JAMAICA PRODUCERS
GROUP LIMITED

Annual Report 2021

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"The current economic environment is affected by inflation and disruptions to global trade and supply chains. Our success was achieved despite these constraints."

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"2021 was, in many ways, a transformational year for JP. The Group extended its portfolio to new geographical areas and widened its exposure in the core Food and Drink and Logistics and Infrastructure markets."

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"JP is Jamaican owned, however, since our inception, we have been willing to do business in any part of the world in which we are able to operate in line with our principles."

Our Vision

JP's Vision is inspired by our credo,

"WE PRODUCE AND WE DELIVER FOR THE WORLD".

We believe in selecting, acquiring and developing a unique portfolio of exceptional Food & Drink and Logistics & Infrastructure global assets for which our team can deploy their special entrepreneurial talents to produce great value – always at world standards – and deliver world class returns for our shareholders.

JAMAICA PRODUCERS
GROUP LIMITED

Notice of AGM

NOTICE IS HEREBY GIVEN that the eighty fifth ANNUAL GENERAL MEETING of JAMAICA PRODUCERS GROUP LIMITED (the “Company”) will be held at **the Terra Nova Hotel, 17 Waterloo Road, Kingston 10**, at 10:00 o’clock in the forenoon of Friday June 17, 2022 to transact the business more particularly set out below, and to consider, and if thought fit, to pass the resolutions as set out below:

ORDINARY BUSINESS

1. To receive and consider the Directors’ Report, Auditors’ Reports and Audited Financial Statements of the Company and the Group for the year ended December 31, 2021:

   RESOLUTION:

   “THAT the Directors’ Report, Auditors’ Reports and Audited Financial Statements of the Company and the Group for the year ended December 31, 2021 be and are hereby adopted.”

2. To fix the remuneration of the Auditors for 2021 or to determine the manner in which such remuneration is to be fixed:

   RESOLUTION:

   “THAT the remuneration of the Auditors, KPMG, having been fixed by the Directors for 2021, be and is hereby approved.”

3. To ratify interim capital distributions and declare them final:

   RESOLUTION:

   “THAT the interim capital distribution of 25¢ per stock unit of record date December 20, 2021 be and is hereby ratified and declared final for 2021.”

4. To re-appoint the Auditors:

   RESOLUTION:

   “THAT the Auditors, KPMG, having indicated their willingness to continue in office, be and are hereby re-appointed for the year 2023.”

5. To elect Directors:

   RESOLUTIONS:

   A. “THAT Prof. Alvin Wint who retires by rotation, be and is hereby re-elected a Director of the Company.”

   B. “THAT Mrs. Sanya Goffe who retires by rotation, be and is hereby re-elected a Director of the Company.”

6. To fix the remuneration of Directors:

RESOLUTION:

"THAT the amount of $13,270,000.00 shown in the Accounts for the year ended December 31, 2021 for Non-Executive Directors' fees be and is hereby approved."

SPECIAL BUSINESS

7. Amendment to the Articles of Incorporation of the Company

RESOLUTION:

To consider and, if thought fit, pass the following special resolution:

"THAT the Articles of Incorporation be amended as follows:

A. **Article 8A (1) which currently provides as follows:**

"Electronic Means" means any method of dispatch or communication of sounds, documents, maps, photography, graphs, plans or other data which involves the use of equipment or technology having electrical, digital, magnetic, wireless, optical, electromagnetic, photographic or similar capabilities including but not limited to facsimile machines, the Internet and mail sent via computers and scanning devices."

shall be amended to read as follows:

"Electronic Means" means any method of dispatch or communication of sounds, documents, maps, photography, graphs, plans or other data which involves the use of equipment or technology having electrical, digital, magnetic, wireless, optical, electromagnetic, photographic or similar capabilities including but not limited to facsimile machines, the Internet, **webcasting, teleconferencing, videoconferencing, live stream or broadcast** and mail sent via computers and scanning devices."

B. **There shall be inserted a new Article 49A of the Articles of Incorporation of the Company which shall provide as follows:**

Hybrid & Virtual Meetings

49A.

(1) To the extent permitted by law, the Company may in lieu of holding a Physical Meeting, convene and hold a meeting of its members as a:

a) Hybrid Meeting; or

b) Virtual Meeting,

and a Hybrid Meeting or Virtual Meeting shall be identified as such in the notice convening such meeting.

(2) For the purpose hereof:

a) "Hybrid Meeting" means a meeting held simultaneously, by Electronic Means, as well as at a physical venue in which attendees, whether by Electronic Means or present in person, simultaneously attend and participate in the proceedings of the meeting in real time;

b) a "Virtual Meeting" means a meeting in which the attendees participate from numerous physical locations, whether inside or outside of

Notice of AGM
CONTINUED

Jamaica, through the facility of the internet or intranet by use of integrated audio and video, chat and messaging tools, and application-sharing software, by Electronic Means; and

c) a “Physical Meeting” means a meeting in which all attendees (a) are physically present together in one location and (b) participate in the business of the meeting and interact with each other, face to face.

(3) Notwithstanding anything to the contrary in these Articles, the notice of a Virtual Meeting need not specify a place as a physical location but shall include an electronic or virtual location or details sufficient to facilitate the attendance by members at an electronic or virtual location and such a meeting shall be recorded as held in Jamaica. The notice of a Hybrid Meeting shall specify a physical location and an electronic or virtual location.

(4) If the Company holds a Hybrid Meeting it shall have power to limit the number of persons in attendance at any physical venue to such number as is reasonable in all the circumstances.

(5) Where the Company holds a Hybrid Meeting or a Virtual Meeting, the use of Electronic Means for the purpose of enabling members to attend such meetings may be made subject only to such requirements and restrictions as are:

a) necessary to ensure the identification of the members of the Company, and the security of the electronic communication; and

b) necessary to provide reasonable evidence of the entitlement of any person, who is not a member, to attend such meeting.

(6) A member who attends a Hybrid Meeting or a Virtual Meeting by Electronic Means shall vote by proxy, or by such alternative means including the use of electronic voting, as may otherwise be determined by the Company. Notwithstanding anything to the contrary contained in these Articles, a proxy form may be returned to the Company by any Electronic Means prescribed by the Company and this shall be deemed as deposited at the registered office of the Company and valid, provided that the Company is able to identify that the proxy has been duly stamped in accordance with the applicable law.

(7) A member who participates in a general meeting, which is either a Hybrid Meeting or a Virtual Meeting, is deemed to be present at the general meeting and shall count to constitute a quorum. Any Hybrid Meeting or Virtual Meeting is deemed to have been convened and held in Jamaica and shall be governed by the Laws of Jamaica.

(8) Any failure of technology or any failure or inability of a member to attend or remain in a meeting held in accordance with these Articles as a result of a mistake or of events beyond the control of the Company shall not constitute a defect in the calling of such a meeting and shall not invalidate any resolutions passed or proceedings taking place at that meeting provided that a quorum is present at all times.

C. **Article 50, which currently provides as follows:**

"An Annual General Meeting and a meeting called for the passing of a special resolution shall be called by twenty-one days' notice in writing at the least, and a meeting of the Company other than an Annual General Meeting or a meeting for the passing of a special resolution shall be called by fourteen days' notice in writing at least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given in manner hereinafter mentioned to or in such manner if any, as may be prescribed by the Company in General Meeting, to such persons as are under the regulations of the Company, entitled to receive such notices from the Company."

shall be amended to read as follows:

"An Annual General Meeting and a meeting called for the passing of a special resolution shall be called by twenty-one days' notice in writing at the least, and a meeting of the Company other than an Annual General Meeting or a meeting for the passing of a special resolution shall be called by fourteen days' notice in writing at least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place **(whether it is a Physical Meeting, Hybrid Meeting or Virtual Meeting),** the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given in **the** manner hereinafter mentioned to or in such manner if any, as may be prescribed by the Company in General Meeting, to such persons as are under the regulations of the Company, entitled to receive such notices from the Company."

8. **To transact any other competent business.**

BY ORDER OF THE BOARD

SIMONE M. PEARSON
Company Secretary

Kingston, Jamaica
April 14, 2022

A member of the Company who is entitled to attend and vote is entitled to appoint one or more proxies to attend and on a poll, to vote in his stead. A proxy need not be a member of the Company. Form of Proxy must be lodged at the Registered Office of the Company not later than forty-eight hours before the meeting. An appropriate Form of Proxy is attached, to which should be affixed adhesive stamps to the value of $100.00.

We are Jamaica Producers Group

We Produce
and We Deliver
for the World.

ROOTED IN AMBITION

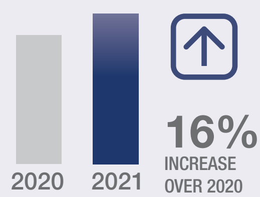
JP's story of bold ambition and entrepreneurship began over 90 years ago, when Jamaican banana farmers sought to expand their business beyond local shores, and to take their offerings to the world. So began our global journey of innovation, diversification and strategic partnership.

From our proud local beginnings to our international footprint today, we continue to define ourselves as a Jamaican company which is relentlessly global in its pursuits.

