="list-style-type: none">• Review management impairment assessment of inventories by comparing the recent sale price to carrying cost and assessed management's assumptions with respect to the type and age of inventory items based on both historical and current sales records to estimate utilisation of green beans in current production and proposed future production.



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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SALADA FOODS JAMAICA LIMITED

Report on the Audit of the Financial Statements (continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the 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 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 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.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SALADA FOODS JAMAICA LIMITED

Report on the Audit of the Financial Statements (continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the 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 and the company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description, which is located at pages 7 to 8, forms part of our auditors' report.



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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SALADA FOODS JAMAICA LIMITED

Report on additional matters 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 maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act in the manner required.

The engagement partner on the audit resulting in this independent auditors' report is Rajan Trehan.

KPMG

Chartered Accountants
Kingston, Jamaica

December 23, 2021



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SALADA FOODS JAMAICA LIMITED

Appendix to the Independent Auditors' Report

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

- Identify and assess the risks of material misstatement of the 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 company's/group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.



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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SALADA FOODS JAMAICA LIMITED

Appendix to the Independent Auditors' Report (continued)

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.

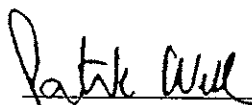
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken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

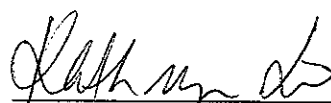
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation 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.

SALADA FOODS JAMAICA LIMITEDStatement of Financial Position
September 30, 2021

	Notes	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
NON-CURRENT ASSETS					
Property, plant and equipment	4	121,670	125,780	117,839	118,869
Intangible asset	5	1,300	1,300	1,300	1,300
Investment in subsidiary companies	6(a)	-	-	103,976	103,976
Investments	8	98,128	99,507	98,128	99,507
Deferred tax asset	9	16,081	17,521	15,843	17,283
		<u>237,179</u>	<u>244,108</u>	<u>337,086</u>	<u>340,935</u>
CURRENT ASSETS					
Cash and cash equivalents	7	116,448	170,859	104,552	112,448
Investments	8	158,801	152,951	158,801	152,951
Trade and other receivables	10	227,488	148,351	132,077	82,141
Due from subsidiary	6(b)	-	-	9,904	3,152
Inventories	11	528,867	405,274	522,891	398,844
		<u>1,031,604</u>	<u>877,435</u>	<u>928,225</u>	<u>749,536</u>
TOTAL ASSETS		<u>1,268,783</u>	<u>1,121,543</u>	<u>1,265,311</u>	<u>1,090,471</u>
STOCKHOLDERS' EQUITY					
Share capital	12	73,216	73,216	73,216	73,216
Capital reserves	13	16,275	16,275	6,543	6,543
Retained earnings		915,041	867,633	868,177	861,679
		<u>1,004,532</u>	<u>957,124</u>	<u>947,936</u>	<u>941,438</u>
CURRENT LIABILITIES					
Trade and other payables	14	246,806	158,278	230,806	143,641
Due to subsidiary	6(c)	-	-	74,925	4,891
Taxation payable		17,445	6,141	11,644	501
		<u>264,251</u>	<u>164,419</u>	<u>317,375</u>	<u>149,033</u>
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES		<u>1,268,783</u>	<u>1,121,543</u>	<u>1,265,311</u>	<u>1,090,471</u>

The financial statements on pages 9 to 54 were approved for issue by the Board of Directors on December 23, 2021 and signed on its behalf by:


Patrick Williams Chairman


Kathryn Lewis Green Director

The accompanying notes form an integral part of the financial statements.

SALADA FOODS JAMAICA LIMITEDGroup Statement of Profit or Loss and Other Comprehensive Income
Year ended September 30, 2021

	<u>Notes</u>	<u>2021</u> \$'000	<u>2020</u> \$'000
Revenue	15	1,189,740	1,067,932
Cost of sales	17(a)	(828,534)	(772,635)
Gross profit		361,206	295,297
Other income	17(d)	<u>1,189</u>	<u>12,807</u>
Administration expenses	17(c)	(125,718)	(135,674)
Selling and promotion expenses	17(b)	(52,434)	(44,335)
Impairment losses on trade receivables, net		(814)	(1,761)
Other expenses	8	<u>(1,300)</u>	<u>351</u>
Operating profit		<u>182,129</u>	<u>126,685</u>
Finance income	16	15,708	8,705
Finance costs	16	(842)	(1,196)
Net finance income	16	<u>14,866</u>	<u>7,509</u>
Profit before taxation		196,995	134,194
Taxation	18	(40,169)	(23,709)
Profit for the year		<u>156,826</u>	<u>110,485</u>
Other comprehensive loss:			
Items that will not be reclassified to profit or loss:			
Equity investments at FVOCI - net change in fair value		(1,379)	(44,634)
Other comprehensive loss for the year, net of tax		<u>(1,379)</u>	<u>(44,634)</u>
Total comprehensive income for the year		<u>155,447</u>	<u>65,851</u>
Profit attributable to:			
Stockholders of the company		<u>156,826</u>	<u>110,485</u>
Total comprehensive income attributable to:			
Stockholders of the company		<u>155,447</u>	<u>65,851</u>
Earnings per share:			
Earnings per ordinary stock unit	20	<u>0.15</u>	<u>0.11</u>

The accompanying notes form an integral part of the financial statements.

SALADA FOODS JAMAICA LIMITEDGroup Statement of Changes in Stockholders' Equity
Year ended September 30, 2021

	<u>Attributable to stockholders</u> <u>of the company</u>			Non- controlling interests (note 6) \$'000	<u>Total</u> \$'000
	Share capital (note 12) \$'000	Capital reserves (note 13) \$'000	Retained earnings \$'000		
	Balances at September 30, 2019	<u>73,216</u>	<u>16,275</u>		
Profit for the year	-	-	111,540	(1,055)	110,485
Other comprehensive loss for the year	<u>-</u>	<u>-</u>	<u>(44,634)</u>	<u>-</u>	<u>(44,634)</u>
Total comprehensive income	-	-	66,906	(1,055)	65,851
Dividends (note 12)	<u>-</u>	<u>-</u>	<u>(124,663)</u>	<u>-</u>	<u>(124,663)</u>
Balances at September 30, 2020	<u>73,216</u>	<u>16,275</u>	<u>867,633</u>	<u>-</u>	<u>957,124</u>
Profit for the year	-	-	156,826	-	156,826
Other comprehensive loss for the year	<u>-</u>	<u>-</u>	<u>(1,379)</u>	<u>-</u>	<u>(1,379)</u>
Total comprehensive income	-	-	155,447	-	155,447
Dividends (note 12)	<u>-</u>	<u>-</u>	<u>(108,039)</u>	<u>-</u>	<u>(108,039)</u>
Balances at September 30, 2021	<u>73,216</u>	<u>16,275</u>	<u>915,041</u>	<u>-</u>	<u>1,004,532</u>
Retained in the financial statements of:					
The company	73,216	6,543	868,177	-	947,936
The subsidiaries	<u>-</u>	<u>9,732</u>	<u>46,864</u>	<u>-</u>	<u>56,596</u>
Balances at September 30, 2021	<u>73,216</u>	<u>16,275</u>	<u>915,041</u>	<u>-</u>	<u>1,004,532</u>
Retained in the financial statements of:					
The company	73,216	6,543	861,679	-	941,438
The subsidiaries	<u>-</u>	<u>9,732</u>	<u>5,954</u>	<u>-</u>	<u>15,686</u>
Balances at September 30, 2020	<u>73,216</u>	<u>16,275</u>	<u>867,633</u>	<u>-</u>	<u>957,124</u>

The accompanying notes form an integral part of the financial statements.