Operating Segments

WE PRODUCE

JP Food & Drink



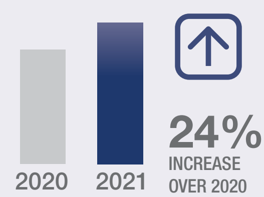
J$14.7B

REVENUE

Hoogesteger
TORTUGA
St. Mary's
Where good things happen
Alaska
CoBeverage LAB

WE DELIVER

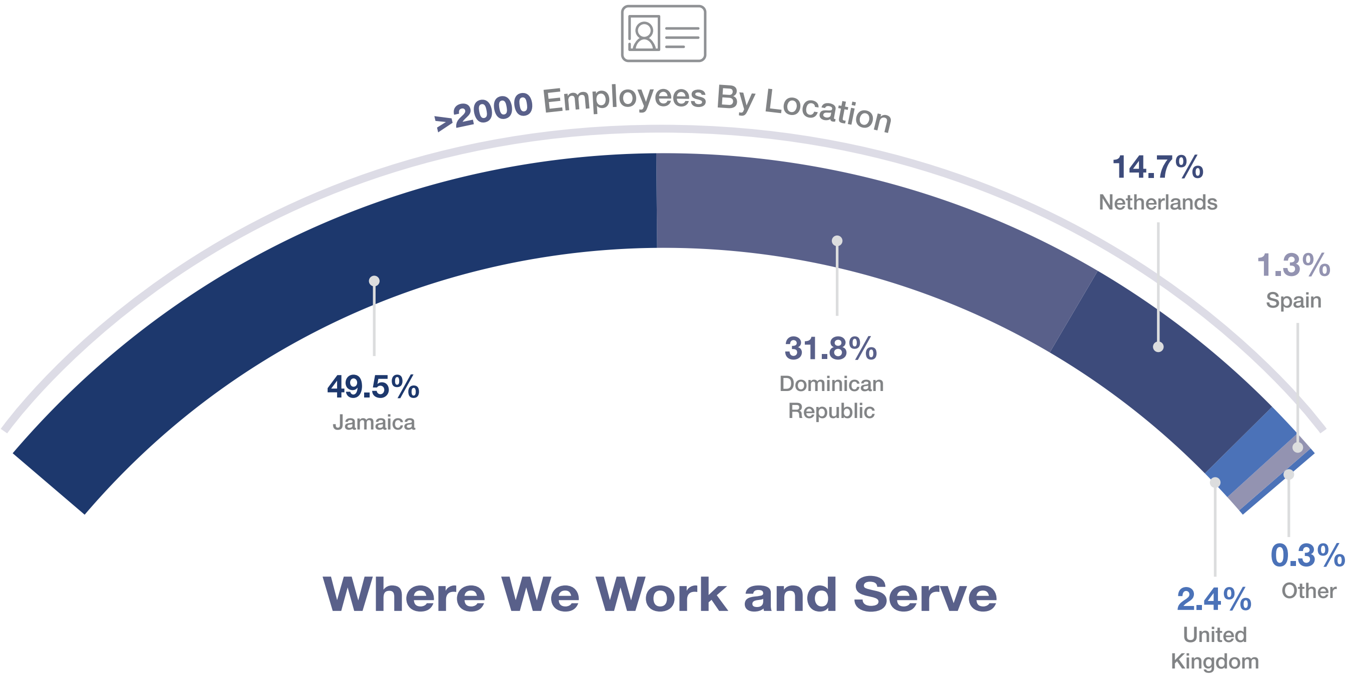
JP Logistics & Infrastructure



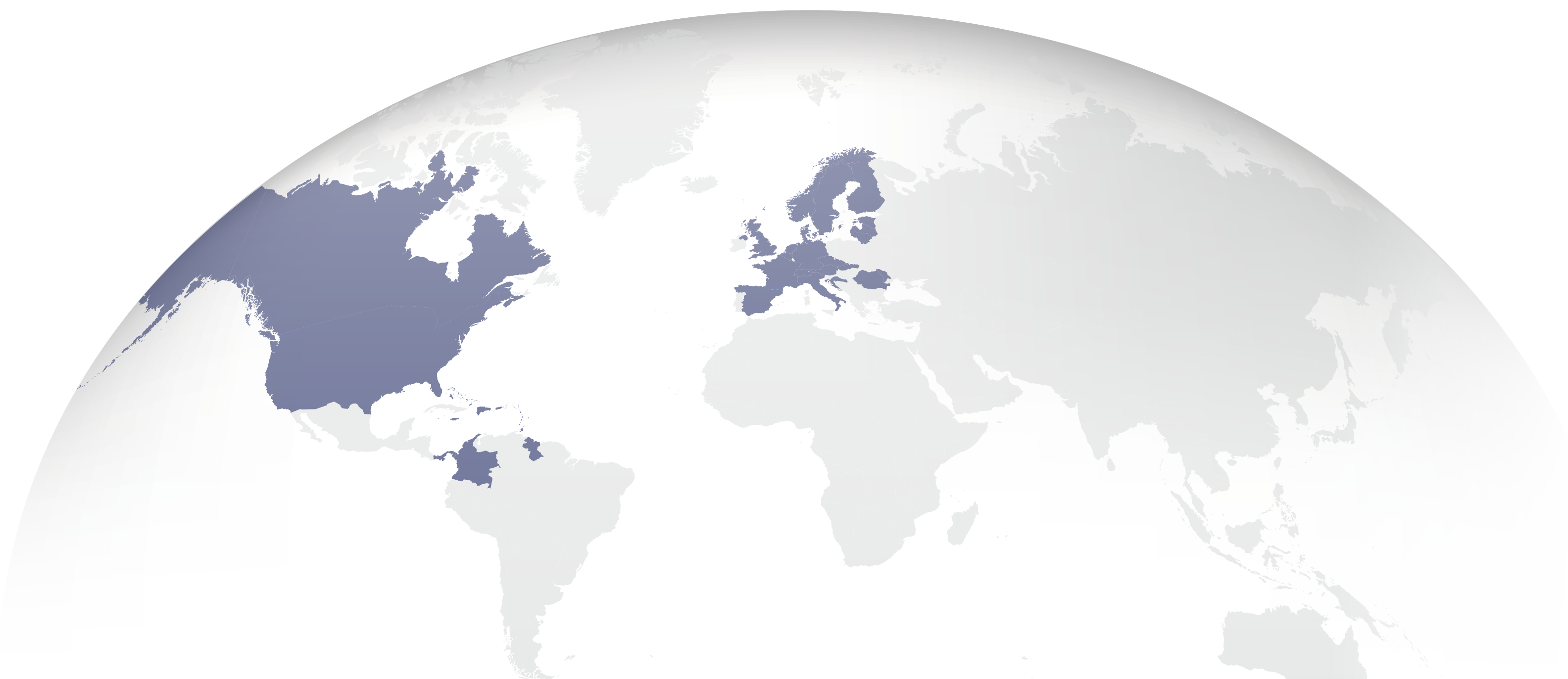
J$10.3B

REVENUE

JP SHIPPING SERVICES
KINGSTON WHARVES LIMITED
GEEST LINE



Where We Work and Serve



THE WORLD IS OUR COMMUNITY

THE AMERICAS Jamaica, Dominican Republic, Cayman Islands, Barbados, Bahamas, Dominica, St. Lucia, St. Vincent & the Grenadines, Grenada, Montserrat, Antigua & Barbuda, St. Kitts & Nevis, St. Martin, Turks & Caicos, British Virgin Islands, US Virgin Islands, Trinidad & Tobago, Panama, Guyana, Canada, United States of America, Colombia, Curaçao

EUROPE Netherlands, United Kingdom, Spain, Belgium, Sweden, Norway, Denmark, Finland, Germany, Estonia, Latvia, Lithuania, Czech Republic, Switzerland, Austria, Romania, Croatia, Slovakia, Moldova, Italy, France

Group Financial Highlights

	2021	2020	2019
Balance Sheet ("$000")			
Total Assets	45,064,167	40,958,000	38,603,888
Net Current Assets (Working Capital)	10,579,435	8,824,593	5,792,649
Cash and Cash Equivalents	1,282,048	1,127,084	1,407,847
Total Borrowings	(3,774,617)	(3,611,190)	(4,393,209)
JP Stockholders' Equity	17,953,457	16,132,100	13,836,454
Profit & Loss ("$000")			
Gross revenues	25,020,595	20,998,982	21,464,068
Profit/(loss) attributable to parent company stockholders	1,844,791	2,167,593	1,204,338
Distributions Declared	280,536	224,429	168,322
Earnings/(loss) per ordinary stock unit			
Based on stock units in issue	164.40¢	193.17¢	107.32¢
After exclusion of stock held by ESOP	176.12¢	207.11¢	115.22¢
Financial Ratios			
Return on Sales	7.4%	10.3%	5.6%
Return on Equity	10.3%	13.4%	8.7%
Return on Total Assets	4.1%	5.3%	3.1%
Debt:Equity Ratio	11.0%	22.4%	31.8%
Current Ratio	2.82:1	2.78:1	2.12:1
Dividend Cover	6.58	9.66	7.15

2018	2017	2016	2015	2014	2013	2012
35,058,947	32,668,537	29,879,878	10,248,205	9,943,446	8,553,150	7,505,392
4,062,426	3,552,242	3,080,008	425,497	196,763	498,850	592,705
836,176	885,254	632,914	361,091	322,281	398,920	323,929
(4,522,981)	(4,776,732)	(4,597,709)	(2,219,740)	(2,150,083)	(1,243,761)	(1,196,263)
12,110,072	11,260,833	10,418,488	6,399,006	5,863,693	5,697,807	5,016,175
19,611,169	16,156,712	12,075,623	8,689,297	8,786,820	7,702,671	6,790,257
815,621	661,884	3,940,446	792,256	358,220	252,273	189,406
134,657	112,214	134,657	74,810	37,405	37,405	37,405
72.68¢	58.98¢	351.15¢	70.60¢	31.92¢	22.48¢	16.88¢
78.09¢	63.61¢	380.14¢	77.17¢	35.01¢	24.71¢	18.60¢
4.2%	4.1%	32.5%	9.1%	4.1%	3.3%	2.8%
6.7%	5.9%	37.8%	12.4%	6.1%	4.4%	3.8%
2.3%	2.0%	13.2%	7.7%	3.6%	2.9%	2.5%
37.3%	42.4%	44.1%	34.7%	36.7%	21.8%	23.8%
1.83:1	1.81:1	1.80:1	1.24:1	1.11:1	1.36:1	1.55:1
6.06	5.90	29.26	10.59	9.58	6.74	5.06

Chairman's Statement

The 2021 performance of Jamaica Producers Group ("JP" or the "Group") was strong. JP's overall financial results reflected a recovery from the challenges associated with the COVID-19 pandemic. Importantly, the results also demonstrate that the Group has emerged from the crisis with an even stronger and more resilient multinational business portfolio. In 2021, our Group of businesses earned consolidated profit of $3.82 billion.

It is constructive for shareholders to compare the profit attributable to shareholders of JP for 2021 with the result achieved in 2019 — the last full financial year preceding the COVID-19 pandemic. Relative to 2019, JP increased profit attributable to shareholders by 53% to $1.84 billion and benefitted from a 17% increase in revenues to $25.02 billion. Relative to 2020, JP grew shareholder profits by 161% (after excluding the 2020 one-off gain on disposal of our associated company interest in SAJE Logistics Infrastructure Limited). JP's 2021 revenues were up 19% relative to the prior year. This result demonstrates the full recovery and resilience of our business.

JP LOGISTICS & INFRASTRUCTURE

The JP Logistics & Infrastructure Division (the "L&I Division") accounts for the major share of the Group's net assets and, in turn, its profits. In addition to Kingston Wharves Limited, the Division's largest subsidiary (which operates a multipurpose port and logistics hub), the L&I Division also includes JP Shipping Services Limited (which operates logistics and freight forwarding services between Caribbean ports and the United Kingdom). With effect from April 2021, the results for the L&I Division also reflect the Group's interest in Geest Line Limited, our joint venture shipping line operating between Europe and the Caribbean. Geest Line specialises in the transportation of refrigerated cargo to Europe and the movement of general cargo and vehicles to the Caribbean. The L&I Division generated 2021 year-to-date profit before finance cost and taxation of $4.38 billion from revenues of $10.25 billion. Divisional profits before finance cost and taxation are up 49% relative to the comparable period in 2020. The shipping and logistics industry is, in general, delivering attractive returns to shareholders under current economic conditions. This has prompted JP to leverage its longstanding experience in the sector to make selective investments and acquisitions that deepen our exposure to the industry. This strategy has served the Group very well in 2021.

JP FOOD & DRINK

JP's Food and Drink Division (the "F&D Division") is the largest contributor to the revenues of the Group. The Division earned year-to-date revenues of $14.75 billion, an increase of 16% relative to the prior year. Profits before finance cost and taxation for the Division were $575 million, a more than 5-fold increase relative to the prior year. The F&D Division comprises our portfolio of subsidiaries that are engaged in farming, food processing, distribution and retail of food and drink, and has production facilities in Europe and the Caribbean, and operates a distribution centre in the United States. Our range of specialty food and drink products includes fresh juices, tropical snacks, fresh fruit, water products and spirits and Caribbean rum-based baked goods. A.L. Hoogesteger Fresh Specialist B.V. ("Hoogesteger") is the largest contributor to the revenues and profits of the Division. This business is a market leader in fresh juice in northern Europe and serves as a co-packer of juice for major supermarket and food service entities in the Netherlands, Belgium, Scandinavia, Switzerland and Italy.

During the third quarter of 2021, JP acquired a 50% interest in CoBeverage Lab S.A., an emerging fresh juice manufacturer operating in Spain. This acquisition allows the Group to deploy its expertise in vegetable and fruit juice extraction and bottling to the development of business opportunities in Southern Europe. During the fourth quarter of 2021, JP acquired a joint venture interest in Grupo Alaska, S.A., a producer of bottled water and ice in the Dominican Republic, a leading consumer market in the Caribbean.

The businesses within the F&D Division delivered improved results in 2021 but continue to have significant opportunities to rebuild and grow the trading relationships in food service, hospitality and travel retail that were disrupted due to the pandemic.

OUTLOOK

The current economic environment is affected by inflation and disruptions to global trade and supply chains. Our success was achieved despite these constraints. This gives us confidence in our decision to acquire, build and operate a diverse portfolio of Food & Drink and Logistics & Infrastructure businesses in Europe and the Caribbean, as well as in related markets in North America. Importantly, we have accomplished this while building a strong balance sheet and maintaining a high degree of liquidity with our consolidated holdings of cash and marketable securities totaling $12.01 billion at the end of 2021. It is in this context that our board and management navigated through the challenges of COVID-19 while at the same time adopting a decisively opportunistic and aggressive growth posture. In each of our core market segments we have sought to identify and secure bold new platforms for long-term growth.

We acquired our joint venture interest in Geest Line Limited during the Second Quarter of 2021. Headquartered in the United Kingdom, Geest has an important role in the trade between the Eastern Caribbean, Colombia, the Dominican Republic and Europe. Through Kingston Wharves and JP Shipping Services, we have long participated in key aspects of Caribbean logistics and Geest offers an additional dimension to this activity. Moreover, we benefit from a structured partnership with a leading charterer of refrigerated vessels with a definite interest in securing the growth prospects for Caribbean shipping.

We acquired our 50% interest in CoBeverage during the 2021 Third Quarter. With this fresh juice manufacturer, we are able to utilise our market leading expertise in the manufacturing of fresh fruit and vegetable juice in a major new market with significant growth potential. We also benefit from our partnership with major Southern European interests in the production and sale of chilled food in Europe.

We acquired our joint venture interest in Grupo Alaska during the 2021 Fourth Quarter. This ice and bottled water business, based in the Dominican Republic, operates at the heart of the largest and fastest growing consumer market in the Caribbean. Along with our partner (who also holds 50% of Grupo Alaska), we are convinced that this market presents a major prospect for long-term regional growth in consumer goods and services. Our Tortuga International and JP Snacks businesses already have a strong engagement with the Caribbean consumer, and we are excited to add this new platform to our portfolio. We have installed strong governance and financial controls to ensure we realise the potential from these acquisitions.

In 2022, our business development programme will continue to boldly emphasise value-based acquisitions and investments in fresh juices (typically with a European nexus), specialty food and drink (typically with a Caribbean nexus), and global logistics enterprises (typically with a Caribbean nexus). Clearly, we are mindful of the challenges presented by war in Europe, high inflation and supply chain challenges. We continue to believe that our strategy of maintaining diverse business lines, a diverse geographic footprint and a flexible balance sheet will continue to serve our shareholders well.

I thank our board, management and operating teams for their commitment to our business and our shared values, and our customers and partners for their continued support.

Charles JOHNSTON
Chairman

Management Discussion and Analysis

The Group and Strategy

Jamaica Producers Group Limited ("JP" or the "Group") is a multi-national portfolio of businesses that are centred around two primary segments – Food and Drink ("F&D") and Logistics and Infrastructure ("L&I").

Within these segments, JP's portfolio encompasses investments in a diverse range of geographies, markets and business lines. This is not by accident. JP is proudly Jamaican, but we are global in our outlook. This is a perspective that is steeped in our history but is never more relevant than today.

JP has positioned itself to pursue a strategy of selecting, acquiring and developing a global portfolio of Food & Drink and Logistics & Infrastructure investments to deliver world class returns for our shareholders.

The tools required to deliver this strategy are in the skills and knowledge of our people, the products and services we offer and the assets and resources we possess. We demand that the businesses in our Group must be leaders in their market segment and that our people operate the businesses in a practical context that emphasises integrity and responsibility alongside financial rationality and strong returns.

The ethos required to deliver this strategy is an international, dynamic and open-minded perspective to business. We empower our leaders and our teams to bring their entrepreneurial talents to a wide range of business opportunities.

When the tools and the ethos are fully deployed, great things happen. We are pleased with the development of our strategy in 2021 and in the growth in our financial results.

Business Performance Review

2021 was a year of uncertainty and recovery for the world's markets. At various times, all our businesses experienced renewed lockdowns and disruption from surges or new variants of COVID-19.

However, throughout this, all the Group's businesses continued to operate at full capacity and delivered their products and services at the

quality, price and overall standards that are expected by our customers. At the same time the Group completed three acquisitions and several major capital and commercial investment programmes that further developed our opportunity set for the future.

This performance review begins with an overview of the consolidated position of the Group, and then provides further detail through a segmental analysis of our three business segments, which are:

JP Food & Drink ("F&D")

JP's businesses engaged in agriculture, processing and distribution of food and drink.

JP Logistics & Infrastructure ("L&I")

JP's businesses engaged in shipping and logistics, transportation, port operations and other infrastructure investments.

Corporate Services

JP's head office operations responsible for corporate leadership and management, special projects, finance and treasury functions net of investment income.

CONSOLIDATED GROUP

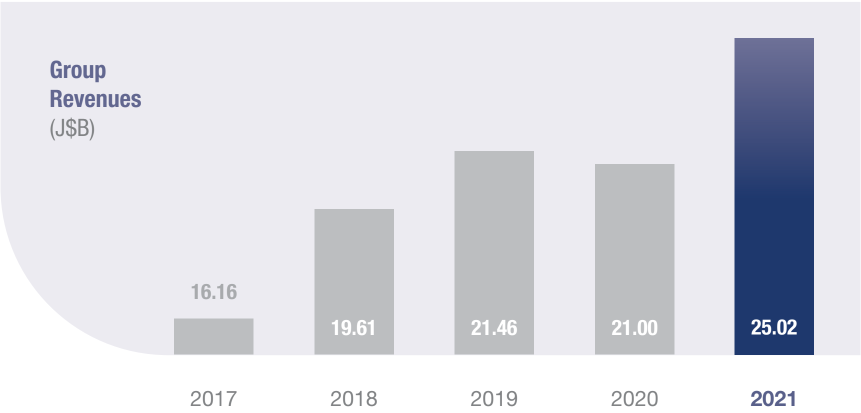
The Group recorded consolidated revenue of $25.0 billion for 2021. This was a 19% increase on 2020, a year heavily impacted by the first series of COVID-19 lockdowns. Relative to 2019, a year unaffected by COVID-19, there was a 17% increase. Both operating segments recorded substantial revenue increases on 2020 with F&D recording revenues of $14.8 billion, up 16% on 2020 and 17% on 2019, and L&I reaching revenues of $10.3 billion, up 24% on 2020 and 16% on 2019.

Geographically Jamaica remains our single largest source of revenues, with $10.6 billion or 42% of our revenues being derived from activity here. Kingston Wharves contributes substantially to this alongside product sales from JP Snacks, JP Farms and Tortuga and logistics services provided by JP Shipping to importers and exporters based in Jamaica.

Of our remaining revenues derived from international markets, Europe accounts for a total of $11.9 billion or 48% with sales in North America and the remainder of the Caribbean region totalling $2.5 billion or 10% of revenues. Sales to both these regions saw strong growth, with European revenues up 23% and North American and Other Caribbean revenues up 19% compared to 2020.

It should be noted that these revenues only relate to subsidiaries of the Group and do not include the revenues of associated companies and joint ventures. JP's associates and joint ventures have revenues of $13.1 billion in total, all of which are derived from outside of Jamaica. As a result, approximately three-quarters of all the Group's revenue is generated from outside of Jamaica.

A review of JP's performance should be informed by consideration of the movement in foreign exchange rates against the Jamaican dollar, our reporting currency. Fifty-eight percent of our revenues are in companies reporting in our principal overseas currencies, the euro, the US dollar and the British pound, however, in excess of 93% of the Group's revenues are actually linked to those currencies. During 2021 the average exchange



rates of the euro, US dollar and British pound used for Income Statement transactions strengthened against the Jamaican dollar by 11%, 6% and 15% respectively. This supports why JP has placed strategic value on its majority international business.

Revenue growth remains an objective for the Group. We believe that all our business lines have the opportunity to grow revenues through either extension of existing products and services to new customers or the addition of new products and services to existing customers. However, in line with JP's practical ethos, the Group places significant weight on the quality of revenues. That is, revenues that deliver strong margins. We are satisfied that the Group was able to increase its gross margins from 26.2% in 2020 to 28.2% in 2021.