SALADA FOODS JAMAICA LIMITEDGroup Statement of Cash Flows
Year ended September 30, 2021

	<u>Notes</u>	<u>2021</u> \$'000	<u>2020</u> \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		156,826	110,485
Adjustments for:			
Items not involving cash:			
Depreciation	4	23,928	22,873
Tax expense	18(a)	40,169	23,709
Foreign exchange gains		(10,152)	(5,175)
Interest income	16	(5,556)	(3,530)
Dividend income		(700)	(124)
(Gains)/loss on disposal		(140)	1,337
		204,375	149,575
Changes in operating assets and liabilities:			
Inventories		(127,683)	41,816
Accounts receivable		(80,978)	18,916
Accounts payable		98,549	(11,880)
Cash guaranteed from operations		94,263	198,427
Taxation paid or deducted at source		(27,425)	(33,618)
Net cash provided by operating activities		<u>66,838</u>	<u>164,809</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		5,556	4,665
Dividend received		700	124
Purchase of property, plant and equipment	4	(19,818)	(28,446)
Proceeds from sale of property, plant and equipment		140	-
Acquisition of investments		(1,759)	(3,730)
Long term receivable		-	15,681
Net cash used in investing activities		<u>(15,181)</u>	<u>(11,706)</u>
Dividends paid, being net cash used in financing activities	12	(108,039)	(124,663)
Net (decrease)/increase in cash and cash equivalents		(56,382)	28,440
Cash and cash equivalents at beginning of year		170,859	135,352
Effect of movement in exchange rates on cash held		1,971	7,067
Cash and cash equivalents at end of year	7	<u>116,448</u>	<u>170,859</u>

The accompanying notes form an integral part of the financial statements.

SALADA FOODS JAMAICA LIMITEDCompany Statement of Profit and Loss and Other Comprehensive Income
Year ended September 30, 2021

	<u>Notes</u>	<u>2021</u> \$'000	<u>2020</u> \$'000
Revenue	15	1,068,346	957,416
Cost of sales	17(a)	(815,921)	(759,046)
Gross profit		252,425	198,370
Other income	17(d)	<u>1,482</u>	<u>12,631</u>
Administration expenses	17(c)	(120,421)	(131,058)
Selling and promotion expenses	17(b)	(40)	(63)
Impairment losses on related party balances		(3,512)	-
Impairment losses on trade receivables, net		(1,239)	(570)
Other expenses	8	(1,300)	351
		<u>(126,512)</u>	<u>(131,340)</u>
Operating profit		<u>127,395</u>	<u>79,661</u>
Finance income	16	15,478	7,631
Finance costs	16	(808)	(1,110)
Net finance income	16	<u>14,670</u>	<u>6,521</u>
Profit before taxation		142,065	86,182
Taxation	18	(26,149)	(6,195)
Profit for the year		<u>115,916</u>	<u>79,987</u>
Other comprehensive loss:			
Items that will not be reclassified to profit or loss:			
Loss on revaluation of fair value through OCI		(1,379)	(44,634)
Other comprehensive loss for the year, net of tax		<u>(1,379)</u>	<u>(44,634)</u>
Total comprehensive income for the year		<u>114,537</u>	<u>35,353</u>

The accompanying notes form an integral part of the financial statements.

SALADA FOODS JAMAICA LIMITEDCompany Statement of Changes in Stockholders' Equity
Year ended September 30, 2021

	Share capital (note 12) \$'000	Capital reserves (note 13) \$'000	Retained earnings \$'000	Total \$'000
Balances at September 30, 2019	73,216	6,543	950,989	1,030,748
Profit for the year	-	-	79,987	79,987
Other comprehensive loss for the year	<u>-</u>	<u>-</u>	<u>(44,634)</u>	<u>(44,634)</u>
	73,216	6,543	986,342	1,066,101
Dividend (note 12)	<u>-</u>	<u>-</u>	<u>(124,663)</u>	<u>(124,663)</u>
Balances at September 30, 2020	73,216	6,543	861,679	941,438
Profit for the year	-	-	115,916	115,916
Other comprehensive loss for the year	<u>-</u>	<u>-</u>	<u>(1,379)</u>	<u>(1,379)</u>
	73,216	6,543	976,216	1,055,975
Dividend (note 12)	<u>-</u>	<u>-</u>	<u>(108,039)</u>	<u>(108,039)</u>
Balances at September 30, 2021	<u>73,216</u>	<u>6,543</u>	<u>868,177</u>	<u>947,936</u>

The accompanying notes form an integral part of the financial statements.

SALADA FOODS JAMAICA LIMITEDCompany Statement of Cash Flows
Year ended September 30, 2021

	<u>Notes</u>	<u>2021</u> \$'000	<u>2020</u> \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		115,916	79,987
Adjustments for:			
Items not involving cash:			
Depreciation	4(b)	20,848	19,536
Tax expense	18(a)	26,149	6,195
Foreign exchange gains		(9,930)	(4,376)
Interest income	16	(5,548)	(3,255)
Dividend Income		(700)	(124)
(Gains)/loss on disposal		<u>(140)</u>	<u>388</u>
		146,595	98,351
Changes in operating assets and liabilities:			
Inventories		(128,137)	46,156
Accounts receivable		(48,461)	34,816
Accounts payable		93,648	(7,713)
Due (to)/from subsidiary		<u>63,282</u>	<u>24,751</u>
Cash guaranteed from operations		126,927	196,361
Taxation paid		<u>(13,566)</u>	<u>(21,984)</u>
Net cash provided by operating activities		<u>113,361</u>	<u>174,377</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		5,548	4,389
Dividend received		700	124
Acquisition of investments		(1,759)	(3,730)
Purchase of property, plant and equipment	4(b)	(19,818)	(28,446)
Proceeds from disposal of property, plant and equipment	4(b)	<u>140</u>	<u>-</u>
Net cash used in investing activities		<u>(15,189)</u>	<u>(27,663)</u>
Dividends paid, being net cash used in financing activities	12	<u>(108,039)</u>	<u>(124,663)</u>
Net (decrease)/increase in cash and cash equivalents		(9,867)	22,051
Cash and cash equivalents at beginning of year		112,448	83,330
Effect of movement in exchange rates on cash held		<u>1,971</u>	<u>7,067</u>
Cash and cash equivalents at end of year	7	<u>104,552</u>	<u>112,448</u>

The accompanying notes form an integral part of the financial statements.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements
Year ended September 30, 2021

1. Reporting entity

Salada Foods Jamaica Limited (“the company”) is incorporated and domiciled in Jamaica. Its principal activity is the manufacture and sale of instant coffee and roasted and ground coffee beans and other consumer products. The company and its subsidiaries are collectively referred to as “the group” [also see note 2(c)]. The company’s registered office is located at 20 Bell Road, Kingston 11, Jamaica West Indies. Effective February 1, 2017, the company outsourced the distribution of its core products in local market to its subsidiary, Mountain Peak Food Processors Limited (see note 23). The operations of Pimora Company Limited were discontinued in the 2017 financial year.

The company is listed on the Jamaica Stock Exchange.

A shareholder of the company controls 76% of the voting rights in the company.

2. Statement of compliance and basis of preparation

(a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board (IASB), and comply with the provisions of the Jamaican Companies Act.

New and amended standards that came into effect during the current financial year:

Certain new, revised and amended standards and interpretations came into effect during the current financial year. The group has assessed them and has adopted those which are relevant to the financial statements. Those which management considered may be relevant to the group are as follows:

- Amendment to IAS 1, *Presentation of Financial Statements* and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* is effective for annual periods beginning on or after January 1, 2020, and provides the following definition of ‘material’ to guide preparers of financial statements in making judgements about information to be included in financial statements.

“Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.”

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued):

New and amended standards that came into effect during the current financial year (continued):

- Amendments to *References to Conceptual Framework in IFRS Standards* is effective retrospectively for annual reporting periods beginning on or after January 1, 2020. The revised framework covers all aspects of standard setting including the objective of financial reporting.

The main change relates to how and when assets and liabilities are recognised and de-recognised in the financial statements.

- New ‘bundle of rights’ approach to assets will mean that an entity may recognise a right to use an asset rather than the asset itself.
- A liability will be recognised if a company has no practical ability to avoid it. This may bring liabilities on balance sheet earlier than at present.

A new control-based approach to de-recognition will allow an entity to derecognise an asset when it loses control over all or part of it; the focus will no longer be on the transfer of risks and rewards.

New and amended standards and interpretations not yet effective:

At the date of authorisation of these financial statements, certain new and amended standards and interpretations have been issued which were not effective for the current year and which the Group has not early-adopted. The Group has assessed them with respect to its operations and has determined that the following are relevant:

- Amendments to IAS 37 Provision, Contingent Liabilities and Contingent Assets is effective for annual periods beginning on or after January 1, 2022 and clarifies those costs that comprise the costs of fulfilling the contract.