In March and April 2020 we took swift and strong actions to reduce the cost base of the Group to address the uncertainty and economic disruption of COVID-19. Most of these measures were unwound during 2021 as the Group approached the year with an appetite to invest ahead of revenue growth. As a result, our gross margins did not recover to the level in 2019 but the Group has a pathway to delivering a higher gross revenue. However, it is important to note that some of this reduction in gross margin (compared to 2019) is structural and reflects the accelerated growth of the structurally lower margin F&D segment compared to the higher margin L&I segment. In general, a high level of capital investment is required in the L&I Division, and this demands higher level of profits to generate the same return on investment.

This investment to generate future growth is also apparent in the growth in selling and administrative expenses which increased by 6% on 2020. Although a large part of this is due to the foreign exchange movements noted above, the Group continued to invest in its staff structure to ensure that volume related growth was managed effectively.

The Group handles considerable treasury assets as part of its operations. These are generally short-term investments designed to maintain liquidity to support the business. The growth in these treasury assets, the majority of which are held in major reserve currencies, resulted in a material increase in interest income and treasury-related foreign exchange gains. This was a major contributor to the growth in the Group's "Other Income and Expenses" caption. In addition to this, the prior year balances included one-off impairments and charges related to the impact of the pandemic on the Group.

As a result of the combined impact of gross revenue, cost, and other income and expenses, operating profits increased by 70%, or $1.8 billion, to $4.5 billion.

The Corporate Services segmental earnings in 2020 included a $1.9 billion one-off gain on disposal of shares in an associate company, SAJE Logistics Infrastructure Limited ("SAJE"). This was an unusual and significant transaction that materially impacted the 2020 Income Statement and did not recur in 2021.

2021 was acquisitive as the Group sought to expand and diversify its portfolio. Three acquisitions completed during 2021 involved partnerships with other parties and are represented as joint ventures or associates in the Group's financial statements. Accordingly, in accordance with International Financial Reporting Standards, these businesses are consolidated under the equity method of accounting which brings JP's share of the net profits of those companies into our income statement as a single line. During 2021, the contribution of these acquisitions was $256 million of new earnings for the Group.

The Group's earnings before interest and tax grew by 5% to $4.7 billion. However, normalising for the one-time gain in 2020, the earnings before interest and tax grew by $2.1 billion or 80%. The L&I Division saw the largest absolute growth with an increase of $1.4 billion whilst the F&D Division grew at the fastest rate, its $474 million increase being a near 5-fold multiple on 2020.

The Group's financing costs dropped 12% to $257 million. Both average borrowing rates and average debt levels dropped during 2020, although, as noted below, the Group's capital investment programme at Kingston Wharves necessitated an increase in general borrowing levels towards the end of 2021. After inclusion of finance costs and a tax charge that has increased broadly in line with the Group's operating earnings, JP's consolidated net profit increased by 2% to $3.8 billion, an increase of 91% when normalising for the one-off gain on disposal.

After accounting for the earnings attributable to non-controlling interests in businesses controlled by the Group, JP shareholders' earnings declined from $2.2 billion to $1.8 billion, however, when normalising for the prior year's one-off gain, there was a 161% increase. This results in a return on opening stockholders' equity of 11.4% and earnings per share of 176.12¢ after exclusion of units held by the Group's Employee Share Ownership Plan (ESOP).

JP LOGISTICS & INFRASTRUCTURE

JP's Logistics & Infrastructure Division includes the Group's businesses focused on shipping and logistics, transportation and port operations. These businesses are based in Jamaica and the UK, but sell to customers across the Caribbean, North America and Europe.

Kingston Wharves Limited is the largest component of the division which also includes JP Shipping Services Limited and our remaining 9.5% interest in SAJE Logistics Infrastructure Limited. During the year the Group acquired 50% of the shares of Geest Line Limited, the operator of a shipping line servicing Europe and the Caribbean.

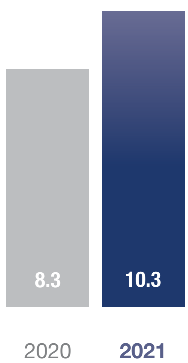
The L&I Division reported a 49% increase in earnings before interest and taxation driven largely by a 24% increase in revenues which leveraged the substantially fixed costs of both Kingston Wharves and JP Shipping, in addition to the new earnings from Geest Line. Logistics and port terminal operations structurally tend to have large asset bases and the Division has a total book asset value of $34.5 billion, an increase of 12%. The L&I Division's overall EBIT return on net assets increased substantially to 16%.

The following is a summary of the key activities, financial results and macro-economic exposures of the principal operating subsidiaries within the JP L&I Division:

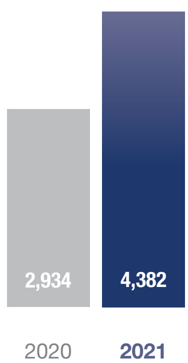
L&I Segmental Analysis

	2021	2020	Change
Revenues (J$M)	10,254	8,283	24%
EBIT (J$M)	4,382	2,934	49%
Segment assets (J$M)	34,525	30,758	12%
Segment liabilities (J$M)	(7,144)	(6,560)	9%
Capex (J$M)	1,106	647	71%
Depreciation (J$M)	813	797	2%
EBIT margin	43%	35%	
Asset turnover	0.30	0.27	
EBIT return on net assets	16%	12%	

JP L&I Revenues (J$B)



JP L&I Earnings Before Interest and Tax (J$M)



Kingston Wharves Limited ("KW")

2021 represented a solid year for Kingston Wharves, one that saw the operation demonstrate the resilience of its business model during a period when both Jamaica and its trading partners continued to be affected by the COVID-19 pandemic.

KW's operations, based in Newport West, Kingston, are separated into two divisions. Its Terminal Operations Division operates a 1,655 metre continuous quay that provides nine deep-water berths for roll-on/roll-off, lift-on/lift-off, general break bulk, containerised cargo and bulk cargo vessels. Its Logistics Services Division operates a range of warehousing and third and fourth-party logistics services, cold storage and marine security operations.

KW's total revenues increased 22% to $8.7 billion, more than recovering the drop in revenues experienced in 2020 when overall volumes were lower due to the initial COVID-19 impact on cargo volumes going through the terminal. 2021 operational volumes increased substantially, with the total containers handled up by approximately 9% to 110,000 and total vehicles handled up by 42% to 156,000.

This volume growth enabled the Terminal Operations Division to recover the revenue and operating profit reductions experienced in 2020. The Division grew revenues by 21% and operating profits by 38%.

The Logistics Services Division continued the strategy of expanding its customer base and its customised service offerings, leveraging the global trends in the logistics supply chains. This allowed the Division to grow revenues by 23% and operating profit by 31%. The financial performance of both Divisions was ahead of the pre-pandemic 2019 results.

KW continues to make substantial investments in both capital infrastructure and commercial and operational projects as it grows its capacity and ability to offer further services as a nearshoring destination. This includes a current capital programme of over US$60 million of improvements through the purchase of a new Model 8 Gottwald mobile harbour crane, the redevelopment of Berth 7 and the construction of additional modular warehousing to expand total warehousing facilities to over 60,300 square metres.

JP Shipping Services Limited ("JPSS")

As the UK's leading supplier of full-service Caribbean-focused logistics, JPSS serves a wide range of customers with a wide range of tailored logistics services. The customer base ranges from private individuals shipping personal effects to international corporations shipping commercial cargo.

The business fared well during 2020, providing an important service during the pandemic of keeping cargo moving. During 2021 the business made further progress in its growth plans, growing revenue by 31% and its operating profits by 69%.

This growth has come from continuing to provide reliable, consistent and fairly priced logistics services to existing and new customers, despite the volatility of the worldwide shipping industry. With the expertise of our staff, combined with the facilities offered at our Caribbean Logistics Centre on the outskirts of London, the business is in a strong position to continue to support our customers despite an expectation of continuing volatility.

Geest Line Limited ("Geest Line")

Geest Line is a shipping line with a long tenure. It has operated services linking the Caribbean and Europe for over sixty years. Today, from its operational base in Portsmouth, UK, Geest Line operates five vessels on a weekly service linking the UK, the Netherlands, the Eastern Caribbean, Colombia and the Dominican Republic. It transports bananas, plantains and other tropical produce and products from the Caribbean to Europe and brings general cargo and vehicles in return on the westbound voyage.

The business was acquired by JP and its joint venture partner, Sealines Holdings N.V., a member of the Seatrade group of companies, on April 9, 2021. Both shareholders own 50% of the issued share capital of Geest Line. In the nine months since acquisition, Geest Line contributed $292 million of net profit to JP.

2021 was a turnaround year for Geest Line following a loss in 2020. This turnaround came from improving capacity utilisation and adjustments to the pricing structure. It is well documented that the current state of the global shipping industry is unpredictable, with capacity shortages, pricing changes and aggressive competition from the major global shipping lines. This, combined with increasing fuel prices – the dominant cost input for any vessel operator, suggests that 2022 provides both significant opportunities and significant threats for Geest Line. We continue to work with our shareholder partner and our expert management team to seize opportunities and mitigate those threats.

JP FOOD & DRINK

JP's Food & Drink Division is a portfolio of businesses that are engaged in farming, processing, marketing, distribution and/or retail of food and drink with operational sites in Jamaica, the Netherlands, the United States, Spain, the Dominican Republic, the Cayman Islands and Barbados.

The businesses in this portfolio supply a range of specialty food and drink products, both under our JP brands and co-packing on behalf of others. These products include fresh juices, water, ice, tropical snacks, fresh fruit, frozen ready-to-eat products, Caribbean rum, and spirits and rum-based bakery and confectionary items to customers located in a wide range of countries across Europe, the Caribbean and North America.

During the year the Group acquired two additional businesses to add to this portfolio. On September 1, 2021, JP completed an investment that resulted in a 50% stake in a Spanish juice manufacturer, CoBeverage Labs S.L. ("CoBeverage"), and on October 16, 2021, JP, through its 50% joint venture intermediate holding company, Grupo Frontera Limited, completed an investment in Grupo Alaska S.A., an ice and water manufacturing and distribution business in the Dominican Republic.

Both CoBeverage and Grupo Frontera are accounted for under the equity method of accounting.