The amendments clarify that the ‘costs of fulfilling a contract comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. This clarification will require entities that apply the ‘incremental cost’ approach to recognise bigger and potentially more provisions. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued):

New and amended standards and interpretations that are not yet effective (continued):

- Amendments to IAS 16 *Property, Plant and Equipment*, effective for annual periods beginning on or after January 1, 2022, will mainly affect extractive and petrochemical industries and include the following guidance.

In the process of making an item of property, plant and equipment (PPE) available for its intended use, a company may produce and sell items – e.g. minerals extracted in the process of constructing an underground mine or oil and gas from testing wells before starting production. It provides guidance on the accounting for such sale proceeds and the related production costs.

Under the amendments, proceeds from selling items before the related item of PPE is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 *Inventories* should be applied in identifying and measuring these production costs.

Companies will therefore need to distinguish between, costs associated with producing and selling items before the item of PPE is available for use, and costs associated with making the item of PPE available for its intended use. Making this allocation of costs may require significant estimation and judgement. Companies in the extractive industry may need to monitor costs at a more granular level.

The amendments also clarify that testing whether an item of PPE is functioning properly means assessing its technical and physical performance rather than assessing its financial performance – e.g. assessing whether the PPE has achieved a certain level of operating margin.

For the sale of items that are not part of a company's ordinary activities, the amendments require the company to; disclose separately the sales proceeds and related production cost recognised in profit or loss, and specify the line items in which such proceeds and costs are included in the statement of comprehensive income. This disclosure is not required if such proceeds and cost are presented separately in the statement of comprehensive income.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued):

New and amended standards and interpretations that are not yet effective (continued):

- Amendments to IAS 1 *Presentation of Financial Statements*, will apply retrospectively for annual reporting periods beginning on or after 1 January 2023. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the requirement for a right to be unconditional has been removed and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. A company classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period. It has now been clarified that a right to defer exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date.

With the amendments, convertible instruments may become current. In light of this, the amendments clarify how a company classifies a liability that includes a counterparty conversion option, which could be recognised as either equity or a liability separately from the liability component under IAS 32. Generally, if a liability has any conversion options that involve a transfer of the company's own equity instruments, these would affect its classification as current or non-current. It has now been clarified that a company can ignore only those conversion options that are recognised as equity when classifying liabilities as current or non-current.

The Group does not expect the amendment to have a significant impact on its financial statements.

(b) Basis of preparation:

The financial statements are presented in Jamaica dollars (\$), which is the functional currency of the group. All financial information presented in Jamaica dollars have been rounded to the nearest thousand, except when otherwise indicated.

The financial statements are prepared on the historical cost basis. The significant accounting policies stated in paragraphs (c) to (d) and note 3 below conform in all material respects with IFRS.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

2. Statement of compliance and basis of preparation (continued)

(c) Basis of consolidation:

- (i) A “subsidiary” is an entity controlled by the company. The company controls an entity when it is exposed to, or has rights, to the variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The balance in the consolidated financial statements include the financial statements of the company and its subsidiaries:

The balance in the consolidated financial statements include the financial statements of the company and its subsidiaries:

<u>Entity</u>	<u>Holding</u>	<u>Main activity</u>	<u>Territory of incorporation</u>
Coffee Company of Jamaica Limited	100%	Dormant entity	Jamaica
Shirriff’s (Jamaica) Limited	100%	Dormant entity	Jamaica
Mountain Peak Food Processors Limited	100%	Distribution and sale of instant coffee, juices and condiments (see note 1)	Jamaica
Pimora Company Limited	100%	Manufacture of flavoured Briquettes (see note 1)	Jamaica

- (ii) Loss of control:

On the loss of control, the group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any gain or loss arising on the loss of control is recognized in profit or loss. If the group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

- (iii) Non-controlling interests:

Non-controlling interests are measured at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition. Changes in the group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

2. Statement of compliance and basis of preparation (continued)

(c) Basis of consolidation (continued):

(iv) Transactions eliminated on consolidation

Balances and transactions between companies within the group, and any unrealised gains arising from those transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions between the group and its subsidiaries are eliminated to the extent of the group's interest in the subsidiary. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(d) Use of estimates and judgements:

The preparation of the financial statements to conform with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the reporting date, and the income and expenses for the year then ended. Actual amounts could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

Judgements made by management in the application of IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next financial year are discussed below:

(i) Judgements:

For the purpose of these financial statements, judgement refers to the informed identification and analysis of reasonable alternatives, considering all relevant facts and circumstances, and the well-reasoned, objective and unbiased choice of the alternative that is most consistent with the agreed principles set out in IFRS. The key relevant judgements are as follows:

Classification of financial assets:

The assessment of the business model within which the assets are held and assessment of whether the contractual cash flows from a financial asset are solely payments of principal and interest (SPPI) on the principal amount requires management to make certain judgements on its business operations.

Impairment of financial assets:

Establishing the criteria for determining whether credit risk on a financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of expected credit loss (ECL) and selection and approval of models used to measure ECL requires significant judgement.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

2. Statement of compliance and basis of preparation (continued)

(d) Use of estimates and judgements (continued):

(ii) Key assumptions concerning the future and other sources of estimation uncertainty:

Allowance for impairment losses on financial assets:

Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in notes 3(s) and 3(t), which also set out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

(iii) Net realisable value of inventories:

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

Estimates of net realisable value also take into consideration the purpose for which the inventory is held.

It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from those assumptions could require a material adjustment to the carrying amount reflected in the financial statements.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

3. Significant accounting policies

(a) Investment in subsidiary companies:

Investments in subsidiary companies are measured at cost.

(b) Employee benefits:

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

(c) Inventories:

Inventories are measured at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis. The cost of finished goods and work-in-progress comprises raw and packaging materials, direct labour, other direct costs and a proportion of related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses comprising raw packaging material and goods in transit is based on their cost.

The cost of other inventories comprising raw and packaging materials and goods in transit is based on their cost and expenses incurred in acquiring and bringing them to their existing location and condition.

Fuel, spares and consumables comprise items used in the regular maintenance and servicing of plant and machinery, and normally consumed in less than one period.

(d) Accounts receivable:

Trade and other receivables are measured at amortised cost, less impairment losses.

(e) Cash and cash equivalents:

Cash and cash equivalents comprise cash and bank balances, other short-term investments and other monetary instruments with maturities ranging between one and three months from the reporting date.

(f) Investments:

Investments are classified as amortised cost or fair value through other comprehensive income. Amortised cost are those that have a fixed or determinable payment and which are not quoted in an active market. Amortised cost is calculated on the effective interest rate method, less impairment losses.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

3. Significant accounting policies (continued)

(f) Investments (continued):

Other comprehensive income are initially recognised at cost and subsequently at fair value through where a quoted market price is available in an active market. Any resultant gain or loss is recognised in investment revaluation reserve through other comprehensive income. Fair value gains recognised in other comprehensive income cannot be recycled through the profit or loss account.

(g) Accounts payable:

Trade and other payables are measured at amortised cost.

(h) Provisions:

A provision is recognised in the statement of financial position when the company and its subsidiaries have a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

(i) Property, plant and equipment:

(i) Property, plant and equipment are measured at historical cost or deemed cost, less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss.

(ii) Depreciation:

Depreciation is computed on a straight-line basis at annual rates estimated to write down the property, plant and equipment to their estimated residual values at the end of their expected useful lives. No depreciation is charged on the freehold land. Annual depreciation rates are as follows:

Buildings	2.5 - 10%
Infrastructure	2.5 - 10%
Machinery and equipment	2.5 - 20%
Motor vehicles	20%

The depreciation methods, useful lives and residual values are reassessed at the reporting date.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

3. Significant accounting policies (continued)

(j) Revenue:

Revenue recognition under IFRS 15

Performance obligations and revenue recognition policies:

Revenue is measured based on the consideration specified in a contract with a customer. The group recognises revenue when it transfers control over a good or service to a customer.

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows:

<i>Type of product</i>	Its principal activity is the manufacture and sale of instant coffee and roasted and ground coffee beans and other consumer products.
<i>Nature and timing of satisfaction of performance obligations, including significant payment terms.</i>	<p>Customers obtain control of goods when the goods are delivered to and accepted by them. Invoices are generated and the revenue is recognised at that point in time.</p> <p>Invoices are usually payable within 45 days.</p> <p>Some contracts permit the customer to return an item. Returned goods are exchanged only for new goods – i.e. no cash refunds are offered. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data for specific types of goods. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.</p> <p>The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The refund liability is included in other payables and the right to recover returned goods is included in inventory.</p> <p>The group reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.</p>
<i>Revenue recognition under IFRS 15</i>	Revenue is recognised when the goods are delivered and have been accepted by the customers.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

3. Significant accounting policies (continued)

(k) Net finance income:

Net finance income comprises interest payable on long-term loan, calculated using the effective interest rate method, interest income on funds invested, material bank charges and foreign exchange gains and losses recognised in profit or loss.

Interest income is recognised in profit or loss as it accrues, taking into account the yield on the asset.

(l) Income tax:

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly to equity, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, except to the extent that the group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference, net will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(m) Dividends:

Dividends are recognised in the period in which they are declared.

(n) Leases

At inception of a contract, the company and group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company uses the definition of a lease in IFRS 16.

The company or group has not identified any such assets that would meet the IFRS 16 criteria for recognition and therefore has not recognised a right-of-use asset or lease liability.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

3. Significant accounting policies (continued)

(o) Foreign currencies:

Transactions in foreign currencies are converted at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the reporting date. Foreign exchange differences arising from fluctuations in exchange rates are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at the foreign exchange rates ruling at the dates that the values were determined.

(p) Related parties:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the “reporting entity”).

- (a) A person or a close member of that person’s family is related to a reporting entity if that person:
- (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

3. Significant accounting policies (continued)

(p) Related parties (continued):

(b) An entity is related to a reporting entity if any of the following conditions applies (continued):

- (vi) The entity is controlled, or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(q) Intangible assets:

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses. Amortization is calculated using the straight line method to allocate cost over five years.

(r) Segment reporting:

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assesses its performance; and for which discrete financial information is available.

Based on the information presented to and reviewed by the CODM, the entire operations of the company are considered as one operating segment.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

3. Significant accounting policies (continued)

(s) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In these financial statements, financial assets comprise investments, cash and cash equivalents, accounts receivable, long-term receivables, and interest in subsidiary. Financial liabilities comprise accounts payable and related company balances.

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

3. Significant accounting policies (continued)

(s) Financial instruments (continued):

(ii) Classification and subsequent measurement (continued)

Financial assets (continued)

In making this assessment, the company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the company's claim to cash flows from specified assets (e.g. non-recourse features).

Amortised cost represents the net present value ("NPV") of the consideration receivable or payable as of the transaction date. This classification of financial assets comprises the following captions:

- Investments
- Cash and cash equivalents
- Accounts receivable

Due to their short-term nature, the group initially recognises these assets at the original invoiced or transaction amount less expected credit losses.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities

All financial liabilities are recognised initially at fair value and in the case of borrowings, plus directly attributable transaction costs. The group's financial liabilities, which includes accounts payable are recognised initially at fair value.

Financial assets and liabilities – Subsequent measurement and gains and losses:

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The subsequent measurement of financial liabilities depends on their classification as described in the particular recognition methods disclosed in the individual policy statements associated with each item.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

3. Significant accounting policies (continued)

(s) Financial instruments (continued):

(iii) Derecognition

Financial assets

The group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The group enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised.

Financial liabilities

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, with the difference in the respective carrying amounts recognised in the consolidated statement of comprehensive income.

The group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(t) Impairment:

*Financial assets**Measurement of ECLs*

The group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and at fair value through OCI.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

3. Significant accounting policies (continued)

(t) Impairment (continued):

Financial assets (continued)

Measurement of ECLs (continued)

The group measures loss allowances at an amount equal to lifetime ECLs.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the group considers reasonable and supportable information relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the group's historical experience and informed credit assessment and including forward looking information.

The group assumes that the credit risk on financial assets has increased significantly if it is more than 180 days past due.

The group recognises loss allowances for ECLs and considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the group in full, without recourse by the group to action such as realising security if any is held; or
- the financial asset is more than 180 days past due.

Life-time ECLs are the ECLs that result from all possible default events over the expected life of the financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the group in accordance with the contract and the cash flows that the group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the group assesses whether financial assets carried at amortised costs are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

3. Significant accounting policies (continued)

(t) Impairment (continued):

Financial assets (continued)

Credit-impaired financial assets (continued)

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is the case when the group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the group's procedures for recovery of amounts due.

Non-financial assets

The carrying amounts of the group's non-financial assets (other than inventories) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or CGU is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

3. Significant accounting policies (continued)

(t) Impairment (continued):

Non-financial assets (continued)

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognised.

4. Property, plant and equipment

(a) The Group:

	<u>Freehold land</u> \$'000	<u>Freehold buildings and infrastructure</u> \$'000	<u>Machinery equipment & vehicles</u> \$'000	<u>Work-in- progress</u> \$'000	<u>Total</u> \$'000
At cost or deemed cost:					
September 30, 2019	9,975	83,429	374,509	16,529	484,442
Additions	-	4,682	11,202	12,562	28,446
Transfer	-	-	13,938	(13,938)	-
Disposals	<u>-</u>	<u>-</u>	<u>(5,937)</u>	<u>-</u>	<u>(5,937)</u>
September 30, 2020	9,975	88,111	393,712	15,153	506,951
Additions	-	2,872	16,946	-	19,818
Transfers	<u>-</u>	<u>-</u>	<u> 8,248</u>	<u>(8,248)</u>	<u>-</u>
September 30, 2021	<u>9,975</u>	<u>90,983</u>	<u>418,906</u>	<u> 6,905</u>	<u>526,769</u>
Depreciation:					
September 30, 2019	-	45,864	317,034	-	362,898
Charge for the year	-	1,817	21,056	-	22,873
Disposals	<u>-</u>	<u>-</u>	<u>(4,600)</u>	<u>-</u>	<u>(4,600)</u>
September 30, 2020	-	47,681	333,490	-	381,171
Charge for the year	<u>-</u>	<u> 1,971</u>	<u>21,957</u>	<u>-</u>	<u>23,928</u>
September 30, 2021	<u>-</u>	<u>49,652</u>	<u>355,447</u>	<u>-</u>	<u>405,099</u>
Net book values:					
September 30, 2021	<u>9,975</u>	<u>41,331</u>	<u>63,459</u>	<u> 6,905</u>	<u>121,670</u>
September 30, 2020	<u>9,975</u>	<u>40,430</u>	<u>60,222</u>	<u>15,153</u>	<u>125,780</u>

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

4. Property, plant and equipment (continued)

(b) The Company:

	<u>Freehold land</u> \$'000	<u>Freehold buildings and infrastructure</u> \$'000	<u>Machinery equipment & vehicles</u> \$'000	<u>Work-in- progress</u> \$'000	<u>Total</u> \$'000
At cost or deemed cost:					
September 30, 2019	6,144	65,864	304,867	16,529	393,404
Additions	-	4,682	11,202	12,562	28,446
Transfer	-	-	13,938	(13,938)	-
Assets acquired on transfer(d)	-	-	13,777	-	13,777
Disposals	<u>-</u>	<u>-</u>	<u>(4,649)</u>	<u>-</u>	<u>(4,649)</u>
September 30, 2020	6,144	70,546	339,135	15,153	430,978
Additions	-	2,872	16,946	-	19,818
Transfers	<u>-</u>	<u>-</u>	<u>8,248</u>	<u>(8,248)</u>	<u>-</u>
September 30, 2021	<u>6,144</u>	<u>73,418</u>	<u>364,329</u>	<u>6,905</u>	<u>450,796</u>
Depreciation:					
September 30, 2019	-	29,385	267,449	-	296,834
Charge for the year	-	1,817	17,719	-	19,536
Disposals	<u>-</u>	<u>-</u>	<u>(4,261)</u>	<u>-</u>	<u>(4,261)</u>
September 30, 2020	-	31,202	280,907	-	312,109
Charge for the year	<u>-</u>	<u>1,971</u>	<u>18,877</u>	<u>-</u>	<u>20,848</u>
September 30, 2021	<u>-</u>	<u>33,173</u>	<u>299,784</u>	<u>-</u>	<u>332,957</u>
Net book values:					
September 30, 2021	<u>6,144</u>	<u>40,245</u>	<u>64,545</u>	<u>6,905</u>	<u>117,839</u>
September 30, 2020	<u>6,144</u>	<u>39,344</u>	<u>58,228</u>	<u>15,153</u>	<u>118,869</u>

(c) Freehold land and buildings were professionally valued on a fair market value basis by Stoppi Cairney Bloomfield in September 2001. These values have been incorporated into the financial statements as deemed costs as at the date of transition to IFRS (October 1, 2001). The surpluses arising from these adjustments were credited to capital reserves (note 13).