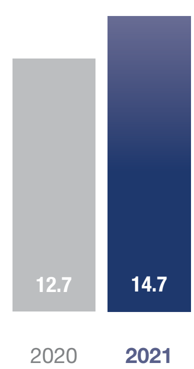
The F&D Division's earnings recovered from the heavily COVID-19 impacted 2020 position, with earnings up nearly five-fold as revenues recovered and ended up 16% higher than the prior year. Although CoBeverage contributed positively to the Division's earnings, Grupo Frontera recorded a small loss due to start-up and transaction costs.

The following is a summary of the key activities, financial results and macro-economic exposures of the principal operating subsidiaries within the JP F&D Division:

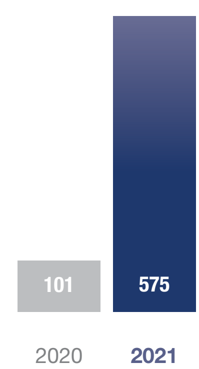
F&D Segmental Analysis

	2021	2020	Change
Revenues (J$M)	14,739	12,713	16%
EBIT (J$M)	575	101	470%
Segment assets (J$M)	8,575	7,726	11%
Segment liabilities (J$M)	(3,081)	(2,888)	7%
Capex (J$M)	578	447	29%
Depreciation (J$M)	644	735	-12%
EBIT margin	4%	1%	
Asset turnover	1.72	1.65	
EBIT return on net assets	10%	2%	

JP F&D Revenues (J$B)



JP F&D Earnings Before Interest and Tax (J$M)



A.L. Hoogesteger Fresh Specialist B.V. ("Hoogesteger")

Hoogesteger continues to be the largest business in the division by revenues, earnings and net assets. The business operates from a base outside Amsterdam, the Netherlands and is one of the largest producers of ultra-fresh fruit and vegetable juices in Europe.

Hoogesteger experienced multiple years of double-digit growth as its innovative high-quality products were successful in developing retail demand in over fifteen countries in Europe. The 2020 COVID-19 impact broke this chain of earnings growth but the business bounced back in 2021, doubling its 2020 operating profits. This resurgence came despite continuing lockdowns impacting its customers in some way during 2021 as the various COVID-19 variants swept through Europe.

The most significant demand impact, proportionally, continues to be in the foodservice segments that Hoogesteger serves, and which still operate substantially below 2019 pre-COVID levels. However, as a counterpoint, certain retail sectors have more than recovered and are now substantially ahead, in both volume and value, of the 2019 levels. This demonstrates a clear resilience of the market for a business that is focused on delivering high quality, highly innovative fresh products,

Management Discussion and Analysis

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and presents continued growth opportunities for the Group.

Although Hoogesteger recorded a 19% increase in revenues on 2020, important headwinds should also be noted. The prices of all our key raw material inputs continue to rise, both at source and when compounded by increased shipping rates. Similarly, packaging input costs are rising. This is in part due to the business switching the bulk of its volume to a 100% recycled PET product as the business constantly seeks to be ahead of the market on sustainable packaging solutions. We are fortunate that over many years we have developed long-term strategic relationships with our key customers that allow us to share these input costs, in part, and to collaborate closely with them to mitigate the increases where possible.

At a macroeconomic level, the Netherlands and wider Eurozone area remain a strong place to do business but will be exposed to greater political uncertainty due to the recent developments in Ukraine. This may have implications for customer demand and will certainly continue to add pressure to the costs of supply. Both the Group and the business management team continue to work together to manage this uncertainty. The business has made significant progress in diversifying its supply base to provide greater resilience, and also in ensuring that the business has naturally hedged, as far as possible, its sales and purchase in euros.

CoBeverage Labs S.L. (“CoBeverage”)

JP acquired its 50% stake in CoBeverage on September 1, 2021. CoBeverage, which was started in 2016, operates in the same market as Hoogesteger but is based in a geographically different area – Barcelona. The acquisition will provide the Group with a platform to develop our juice customers and product offerings in southern Europe.

CoBeverage will face similar challenges to Hoogesteger in terms of increasing input prices but, also like Hoogesteger, CoBeverage has developed long-term customer partnerships with which it will work to continue its revenue and earnings growth. The business contributed positively to the earnings of the Group in 2021.

Tortuga International Holdings Limited (“Tortuga”)

Tortuga is the brand owner, marketer and manufacturer of the Caribbean’s leading food souvenir product, the Tortuga Rum Cake, alongside other Tortuga branded food and drink lines.

Tortuga was proportionally the most impacted business in the Group’s portfolio during 2020, with COVID-19 closing Tortuga’s core travel retail market for a large proportion of 2020. In reaction to this Tortuga’s management and team members executed a rapid change to focus sales efforts on the e-commerce and US retail environment. This was a relatively successful achievement in 2020, but the costs of this change, plus sizeable one-off impairments and restructuring costs caused a significant loss for the business in that year.

We are pleased to note that whilst 2021 continued to be a challenging year for Tortuga revenues, with Caribbean tourism arrivals remaining significantly below historical levels, the business has continued its multi-channel sales efforts alongside the restructured cost base and as a result returned to profitability for the full year.

Tortuga’s operational activities are currently organised around a manufacturing facility in Jamaica and a distribution facility in Miami. During 2021 the factory operations in Cayman remained suspended due to the severe lockdowns there. Commercially, Tortuga operates across the Caribbean and North America. It is the close partnership between the commercial and operational teams that executed on a series of new product development initiatives during 2021 which included the development of a wider spirit cake portfolio, including the Tennessee Whiskey Spice Cake and the Apple Pie Moonshine Cake varieties. These products will continue to assist in the development of the North American retail market whilst the business simultaneously engages in the continued reopening of the Caribbean travel industry.

JP Snacks Caribbean Limited (“JP Snacks”)

JP Snacks continues to be a leading Caribbean producer, marketer and seller of ready-to-eat tropical snack products and ready-to-cook frozen tropical products under the “St. Mary’s” and “Carles” brands. In addition, it has developed a range of strategic relationships in co-packing for other third-party brands and retailers in English and Spanish language markets across the Caribbean and internationally.

JP Snacks saw its markets impacted to varying degrees as a result of COVID-19. Sales to grocery channels in US and UK markets have remained robust, and during 2021 the business developed new grocery retail relationships in the Dominican Republic. However, with continued closure of schools and restrictions in place in Jamaica, a number of the key markets for the St. Mary's brand have remained challenging.

In preparing for the full reopening in Jamaica, in 2021 the business completed a full refresh of the St. Mary's brand. This refresh of our well known and loved St. Mary's brand, combined with improvements in quality and new products being launched, is part of the ongoing growth plan for JP Snacks. New products launched in 2021 included Sweet and Spicy Plantain Strips and Fire Banana Chip varietes.

Grupo Frontera Limited ("Grupo Frontera")

Grupo Frontera is a joint venture holding company established by JP and our partner, Norbrook Equity Partners. JP completed its 50% stake in Grupo Frontera on October 16, 2021. On the same date a subsidiary of Grupo Frontera, Grupo Alaska S.A. ("Grupo Alaska"), a company incorporated in the Dominican Republic, acquired the trade and certain assets of an ice and water distribution business in that country. Grupo Alaska operates two manufacturing and distribution bases, one in the capital, Santo Domingo and the other in the tourism destination of Bavaro.

Grupo Alaska represents a strategic opportunity for JP to expand our food and drink sales in the Caribbean's largest island economy. The business incurred significant transaction costs, and post-acquisition take-on costs were high due to the need to catch up on a period of underinvestment in the business. These start-up costs generated an expected moderate loss for the initial two and a half months post-acquisition trading period. We remain confident that the business will rapidly recover these losses and will meet the Group's internal return on investment targets within a short period.

JP Tropical Foods Limited (operating as "JP Farms")

JP Farms manages a 400 acre farm in the parish of St. Mary focused on the cultivation of bananas, pineapples and coconuts, and a commercial and cold storage centre in Kingston. During 2021 we also commenced a significant investment in the development of a plantain farm, recognising the potential for this product in our product offering in Jamaica.

JP Farms has been on a long-term recovery plan which had shown significant promise in 2019 and 2020. However, during 2021 major weather disruption impacted the yields of the farm operations causing a considerable setback. This weather disruption began in late 2020 with the wettest winter on record at our Agualta Vale farm. This impacted yields for the first six months of 2021. Then in October 2021 Tropical Storm Grace caused significant wind and rain damage. Whilst fortunate to avoid a full blow-down, our farm yields were adversely impacted for the remainder of the year and this will impact us into 2022. As a result, the farm continued to record an overall operating loss.

This is a timely reminder, after two years of progress in reducing losses, that the nature of agriculture operations is dominated by uncertain weather and crop disease. This is in addition to the challenges in market demand and competition from production by households and informal producers. As such, in addition to striving to improve our farm's returns we continue to target improvements in the general returns on our land assets in St. Mary and investigate developing new non-farming opportunities to improve shareholder returns on our land.

Financial Position Review

JP's overall financial position, represented by the value of JP's shareholders' funds in the Group Balance Sheet at December 31, 2021, has shown considerable strengthening during 2021, with JP's shareholders' funds increasing by 11%. This continued the strengthening seen in 2020 despite the impact of the pandemic. In fact, between the unaudited Q1 2020 balance sheet and the audited FY 2021 balance sheet, a period so far approximating to that covered by the COVID-19 pandemic, JP has grown its shareholders' funds by 27% from $14.1 billion to $18.0 billion. At December 31, 2021, JP's net worth reflected a book value of $17.10 per stock unit after exclusion of those stock units held by the Group's ESOP.

The Group's financial position also reflects its international diversity with assets and liabilities invested in multiple countries and denominated in multiple currencies including the euro, US dollar and British pound. The Group benefited from an overall appreciation of these currencies against the Jamaican dollar, although on the point-to-point basis that is relevant for the financial position

Management Discussion and Analysis

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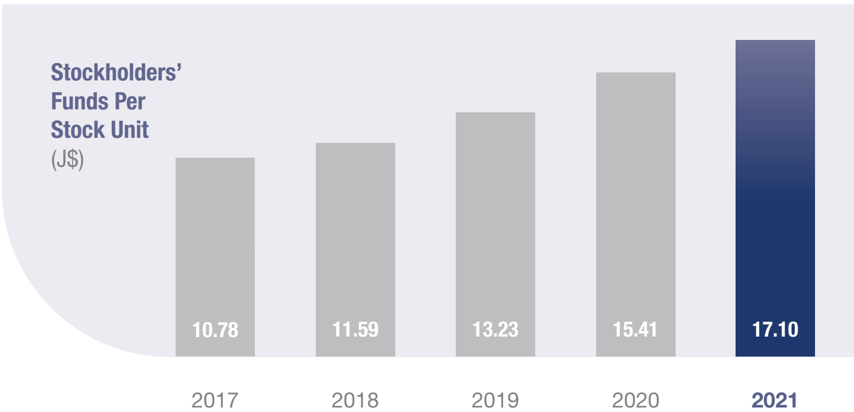


review, individual currency movements were varied. The relevant change is measured by the difference in the closing rates of exchange at December 31, 2021 and the closing rate on December 31, 2020. Using these rates, the US dollar and the British pound appreciated by 8.5% 11.3% respectively, whilst the euro depreciated by 1.6%.