(d) Work-In-Progress includes a fire alarm system, spray dryer and servo equipment which will be fully commissioned within the next financial year. In this regard, future capital commitments relate only to installation charges which are estimated to be \$1,400,000.

5. Intangible asset

This represents costs of the Mountain Bliss Brand.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

6. Investment in subsidiary companies and due from/to subsidiary companies

In the prior year, the company purchased additional shares in Pimora Company Limited thereby increasing the group's shareholding to 100%.

(a) Investment in subsidiary companies comprises:

	<u>The Company</u>	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
Shares at cost:		
Coffee Company of Jamaica Limited	790	790
Shirriff's (Jamaica) Limited	91	91
Mountain Peak Food Processors Limited	102,595	102,595
Pimora Company Limited	<u>500</u>	<u>500</u>
	<u>103,976</u>	<u>103,976</u>
(b) Due from subsidiary (within twelve months):		
Pimora Company Limited	-	3,152
Mountain Peak Food Processors Limited - trading	<u>9,904</u>	<u>-</u>
	<u>9,904</u>	<u>3,152</u>
(c) Due to subsidiary (within twelve months):		
Mountain Peak Food Processors Limited – other	<u>74,925</u>	<u>4,891</u>
	<u>74,925</u>	<u>4,891</u>

See note 2(c)(i) for share ownership in subsidiaries. The balance due from Pimora Company Limited of \$3,512,000 is fully impaired and adjusted as it is no longer considered recoverable due to the closure of its operations.

7. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise:

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$'000	\$'000	\$'000	\$'000
Cash in hand and bank	113,771	168,216	101,875	109,805
Short-term deposits	<u>2,677</u>	<u>2,643</u>	<u>2,677</u>	<u>2,643</u>
	<u>116,448</u>	<u>170,859</u>	<u>104,552</u>	<u>112,448</u>

At the reporting date, cash in hand and bank include US\$66,030 (2020: US\$442,365).

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
 Year ended September 30, 2021

8. Investments

	<u>2021</u>		
	<u>The Group and the Company</u>		
	(Current) Amortised cost \$'000	(Non-Current) Fair value through other comprehensive income \$'000	<u>Total</u> \$'000
Resale agreements	108,440	-	108,440
Deposits	52,146	-	52,146
Quoted Jamaican equities	-	<u>98,128</u>	<u>98,128</u>
	160,586	98,128	258,714
Less: impairment loss	<u>(1,785)</u>	-	<u>(1,785)</u>
	<u>158,801</u>	<u>98,128</u>	<u>256,929</u>
	<u>2020</u>		
	<u>The Group and the Company</u>		
	(Current) Amortised cost \$'000	(Non-Current) Fair value through other comprehensive income \$'000	<u>Total</u> \$'000
Resale agreements	103,182	-	103,182
Deposits	50,254	-	50,254
Quoted Jamaican equities	-	<u>99,507</u>	<u>99,507</u>
	153,436	99,507	252,943
Less: impairment loss	<u>(485)</u>	-	<u>(485)</u>
	<u>152,951</u>	<u>99,507</u>	<u>252,458</u>

The fair value of the securities under resale agreements approximates the carrying value of the agreements. The resale agreements include US\$745,557 (2020: US\$711,007) which earns interest at a rate 2.6% to 3.0% (2020: 1.9% to 2.5%) per annum. Deposits include US\$306,138 (2020: US\$300,810) and earns interest at 3% (2020: 2.75% to 3.25%) per annum.

Movement in impairment losses for investments is as follows:

	<u>The Group and the Company</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000
Balance at beginning of year	485	836
Impairment recovered/(loss) recognised	<u>1,300</u>	<u>(351)</u>
Balance at end of year	<u>1,785</u>	<u>485</u>

At the reporting date, the group and the company had investments of \$121,472,799 (2020: \$122,628,861) with Ideal Finance Corporation Limited and Ideal Portfolio Services Company Limited, both being related parties.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

9. Deferred taxation

Deferred income taxes are calculated on temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purposes, using an effective tax rate of 25%.

This comprises:

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$'000	\$'000	\$'000	\$'000
Net deferred tax asset	<u>16,081</u>	<u>17,521</u>	<u>15,843</u>	<u>17,283</u>

Deferred tax assets are attributable to the following:

	<u>2021</u>		
	<u>The Group</u>		
	October 1,	Recognised	September
	<u>2020</u>	in	30,
	\$'000	<u>income</u>	<u>2021</u>
		\$'000	\$'000
		(note 18)	
Vacation pay accrual	1,747	247	1,994
Property, plant and equipment	16,570	(2,124)	14,446
Unrealised gain on foreign exchange	177	(905)	(728)
Accrued interest receivable	(1,076)	(176)	(1,252)
Impairment losses on investments	(88)	535	447
Impairment losses on trade receivables	<u>191</u>	<u>983</u>	<u>1,174</u>
	<u>17,521</u>	<u>(1,440)</u>	<u>16,081</u>
	<u>2020</u>		
	<u>The Group</u>		
	October 1,	Recognised	September
	<u>2019</u>	in	30,
	\$'000	<u>income</u>	<u>2020</u>
		\$'000	\$'000
		(note 18)	
Vacation pay accrual	1,230	517	1,747
Property, plant and equipment	12,503	4,067	16,570
Unrealised gain on foreign exchange	84	93	177
Tax value of losses carried forward	1,740	(1,740)	-
Accrued interest receivable	(1,359)	283	(1,076)
Impairment losses on investments	209	(297)	(88)
Impairment losses on trade receivables	<u>1,034</u>	<u>(843)</u>	<u>191</u>
	<u>15,441</u>	<u>2,080</u>	<u>17,521</u>

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

9. Deferred taxation (continued)

Deferred tax assets are attributable to the following (continued):

	<u>2021</u>		
	<u>The Company</u>		
	October 1, <u>2020</u> \$'000	Recognised in <u>income</u> \$'000 (note 18)	September 30, <u>2021</u> \$'000
Vacation pay accrual	1,347	247	1,594
Property, plant and equipment	16,331	(2,124)	14,207
Unrealised gain on foreign exchange	627	(905)	(278)
Accrued interest receivable	(1,076)	(176)	(1,252)
Impairment losses on investments	(88)	535	447
Impairment losses on trade receivables	<u>142</u>	<u>983</u>	<u>1,125</u>
	<u>17,283</u>	<u>(1,440)</u>	<u>15,843</u>
	<u>2020</u>		
	<u>The Company</u>		
	October 1, <u>2019</u> \$'000	Recognised in <u>income</u> \$'000 (note 18)	September 30, <u>2020</u> \$'000
Vacation pay accrual	832	515	1,347
Property, plant and equipment	8,099	8,232	16,331
Unrealised gain on foreign exchange	80	547	627
Accrued interest receivable	(1,359)	283	(1,076)
Impairment losses on investments	209	(297)	(88)
Impairment losses on trade receivables	<u>688</u>	<u>(546)</u>	<u>142</u>
	<u>8,549</u>	<u>8,734</u>	<u>17,283</u>

10. Trade and other receivables

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u> \$'000	<u>2020</u> \$'000	<u>2021</u> \$'000	<u>2020</u> \$'000
Trade receivables	175,218	115,116	87,933	53,574
Prepayments	41,727	26,100	41,218	20,861
Other receivables	<u>15,374</u>	<u>11,153</u>	<u>7,431</u>	<u>10,999</u>
	232,319	152,369	136,582	85,434
Less: impairment losses	<u>(4,831)</u>	<u>(4,018)</u>	<u>(4,505)</u>	<u>(3,293)</u>
	<u>227,488</u>	<u>148,351</u>	<u>132,077</u>	<u>82,141</u>

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

10. Trade and other receivables (continued)

- (i) Allowances for doubtful accounts were established based on incurred loss analyses over delinquent accounts considering aging of balances, the credit history and risk profile of each customer and legal processes to recover accounts receivable. Allowances are determined upon origination of the trade accounts receivable based on a model that calculates the expected credit loss (“ECL”) of the trade accounts receivable and are recognised over their term.

Under this ECL model, the group use its accounts receivable based on days past due and determines an average rate of ECL, considering actual credit loss experience over the last 12 months and analysis of future delinquency, that is applied to the balance of the accounts receivable. The average ECL rate used as at September 30, 2021 to apply against the accounts receivable balance less 90 days was 8.65% (2020: 11.7%) for the group and 3.5% (2020: 9.7%) for the company [note 21 (a)(i)].

Movement in impairment losses for trade receivables is as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of year	4,018	4,118	3,293	2,739
Impairment loss recognised net of recoveries	<u>813</u>	<u>(100)</u>	<u>1,212</u>	<u>554</u>
Balance at end of year	<u>4,831</u>	<u>4,018</u>	<u>4,505</u>	<u>3,293</u>

The exposure of the group and company to credit and currency risks and impairment losses relating to trade and other receivables are disclosed in note 21(a)(i).

11. Inventories

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Raw and packaging material	283,120	210,392	281,709	205,715
Finished goods held for sale	67,953	67,709	62,116	62,209
Work-in-progress	135,292	92,046	135,292	92,045
Fuel, spares and consumables	<u>48,744</u>	<u>42,053</u>	<u>48,744</u>	<u>42,053</u>
	535,109	412,200	527,861	402,022
Provision for obsolescence	<u>(6,242)</u>	<u>(6,926)</u>	<u>(4,970)</u>	<u>(3,178)</u>
	<u>528,867</u>	<u>405,274</u>	<u>522,891</u>	<u>398,844</u>

SALADA FOODS JAMAICA LIMITEDNotes to the Financial Statements (Continued)
Year ended September 30, 202111. Inventories (continued)

During the year, inventory write-offs aggregating \$7,821,960 (2020: \$611,632) were recognised in profit or loss.

12. Share capital

	<u>The Group and the Company</u>	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
Authorised:		
500,000,000 ordinary units of no par value		
Stated:		
Issued and fully paid:		
1,038,832,900 (2020: 103,883,290)		
ordinary stock units of no par value	<u>73,216</u>	<u>73,216</u>

The company advised the shareholders in attendance at the Company's 56th Annual General Meeting, held on March 18, 2021 that each of the issued ordinary shares in the capital of the Company be subdivided into 10 ordinary shares with effect from the close of business on Wednesday, March 31, 2021, resulting in the total issued capital of the Company being increased from 103,883,290 ordinary shares of no par value to 1,038,832,900 ordinary shares of no par value.

In a meeting of the Board of Directors held on November 19, 2020 and May 20, 2021 a dividend of \$0.50 and \$0.054 respectively per stock unit was declared (December 18, 2020 and June 7, 2021: a dividend of \$0.70 and \$0.50 respectively per stock unit was declared).

Holders of the ordinary stock units are entitled to dividends as declared from time to time and are entitled to one vote but upon a poll being taken at general meetings of the company, have one vote for every stock unit held.

13. Capital reserves

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$'000	\$'000	\$'000	\$'000
Revaluation surplus on assets carried				
at deemed cost	14,528	14,528	4,838	4,838
Realised gains	<u>1,747</u>	<u>1,747</u>	<u>1,705</u>	<u>1,705</u>
	<u>16,275</u>	<u>16,275</u>	<u>6,543</u>	<u>6,543</u>

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

14. Trade and other payables

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$'000	\$'000	\$'000	\$'000
Trade payables	92,772	41,351	92,568	39,232
Accrued charges	121,015	71,450	105,219	58,932
Other payables	<u>33,019</u>	<u>45,477</u>	<u>33,019</u>	<u>45,477</u>
	<u>246,806</u>	<u>158,278</u>	<u>230,806</u>	<u>143,641</u>

The group's and company's exposure to liquidity risks to accounts payable is disclosed in note 21.

15. Revenue

Revenue comprise the invoiced value of goods sold, net of general consumption tax, rebates and discounts.

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$'000	\$'000	\$'000	\$'000
Local sales	925,051	883,984	803,657	773,468
Export sales	<u>264,689</u>	<u>183,948</u>	<u>264,689</u>	<u>183,948</u>
	<u>1,189,740</u>	<u>1,067,932</u>	<u>1,068,346</u>	<u>957,416</u>

16. Net finance income

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$'000	\$'000	\$'000	\$'000
Finance income:				
Interest income	5,556	3,530	5,548	3,255
Foreign exchange gain	<u>10,152</u>	<u>5,175</u>	<u>9,930</u>	<u>4,376</u>
	<u>15,708</u>	<u>8,705</u>	<u>15,478</u>	<u>7,631</u>
Finance costs:				
Bank charges	(842)	(1,196)	(808)	(1,110)
	<u>14,866</u>	<u>7,509</u>	<u>14,670</u>	<u>6,521</u>

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

17. Nature of expenses

Profit before taxation is stated after charging:

(a) Cost of goods sold:

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$'000	\$'000	\$'000	\$'000
Gas and fuel	31,194	26,270	31,194	26,270
Depreciation	20,904	16,606	17,824	13,603
Insurance	8,977	8,736	8,977	8,209
Outsourcing	80,980	73,636	80,980	73,626
Coffee Cess	7,425	7,650	7,425	7,650
Travel and subsistence	7,108	3,349	7,108	3,349
Plant management - technical services	18,092	15,595	18,092	15,595
Other	8,057	13,816	8,057	13,816
Repairs and maintenance	20,913	22,408	20,913	22,408
Security	8,129	7,974	8,129	7,974
Utilities	56,759	49,980	56,759	49,770
Salaries and other related costs	32,131	33,938	32,131	33,938
Raw material and consumables	<u>527,865</u>	<u>492,677</u>	<u>518,332</u>	<u>482,838</u>
	<u>828,534</u>	<u>772,635</u>	<u>815,921</u>	<u>759,046</u>

(b) Selling and promotion expenses:

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$'000	\$'000	\$'000	\$'000
Advertising and promotions	30,153	21,175	40	-
Other	6,141	7,428	-	63
Delivery and handling charges	3,813	4,077	-	-
Salaries and other related costs	<u>12,327</u>	<u>11,655</u>	<u>-</u>	<u>-</u>
	<u>52,434</u>	<u>44,335</u>	<u>40</u>	<u>63</u>

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
 Year ended September 30, 2021

17. Nature of expenses (continued)

(c) Administration expenses:

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$'000	\$'000	\$'000	\$'000
Audit fees	4,517	5,541	2,590	3,542
Computer expenses	2,502	2,532	2,490	2,178
Depreciation	7,098	6,267	7,098	5,933
Director fees	11,763	12,672	11,763	12,672
Insurance	-	527	-	-
Outsourcing	17,617	16,495	17,617	16,495
Other	27,687	27,126	26,888	27,514
Legal and professional fees	11,356	14,351	8,797	12,018
Registrar and AGM expenses	3,458	4,663	3,458	4,903
Salaries and other related costs	38,376	44,446	38,376	44,446
Utilities	<u>1,344</u>	<u>1,054</u>	<u>1,344</u>	<u>1,357</u>
	<u>125,718</u>	<u>135,674</u>	<u>120,421</u>	<u>131,058</u>

(d) In 2020, other income mainly included insurance claims in respect of damages to a boiler and a stolen motor vehicle.

(e) Salaries and other related costs:

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	72,515	77,934	60,188	66,279
Statutory deductions	3,039	3,546	3,039	3,546
Staff welfare	4,905	6,197	4,905	6,197
Pension contribution	<u>2,375</u>	<u>2,362</u>	<u>2,375</u>	<u>2,362</u>
	<u>82,834</u>	<u>90,039</u>	<u>70,507</u>	<u>78,384</u>

18. Taxation

(a) Taxation is based on net profit for the year adjusted for taxation purposes and represents income tax charged at 25%.