The Group's total assets at the 2021 year-end had a book value of $45.1 billion, an increase of 10% on the position twelve months earlier. Of this, current assets, which are realisable in less than one year, represent $16.4 billion and include cash and short-term liquid investments of $12.0 billion. The Group's cash resources grew by 22% during the year.

JP continuously manages its liquidity position to ensure the maximum returns for our shareholders while managing risk. We seek to balance our resources to maintain our acquisition and capital expenditure programme and our debt service commitments. Critically, we also seek to ensure that we have sufficient cash resources to realise opportunities quickly.

The Group's non-cash related working capital (inventory, receivables, and payables) is closely monitored by the Group's management. The considerable growth in the operating volumes of our businesses has caused all three captions to grow, with accounts receivable increasing by 9%, inventory balances by 20% and accounts payable by 16%.

After a challenging 2020, with disruption in our customer markets causing significant increases in our expected credit loss provisions, we are generally pleased with our progress to recover these potential bad debts and record an overall 16% reduction in our credit loss provisions. The Group's trade receivable days at the December 31, 2021, a key measure used by the Group to monitor our receivable position, was 36.3, substantially lower than the 38.0 at December 31, 2020.

The Group's inventory levels, and consequently the short-term accounts payables, increased due in large part to tactical purchasing. The Group is consciously aware of the inflationary pressures on our inputs, both caused at source and from increasing shipping costs, and several of our businesses have opted to purchase earlier or in greater quantities to secure lower input prices. We expect input price pressure to continue well into 2022.

The non-current assets of the Group grew by 5% to $28.7 billion. The largest component of this is $22.8 billion of property, plant and equipment that the businesses collectively own and use to deliver their services and products. During the year, the Group invested over $1.6 billion in expanding this asset base. Notable expansions of capacity were at Kingston Wharves with the investment in a new mobile harbour crane and berth redevelopment; at Hoogesteger with investment in new filling technology; and at JP Snacks with expansion of warehousing capacity, though all of the Group's portfolio of businesses continue to invest in their asset bases in order to deliver their revenue growth targets.

JP does not have a policy of revaluation of its land and buildings, maintaining them at their historical acquisition cost. As a result, it should be noted that substantial assets of the Group, particularly our land holdings, were acquired in the distant past and are carried at their historic asset values. Furthermore, in accordance with accounting standards, the Group's investments in subsidiaries are carried at the book value of their component assets and liabilities and are not marked up to market value. As an example, it is worth noting that at December 31, 2021 JP's investment in Kingston Wharves, which has a net book value for JP shareholders of $11.8 billion (Note 11 to the Group Financial Statements), had a market value on the Jamaica Stock Exchange of more than twice this amount.

Total non-current liabilities remained consistent year-over-year at $5.1 billion. The Group's long-term debt increased marginally and stood at $2.9

billion. The Group has continued to repay debt in accordance with agreed repayment terms and the Group's overall current and non-current debt was $3.8 billion, an increase of 5% on the prior year position.

With a growing asset base as a result of capital expenditure and acquisitions, the Group seeks to utilise debt to support our expansion and leverage our assets in order to enhance shareholder returns. During the year the Group entered in new term debt totalling $850 million, moderately in excess of the $719 million of total debt repayments. In a context of increasing central bank interest rates we will continue to monitor our debt levels, however, with a largely fixed interest borrowing portfolio we believe the Group is adequately hedged against any prospective increases.

Despite the moderate increase in debt, the Group's leverage dropped from 11.7% to 11.0%, excluding IFRS16 lease liabilities. We maintain close relationships with various financing partners at both a business level and the corporate group level. In addition to our cash resources, we believe these relationships and the relatively low leverage give us adequate resources to seize opportunities as they arise.

Capital Distributions

JP continued its established trend of increasing the dividend every year. A distribution of 25¢ per share represented a 25% increase on that of 2020 and more than double the distribution of 3 years ago.

We believe that consistency in the growth in the distribution level to our shareholders is a key component of delivering improved shareholder returns. Our distribution policy is designed to balance the needs of the company for capital to finance its growth with the importance of providing strong annual distributions to shareholders.

The Outlook

2021 was, in many ways, a transformational year for JP. The Group extended its portfolio to new geographical areas and widened its exposure in the core Food and Drink and Logistics and Infrastructure markets. At the same time our existing businesses completed or commenced new commercial and operational investments. Many of these investments are part of multi-year investment programmes we expect to deliver improved returns for 2022 and beyond.

We are aware that uncertainty and change are inevitable in doing business, providing risk that needs mitigating, but we believe they also provide opportunity. To this extent our investment programme will continue. We expect this to be both through acquisitions and investments as the Group is positioned with a strong balance sheet, strong liquid resources, strong banking relationships and, critically, a strong pool of team members to be able to execute this investment programme in line with the Group's targeted return on investment parameters.

At the same time, we will not neglect the day-to-day operations of our existing businesses, the engine room that provides the fuel (profits and cash) for us to be able to pursue these investments. We expect 2022 to present significant inflationary pressures on our input costs. Our food and drink businesses will be impacted by logistics challenges, whilst our own logistics businesses will be faced with increased competition from aggressive competitors. We expect geopolitical disruption from the war in Ukraine will impact some of the businesses in our portfolio, and possibly all of them in some form.

We must also not be complacent about the continuing effects of COVID-19, despite the hard efforts of our business leaders to deliver high rates of vaccination across all our staff locations.

JP prides itself on being prepared. 2022 will be a challenging year but we see opportunity. The COVID-19 pandemic tested our businesses in 2020 but we returned stronger in 2021. We plan to continue this positive momentum into 2022.

We will continue to produce and deliver for the world.

Global Moves 2021

GEEST LINE

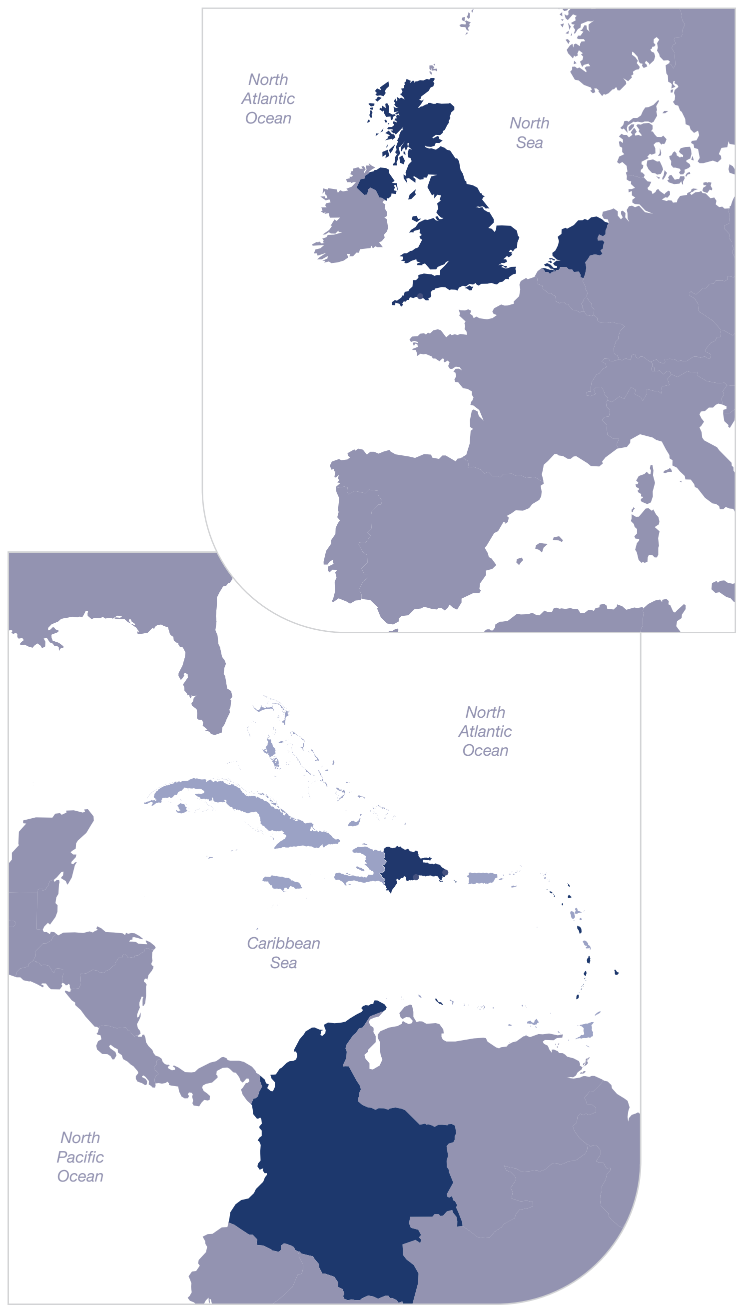
Date of Acquisition:
April 2021

Joint Venture Partners:
Sealines Holding N.V., a member of the Seatrade Group, a worldwide leader in reefer vessel shipping services.

Location/Description:
Geest Line, based in Portsmouth, United Kingdom, is a leading shipping line connecting Europe and the Caribbean and has operated in the trade for more than 65 years. The line is the leading carrier by volume of cargo between the Leeward and Windward Islands and Europe, but also serves markets in Latin America. The line operates a five-vessel weekly service linking the UK, the Netherlands, the Eastern Caribbean, Colombia and the Dominican Republic, carrying general cargo on the westbound voyage and fresh tropical produce and other general cargo on the eastbound voyage.

Management team:
Cpt. Peter Dixon, Managing Director
Christopher Roberts, Finance Director

Markets served:
Antigua, Barbados, Colombia, Curacao, Dominica, Dominican Republic, Grenada, the Netherlands, St. Kitts, St. Lucia, St. Vincent & the Grenadines and the United Kingdom



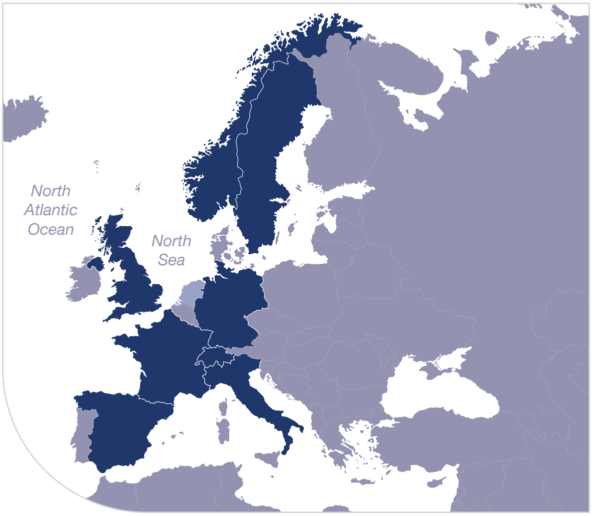
Date of Acquisition:
September 2021

Joint Venture Partners:
Noel Alimentaria, one of the leading companies in the Spanish charcuterie and fresh meat sector.

Location/Description:
CoBeverage Lab, located in Barcelona, Spain, is a company dedicated to making delicious, innovative, fresh juices and drinks with natural ingredients without colourants or preservatives. CoBeverage, founded in 2016, mainly serves the southern European market but is poised for expansion and growth in the fresh juice sector.

Management team:
Artur Marti, Director
Cristina Etero, Head of Administration

Markets served:
France, Germany, Italy, Norway, Spain, Sweden, Switzerland and the United Kingdom



Date of Acquisition:
October 2021

Joint Venture Partners:
Norbrook Equity Partners, an investment holding company with global holdings of market leading businesses.

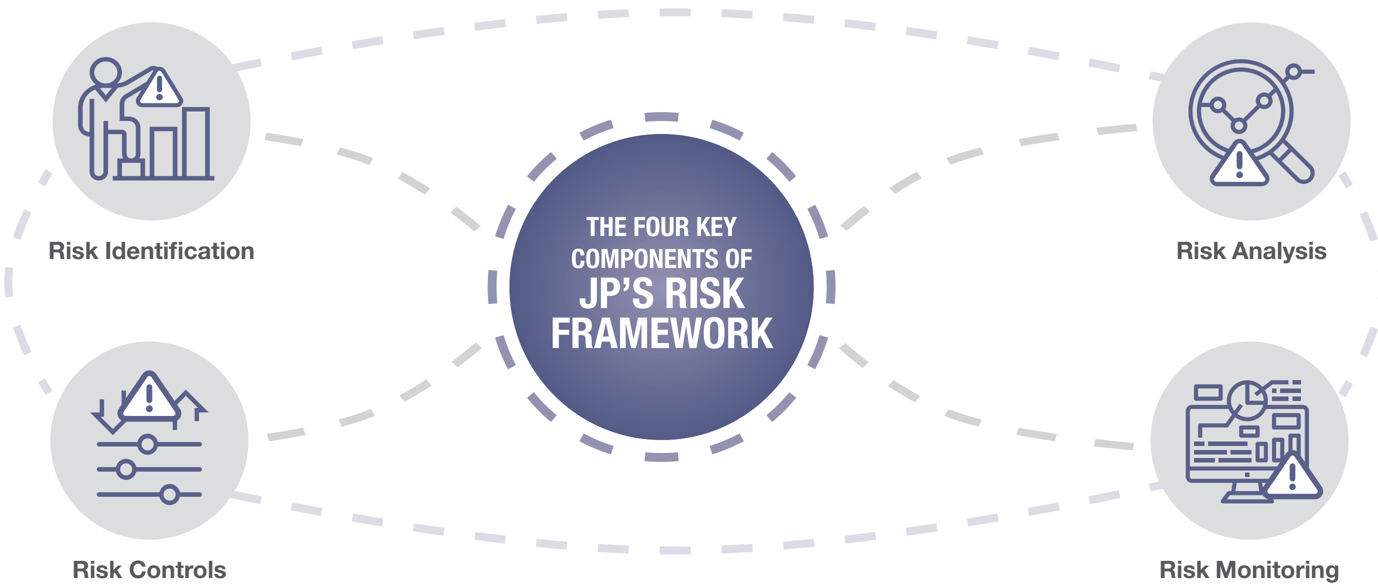
Location/Description:
Grupo Alaska is a leading ice and water distribution company in the Dominican Republic. It has manufacturing and distribution operations in both the capital, Santo Domingo, and the tourism centre, Bavaro. Grupo Alaska produces branded and private label ice and water products for a wide range of customers including supermarkets, convenience stores, hotels, restaurants and cement manufacturers.

Management team:
Enrique Noboa, Chief Executive Officer
Daniel Batista, Chief Financial Officer

Markets served:
Dominican Republic

Managing Risk

The nature of business is that it comes with risk. Jamaica Producers Group is no different to any business organisation in this respect.



As a multi-national multi-industry group, we view the management and mitigation of risk as critical to protecting our stakeholders and to ensuring the success of our strategic plans. We believe effective risk management is achieved when a risk framework is embedded at all levels of the Group and, vitally, that the management of risk is part of the day-to-day business processes.

We continue to revise our risk framework each year, but the core principles remain and are based on four key components: risk identification, risk analysis, risk controls and risk monitoring.

JP's Board bears the ultimate responsibility for the Group's risk management processes. Led by our Chairman, Charles Johnston, and including a majority of non-executive directors, this forum establishes the core risk management framework. The Board operates with four sub-committees: a five-member Audit Committee, a three-member Compensation and Human Resources Committee, a five-member Executive Committee, and a five-member Corporate Governance Committee. The Board of Directors and its committees meet regularly throughout the year and are continually apprised of all aspects of the Group's financial and non-financial performance, business issues and risks, prospective future developments and opportunities, and any other matters as may be required.

The Board of Directors establishes the terms of reference of the Audit

Committee. As a key element of these terms the Board has tasked the Audit Committee with the responsibility of monitoring the adequacy and effectiveness of the Group's system of risk management and internal control. The Audit Committee, which meets at least four times a year, fulfils its responsibilities by comprehensive reviews of the Group's quarterly risk reports. The Committee also engages in detailed inquiries of management and internal and external auditors about significant exposures or risks and steps taken to mitigate these.

The Board of Directors and the Committees believe that regular opportunities to meet the management teams of the subsidiary operations and also to visit the operations in person are essential in order to effectively perform the risk management process. Unfortunately, during 2021, with travel restrictions in place, these meetings have primarily continued to use video conferencing, but we were pleased that during the second half of 2021, as restrictions were eased, all our principal operational locations received visits from JPG directors.

To support the Group Board and to comply with corporate governance best practice at the subsidiary level, each of our operating subsidiaries has its own active board structure. This allows for detailed conversations on specific matters affecting those subsidiaries. Subsidiary boards, which comprise members of the JP Group Board and other independent industry experts relevant to the subsidiary, meet multiple times during the year. Historically at least half of these meetings take place at the site of the subsidiary operation.

The Board of Directors and Audit Committee establish the tone for risk management, however, the first line of defence in risk management in our organisation is our management team. The Group's management are accountable to the Board for designing, implementing and monitoring the control environment to ensure effective mitigation of business risks and ensuring that this control environment becomes part of the day-to-day operations.

The second level of defence is provided by our internal audit team. The Group ensures our management is accountable for managing risk and a strong control environment through regular audits by internal audit specialists. All our team members are empowered to raise concerns on breaches of policies and procedures through our whistleblowing processes.

We categorise our core risks into two areas: operational and financial.

OPERATIONAL RISKS

These are risks inherent in our business operations:

1 Natural Disasters and the Continuity of Supply of Products and Services

All our operations are heavily centred on infrastructure, manufacturing and farming facilities. As a result, major events which affect these facilities will have a significant impact on the ability of the businesses to serve our customers.

The Group's risk management policies are based on strong resilience plans, both internal and third party, and ensuring that cost effective, comprehensive insurance policies are in place. Our resilience plans are documented in formal Business Continuity Management frameworks which, where possible, are externally benchmarked.

During the last two years the COVID-19 global pandemic tested our risk management processes fully. During 2020 our operations risk mitigation programmes established COVID-19 management committees that rapidly identified and implemented revisions to operating procedures to protect our staff and stakeholders and ensure continuity of supply. During 2021 these same committees led the businesses and our teams through the evolving COVID-19 risks and changes in local restrictions to continue to ensure the safety of our team and our compliance with the applicable local regulations.

2 Security and Safety

The safety and security of all our stakeholders is a central responsibility of the Group and breaches in this represent a significant risk. Both our internal operations and our external security environment require constant vigilance to ensure this responsibility is met.

To mitigate these risks, all our operational sites are continuously challenged to operate at the forefront

Managing Risk
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of country or industry health and safety best practice. This includes dedicated management responsible for ensuring compliance with laws and regulations and regular on-site safety inspections.

This approach also extends to our security risks. We regularly engage with local stakeholder communities to ensure we are being proactive in minimising potential security risks, whilst continuing to invest in capital and operational expenditure to prevent and control the risk.

3 Commodity Prices

All our businesses are influenced by commodity price inflation, both directly in the form of higher raw material input prices for our food businesses or indirectly through fuel price movements impacting our logistics operations and our food distribution costs. This has increasingly been a challenge in 2021.

Our risk mitigation efforts focus on several approaches to sharing this risk with other parties in the range of the vertical supply chain. JP continues seek to enter into either long-term customer contracts that cover fluctuations in raw material prices or medium-term supply contracts that fix the input prices. Where this is not possible, our teams manage the purchases of commodities to minimise risks by continually monitoring market prices and ensuring multiple supply sources to provide flexibility. Investment in both capital and process solutions to supply chain optimisation also presents opportunities to offset part of this risk.

4 Reputational Risk

JP and its associated brands and subsidiaries operate with significant reputational assets, either in the form of a direct brand or in the form of an indirect brand, through a perception of service and quality.

JP highly values these assets, and management ensures that staff members are constantly aware of the quality levels, service and customer experience we seek to deliver. All our business units have established measurement criteria for monitoring this, as well as training programmes to manage the development of our team members in this area.

FINANCIAL RISKS

These risks arise from both our operating business units and from our substantial financial asset base. Our most significant risks are:

1 Currency Risk

With an asset base and revenues derived in multiple currency environments, JP's multinational businesses expose the Group to substantial gains and losses on foreign exchange. JP's prime exposure is to the euro, US dollar and British pound. At a business unit level, each operation naturally hedges, as far as possible, any currency risk in income and expenses through the choice of transactional currency. In line with previous years, JP did not seek to enter into any foreign currency derivative or hedging instrument in 2021.