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$'000	\$'000	\$'000	\$'000
Current tax expense:				
Income tax	48,709	32,565	34,689	21,705
Employment tax credit	(9,980)	(6,776)	(9,980)	(6,776)
	<u>38,729</u>	<u>25,789</u>	<u>24,709</u>	<u>14,929</u>
Deferred taxation:				
Originating and reversal of other timing differences, net	<u>1,440</u>	(2,080)	<u>1,440</u>	(8,734)
	<u>40,169</u>	<u>23,709</u>	<u>26,149</u>	<u>6,195</u>

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

18. Taxation (continued)

(b) Reconciliation of effective tax rate:

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Profit before tax	<u>196,995</u>	<u>134,194</u>	<u>142,065</u>	<u>86,182</u>
Computed "expected" tax expense @ 25%	49,249	33,549	35,516	21,546
Difference between profits for financial statements and tax reporting purposes on:				
Employment tax credit	(9,980)	(6,776)	(9,980)	(6,776)
Disallowed expenses, impairment and capital items	1,923	1,612	2,499	505
Foreign exchange differences and other capital items	(1,023)	(4,676)	(1,886)	(9,080)
Actual expense	<u>40,169</u>	<u>23,709</u>	<u>26,149</u>	<u>6,195</u>

- (c) As at September 30, 2021 subject to the agreement of The Commissioner, Tax Administration Jamaica, tax losses available for offset against future taxable profits for the group was \$33,302,462 (2020: \$36,383,463). As at January 1, 2014, tax losses may be carried forward indefinitely; however, the amount that can be utilised in any one year is restricted to 50% of the current year's taxable profits.

Deferred tax asset of \$8,325,615 (2020: \$9,095,866) for the group has not been recognised in respect of tax losses in a subsidiary amounting to \$33,302,462 (2020: \$36,383,468).

19. Transactions with related parties

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
(i) Directors emoluments:				
Fees	<u>11,763</u>	<u>12,672</u>	<u>11,763</u>	<u>12,672</u>

Key management personnel compensation is as follows:

	<u>The Group and the Company</u>	
	<u>2021</u>	<u>2020</u>
	<u>\$'000</u>	<u>\$'000</u>
Short-term employee benefits	<u>24,598</u>	<u>18,801</u>

- (ii) Key management personnel transactions:
During the year a Director and relatives purchased shares totalling 82,758 units.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

19. Transactions with related parties (continued)

(iii) Other related party transactions:

Sales to Mountain Peak Food Processor Limited amounted to \$635,769,210 during the year (2020:\$563,224,321)

See note 8 for investments held with related parties.

20. Earnings per ordinary stock unit

Basic earnings per share are calculated by dividing the net profit attributable to members by the number of stock units in issue during the year.

	<u>2021</u>	<u>2020</u>
Net profit attributable to shareholders (\$'000)	<u>156,826</u>	<u>110,485</u>
Number of stock units in issue (see note 12)	<u>1,038,832,900</u>	<u>1,038,832,900</u>
Basic earnings per stock unit (\$'000)	<u>0.15</u>	<u>0.11*</u>

*restated to reflect the effect of stock split in March 2021.

21. Financial instruments

(a) Financial risk management:

The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

The Board of Directors, together with senior management has overall responsibility for the establishment and oversight of the group's risk management framework.

The group's risk management policies are established to identify and analyse the risks faced by the group to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and group's activities.

(i) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises principally from the receivables arising from credit given to customers and deposits and investments with financial institutions. The maximum credit exposure is represented by the carrying amount of the financial assets in the statement of financial position.

Cash and cash equivalents

Cash and cash equivalents are maintained with substantial counter-parties deemed to have low risk of default.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

21. Financial instruments (continued)

(a) Financial risk management (continued):

(i) Credit risk (continued):

Accounts receivable (continued)

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer base, including the default risk of the industry in which customers operate, has less of an influence on credit risk. The group does not require collateral in respect of trade and other receivables.

Trade receivables mainly consist of balances due from retail and hospitality customers across Jamaica. Apart from the concentration of customers in Jamaica, the group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Expected credit loss assessment

The group allocates each exposure to a credit risk grade based on the data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and the available press information about its customers) and applying experienced credit judgement.

The group uses a provision matrix to measure ECLs on trade receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

Loss rates are calculated based on the probability of a receivable progressing through successive stages of delinquency to write-off, current conditions and the economic conditions over the expected lives of the receivables.

The following tables provides information about the exposure to credit risk and ECL for trade receivables as at September 30, 2021 and September 30, 2020 (see also note 10).

	<u>The Group</u>			
	<u>2021</u>			
	<u>Weighted average loss rate</u>	<u>Gross carrying amount</u> \$'000	<u>Loss allowance</u> \$'000	<u>Credit impaired</u>
Current (not past due)	1.8%	148,859	2,635	No
31-60 days past due	6.5%	23,648	1,536	No
61-90 days past due	2.2%	2,613	562	No
91-180 days past due	100%	<u>98</u>	<u>98</u>	No
		<u>\$175,218</u>	<u>4,831</u>	

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

21. Financial instruments (continued)

(a) Financial risk management (continued):

(i) Credit risk (continued):

Expected credit loss assessment (continued)

	<u>The Company</u>			
	<u>2021</u>			
	<u>Weighted average loss rate</u>	<u>Gross carrying amount \$'000</u>	<u>Loss allowance \$'000</u>	<u>Credit impaired</u>
Current (not past due)	3.3%	62,499	2,548	No
31-60 days past due	5.0%	22,824	1,397	No
61-90 days past due	17.6%	2,610	560	No
91-180 days past due	100%	-	-	No
		<u>87,933</u>	<u>4,505</u>	

	<u>The Group</u>			
	<u>2020</u>			
	<u>Weighted average loss rate</u>	<u>Gross carrying amount \$'000</u>	<u>Loss allowance \$'000</u>	<u>Credit impaired</u>
Current (not past due)	2.1%	110,373	3,217	No
31-60 days past due	3.5%	4,221	318	No
61-90 days past due	29.5%	96	57	No
91-180 days past due	100%	426	426	Yes
		<u>115,116</u>	<u>4,018</u>	

	<u>The Company</u>			
	<u>2020</u>			
	<u>Weighted average loss rate</u>	<u>Gross carrying amount \$'000</u>	<u>Loss allowance \$'000</u>	<u>Credit impaired</u>
Current (not past due)	3.9%	50,047	2,987	No
31-60 days past due	6.7%	3,527	306	No
61-90 days past due	19.5%	-	-	No
91-180 days past due	100%	-	-	No
		<u>53,574</u>	<u>3,293</u>	

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

21. Financial instruments (continued)

(a) Financial risk management (continued):

(i) Credit risk (continued):

Investments

The company limits its exposure to credit risk associated with investment securities by investing mainly in liquid securities with counterparties that have high credit quality.

Credit quality

The company identifies changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the company supplements this by reviewing changes in bond yields together with available press and regulatory information on issuers.

Twelve (12)-month and lifetime probabilities of default are based on historical data supplied by each credit rating and are recalibrated based on current bond yields. Loss given default (LGD) parameters generally reflect an assumed recovery rate of percent except when the security is credit-impaired, in which case the estimate of loss based on the instrument's current market price and original effective interest rate.

The following table sets out the credit quality of debt investment securities based on Standard and Poor's and Moody's ratings as follows:

	<u>2021</u> Stage 1 <u>12-month ECL</u> \$'000	<u>2020</u> Stage 1 <u>12-month ECL</u> \$'000
Debt investment securities at amortised cost, being total gross carrying amount	160,586	153,436
Loss allowance	(<u>1,785</u>)	(<u>485</u>)
	<u>158,801</u>	<u>152,951</u>

(ii) Liquidity risk:

Liquidity risk is the risk that the group will not meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liability when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company and or its subsidiaries reputation.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

21. Financial instruments (continued)

(a) Financial risk management (continued):

(ii) Liquidity risk (continued):

Management aims at maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed facilities. The management of the group maintains an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments.

The contractual outflows as at September 2021 and 2020 for trade and other payables and due to subsidiary are represented by their carrying amounts in the statement of financial position, and require settlements within 12 months of the reporting date. Based on the liquid assets held and the positive operating cashflows, the company has adequate available funding to settle these commitments when due.

There is no change from the prior year in the nature of the company's exposure to liquidity risk or the manner in which it manages and measures the risk.

(iii) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, and interest rates will affect the group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

• Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The group materially contracts financial liabilities at fixed interest rates for the duration of the term. At September 30, 2021 and 2020, there were no financial liabilities subject to variable interest rate risk.

Interest-bearing financial assets mainly comprise monetary instruments, bank deposits and short-term investments, which have been contracted at fixed interest rates for the duration of their terms.

At the reporting date the interest profile of the group's interest bearing financial instruments was:

	<u>The Group and the company</u>	
	<u>Carrying amount</u>	
	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
Variable rate:		
Assets	<u>152,958</u>	<u>57,387</u>

Fair value sensitivity analysis for fixed rate instruments

The group does not hold any fixed rate financial assets that are subject to material changes in fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or equity.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

21. Financial instruments (continued)

(a) Financial risk management (continued):

(iii) Market risk (continued):

- Interest rate risk (continued):

Cash flow sensitivity analysis for variable rate instruments

An increase in interest rate of change of 3% (2020: 1%) at the reporting date would have increased profit or loss by \$4,588,762 (2020: \$573,873), while a 0.50% (2020: 1%) decline in interest rate at reporting date would have decreased profit by \$764,794 (2020: \$573,873).

This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2019.

- Foreign currency risk:

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The group is exposed to significant foreign currency risk, primarily on purchases that are denominated in a currency other than the Jamaica dollar. Such exposures comprise the monetary assets and liabilities of the group that are not denominated in that currency. The main foreign currency risks of the group are denominated in United States dollars (US\$), which is the principal intervening currency for the group.

The group jointly manages foreign exchange exposure by maintaining adequate liquid resources in appropriate currencies and by managing the timing of payments on foreign currency liabilities.

The table below shows the group's main foreign currency exposure at the reporting date.

	<u>The Group and the Company</u>			
	<u>Net foreign currency</u>			
	<u>monetary assets</u>			
	<u>2021</u>		<u>2020</u>	
	<u>US\$</u>	<u>J\$</u>	<u>US\$</u>	<u>J\$</u>
Cash and cash equivalents	66,003	9,599,476	442,365	62,860,066
Investments	1,051,696	152,958,722	1,011,817	143,779,196
Trade and other receivables	774,265	112,609,131	376,148	53,450,631
Trade and other payables	(492,041)	(71,562,395)	(71,817)	(10,205,195)
Net exposure	<u>1,399,923</u>	<u>203,604,934</u>	<u>1,758,513</u>	<u>249,884,698</u>

Exchange rates for the US dollar, in terms of Jamaica dollars, were as follows:

September 30, 2021	145.44
September 30, 2020	142.10

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

21. Financial instruments (continued)

(a) Financial risk management (continued):

(iii) Market risk (continued):

- Foreign currency risk (continued):

Sensitivity analysis

A 2% (2020: 2%) strengthening of the Jamaican dollar against the US\$ would have decreased profit for the year by \$4,072,099 (2020: \$4,997,694).

A 8% (2020: 6%) weakening of the Jamaica dollar against the US\$ would have increased profits for the year by \$16,288,395 (2020: \$14,993,082).

This analysis assumes that all other variables, in particular interest rates, remain constant. This analysis is performed on the same basis for 2020.

There is no change from the prior year in the nature of the company's exposure to market risk or the manner in which it manages and measures the risk.

(iv) Operational risk:

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the group's processes, personnel, technology and infrastructure, and from external factors, other than financial risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management.

(b) Capital management:

The Board's policy is to maintain a strong capital base to maintain customer, creditor and other stakeholder confidence, and to sustain future development of the business. The Board of Directors monitor the return on capital, which is defined as total shareholders' equity and the level of dividends to shareholders. The company and its' subsidiaries are not subject to any externally imposed capital requirements.

(c) Fair value disclosure:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between markets participants at the measurement date. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. The group's equities are the only financial instrument that is carried at fair value. Where fair value of financial instruments approximates carrying value, no fair value computation is done and disclosed. The fair values of amounts disclosed as cash and cash equivalents, investment, accounts receivable, due to subsidiary/due from subsidiary and accounts payable approximate to their carrying value due to their short-term nature.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

21. Financial instruments (continued)

(c) Fair value disclosure (continued):

The group had no other financial instruments which were carried at fair value.

Quoted equities fair values are based on the mid and closing prices published by the respective Stock Exchanges.

Determination of fair value and fair values hierarchy

IFRS 13 seeks to increase consistency and comparability in fair value measurements and related disclosures through a 'fair value hierarchy'. The hierarchy categorises the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. These types of inputs have created the following fair value hierarchy:

- Level 1 - Quoted prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. This includes financial assets with fair values based on broker quotes.
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available.

The group considers relevant and observable market prices in its valuations where possible.

Equity investments are classified as Level 1.

22. Impact of the COVID-19 pandemic

The World Health Organization in March 2020 declared the novel coronavirus, COVID-19, as a global pandemic. As a first step the group instituted measures at its property to safeguard and protect its stakeholders by not only providing information to its employees, business partners and clients but equipping all personnel with supplies to prevent contagion and establishing protocols to access our premises. In addition, the group has been working with its staff to ensure common areas are thoroughly cleaned and sanitized and engaged flexi-work plans to minimize the number of employees in its premises whilst enabling a work from home strategy to continue operating its business. The group's management attended meetings in which the impact to its business were assessed and measures were implemented to minimise the impact of the pandemic on its operations.

Having regard to measures taken, the group maintain that the conclusion as to the going concern assumption remains appropriate and is not expected to be significantly impacted due to the COVID-19 pandemic.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)
Year ended September 30, 2021

23. Subsequent Event

Effective October 1, 2021, Mountain Peak Food Processors Limited agreed with the parent company, Salada Foods Jamaica Limited to transfer the businesses as a going concern, including the assets and liabilities to the parent company. Additionally, Pimora Company Limited also agreed with the parent company to transfer any assets and liabilities to the parent company.

Dividend declaration

In a meeting of the Board of Directors held on November 18, 2021 an interim dividend of \$0.055 per stock unit was declared.

SALADA FOODS JAMAICA LIMITED
QUARTERLY REPORT
AS AT 30 SEPTEMBER 2021

10 LARGEST SHAREHOLDERS

SHAREHOLDERS	SHAREHOLDING
RESOURCE IN MOTION LIMITED	602,367,000
AIC (JAMAICA) LIMITED	89,881,200
DONWIS LIMITED	75,042,800
IDEAL PORTFOLIO SERVICES COMPANY LIMITED	39,466,380
IDEAL BETTING COMPANY LIMITED	27,553,100
IDEAL GROUP CORPORATION LIMITED	27,260,000
IDEAL FINANCE CORPORATION LIMITED	26,200,000
DONOVAN A. LEWIS	16,774,000
PAM - POOLED EQUITY FUND	10,880,450
CARIBBEAN TRUST & MERCHANT BANK	10,307,600
	925,732,530

SHAREHOLDINGS OF DIRECTORS & CONNECTED PARTIES

DIRECTORS	TOTAL SHAREHOLDING	DIRECT	CONNECTED
BERNARD, MICHAEL	0	0	0
LEWIS, KATHRYN	824,469,610	10,000	824,459,610
STULTZ, ERIC*	2,720,000	0	2,720,000
WILLIAMS, PATRICK*	3,443,850	0	3,443,850

SENIOR MANAGEMENT HOLDINGS

SENIOR MANAGERS	TOTAL SHAREHOLDING	DIRECT	CONNECTED
BLAKE-BENNETT, DIANNA	201,500	0	201,500
HAMILTON, ZAYOUS	0	0	0
LLOYD, STEVEN	0	0	0

COMPANY SECRETARY	TOTAL SHAREHOLDING	DIRECT	CONNECTED
SMITH, MICHELLE	0	0	0

Notes

**Eric Stultz and Patrick Williams/Patricia Williams/Bella Williams owns shares held through Ideal Portfolio Services Company Limited*