At a group level, JP has structured its subsidiaries and its assets to minimise the exposure to currency risk. However, this does not eliminate translational currency risks which, in periods of Jamaican dollar appreciation, will cause a decline in the Jamaican book values of non-Jamaican assets. Where JP does have holdings of foreign currency, we do not enter into speculative currency transactions but maintain a balanced treasury asset pool based on future expected currency requirements in the Group while being subject to agreed concentration limits in place. The Group's investment policy is reviewed and approved by the Audit Committee and the Board of Directors.

2 Credit Risk

This represents the risk of failure by a third party in settling an outstanding debt to JP.

At a business level, each operation is charged with managing credit risk according to the environment in which it operates. Each business formally assesses trading relationships, in conjunction with financial information, and sets limits on the amount of exposure placed on that relationship. The Group has established credit policies and has implemented warning and reporting tools to allow for oversight and escalation of issues when they arise.

3 Interest Rate Risk

This represents the risk to the value of cashflows of a financial instrument from fluctuations in interest rates.

JP has a moderate level of debt at the end of 2021. Most of this debt is subject to fixed interest rates or capped variable rates in order to mitigate risk of future interest rate increases. Although much of our debt is in Jamaican dollars, we manage the currency against the functional currency of the subsidiary that uses the external funding.

The interest rate on our interest-bearing assets is fixed, however, we manage the balance between risk and rewards by monitoring the maturity profile of these assets.

INTERNAL AUDIT

To support the Board, the Audit Committee and our management teams in the designing, implementing and monitoring of the risk and control environment JP has retained an experienced and structured internal audit function. This function reports directly to the Audit Committee of the Group, or where applicable, subsidiary boards.

The internal audit function supports risk management through three specific processes. Firstly, an annual assessment is performed and approved by the Audit Committee for the internal audit timetable. This assessment balances the risk likelihood and significance of specific areas of a business to ensure that those areas of higher risk are being addressed more frequently, but that no area is left unaudited for an excessive period. Typically, every group location should be visited by an internal auditor each year, and generally this was achieved in 2021. These focused audits are reported to the Audit Committee quarterly. Secondly, also on a quarterly basis, the internal audit team performs a business-wide desktop review. This review uses the assessment of key metrics and the follow-up on previous audit points combined with general business understanding to give the management and Audit Committee a guide to potential or actual changes in risk categorisations. Finally, from time-to-time specific issues will arise which require a rapid response to investigation or audit. These are infrequent but serious matters that the Internal Audit team will work alongside management to address.

Due to the complexity and difference in the inherent risks faced by the Logistics & Infrastructure ("L&I") Division and the Food & Drink ("F&D") Division, the Group has separated internal audit functions both geographically and divisionally.

The L&I Division, through Kingston Wharves, has a full time Internal Audit Manager working in the business. The F&D Division has appointed two independent external consultants to perform Internal Audit roles geographically split between Europe and the Caribbean. Where necessary, we also call upon other external consultants to support these individuals.

Directors' Report

The Directors present this report, the Chairman's Statement and the Audited Financial Statements of the Company and the Group for the year 2021 to the 85th Annual General Meeting.

Financial Results

For the year ended December 31, 2021, the Group earned consolidated revenues of $25 billion, an increase of 19% over the 2020 result. Net profit attributable to shareholders for 2021 was $1.8 billion, an increase of 161% over the prior year (after excluding the 2020 one-off gain on disposal of our associated company interest in SAJE Logistics Infrastructure Limited).

Details of these results, along with a comparison to the previous year's performance and that of the Group are set out in the Management Discussion and Analysis and the Financial Statements which are included as part of this Annual Report.

Capital Distribution

An interim capital distribution of 20 cents per ordinary stock unit totalling $224 million was paid to stockholders on January 15, 2021 for the financial year ended December 31, 2020.

An interim capital distribution of 25 cents per ordinary stock unit totalling $281 million was paid to stockholders on January 20, 2022 for the financial year ended December 31, 2021.

No final capital distribution is recommended in respect of 2021.

Auditors

The Auditors, KPMG, Chartered Accountants, 6 Duke Street, Kingston, Jamaica have expressed their willingness to continue in office.

Directors

Your Directors who served diligently during the year are:

- **Mr. Charles H. Johnston**
  Chairman
- **Mr. Jeffrey McG. Hall**
  Group Managing Director
- **Mr. Alan Buckland**
- **Mrs. Patricia R. Francis**
- **Mrs. Sanya M. Goffe**
- **Dr. the Hon. Marshall McG. Hall**
- **Mrs. Dahlia E. Kelly**
- **Mrs. Kathleen A. J. Moss**
- **Mr. Donovan H. Perkins**
- **Mr. Grantley St. J. Stephenson**
- **Prof. Alvin G. Wint**

Mrs. Sanya Goffe and Professor Alvin Wint retire by rotation and being eligible, offer themselves for re-election in accordance with the Articles of Incorporation.

Mr. Donovan Perkins retired from the Board of Directors on December 31, 2021 after more than 14 years of service. We thank Mr. Perkins for his significant contribution to the Board of Jamaica Producers Group and to our business.

On behalf of the Board of Directors,

C. H. Johnston
Chairman

April 14, 2022

Board of Directors

Our Directors are committed to the highest standards of corporate governance, accountability and transparency in achieving the Board's primary objective of creating value for JP's shareholders.

Charles Johnston

CD, BSc (Econ.), DSc (Hon.)

Tenure: 46 years

Mr. Johnston is the Executive Chairman of Jamaica Fruit and Shipping Company Ltd. and its subsidiaries. He joined the Board of Jamaica Producers Group in 1975 and became Chairman in 1986. He chairs the Board's Executive and the Compensation & Human Resources Committees and serves on the Audit and Corporate Governance Committees, as well as on the boards of JP's subsidiary and associated companies. Mr. Johnston is the Chairman of Geest Line Ltd., Seaboard Freight & Shipping Jamaica Ltd., Miami Freight & Shipping Company and Jamaican Patties Ltd. He is a director of Kingston Wharves Ltd., the Jamaica Public Service Company Ltd., SAJE Logistics Infrastructure Ltd., German Jamaica Ship Repair Ltd., and Kingston Logistics Centre Ltd. He is the Immediate Past President of the Shipping Association of Jamaica. In 2006, he was conferred with the Order of Distinction, Commander Class. In 2008 he was inducted into the Hall of Fame of the Private Sector Organisation of Jamaica, in 2017 he was awarded a Jamaica Observer Lifetime Achievement Award and in 2018 he was conferred a Doctor of Science degree in International Shipping *honoris causa* from the Caribbean Maritime University. Mr. Johnston is a graduate of the Wharton School of Finance & Commerce at the University of Pennsylvania.

Jeffrey Hall

BA, MPP, JD

Tenure: 17 years

Mr. Hall was appointed Group Managing Director of Jamaica Producers Group in 2007 after joining the Board in 2004 and the Group in 2002. He serves on the JP Board's Audit, Executive and Corporate Governance Committees. Mr. Hall is Chairman of Kingston Wharves Ltd., Scotia Group Jamaica Ltd., the Bank of Nova Scotia Jamaica Ltd., Scotia Investments Jamaica Ltd. and Lumber Depot Ltd. He is a director of Geest Line Ltd., Scotia Jamaica Life Insurance Co. Ltd., Blue Power Group Ltd., SAJE Logistics Infrastructure Ltd. and Eppley Caribbean Property Fund Ltd. Mr. Hall has served on the boards of the Jamaica Stock Exchange and the Bank of Jamaica. He received his Bachelor of Arts degree in Economics from Washington University, his Master of Arts degree in Public Policy from Harvard University and his Juris Doctor degree from Harvard Law School.

Alan Buckland
BA, FCA

Tenure: 3 years

Mr. Buckland has served as the Group Finance Director of Jamaica Producers Group since 2010, and he was appointed to the Board of Directors in 2018. He sits on the board of Geest Line Ltd. as well as on the boards of various subsidiary companies of the JP Group. Mr. Buckland is a Fellow of the Institute of Chartered Accountants of England and Wales and is a graduate of the University of Exeter.

Patricia Francis
CD, BSc

Tenure: 8 years

Mrs. Francis is Chair of the Government of Jamaica Trade Facilitation Task Force and is a former Executive Director of the International Trade Centre. She joined the board of Jamaica Producers Group in 2013, and also serves on the boards of the IESE Graduate Business School, B & D Trawling Ltd., Portland JSX and Whiteshield Partners, Strategy & Public Policy Advisory. As special adviser to the Executive Director of UN Women, in 2018-2020 she designed and lead the Change Process across the Global organisation. Mrs. Francis also volunteers with the Rosetown Foundation for the Built Environment and Alligator Head Foundation. She was awarded the Commander of the Order of Civil Merit by the Government of Spain in 2006 and the Order of Distinction in the Class of Commander by the Government of Jamaica in 2015. Mrs. Francis is a graduate of the University of Miami.

Sanya Goffe
LLB (Hons.), LEC

Tenure: 6 years

Mrs. Goffe is a partner at Hart Muirhead Fatta, Attorneys-at-Law. She was appointed to the board of Jamaica Producers Group in 2015 and is the Chair of the Board's Corporate Governance Committee. Mrs. Goffe is an Eisenhower Fellow (2020) and sits on the boards of NCB Financial Group Ltd., National Commercial Bank Jamaica Ltd., the National Insurance Fund and RevUp Caribbean Limited. She is also Chair of Stratus Alternative Funds SCC and President of the Pension Industry Association of Jamaica. She is a member of the Jamaica Bar Association and serves on its Intellectual Property Law, Commercial Law and Publications Committees, is a member of the UK Association of Pension Lawyers and the International Pension and Employee Benefits Lawyers Association. She is also co-founder of the Adult Learning Centres of Jamaica. Mrs. Goffe is a graduate of the University of the West Indies and the Norman Manley Law School.

Board of Directors
CONTINUED

Dr. the Hon. Marshall Hall
OJ, CD, PhD

Tenure: 42 years

Dr. Hall was the Group Managing Director from 1979 until his retirement in June 2007. He serves on the Board's Audit, Compensation & Human Resources, and Executive Committees. He is a director of Kingston Wharves Ltd. and serves as a board member on several of JP Group's subsidiaries. Dr. Hall was conferred with the Order of Jamaica in 2010 and in 2005 was inducted into the Hall of Fame of the Private Sector Organisation of Jamaica. He holds a BSc from Columbia University and a PhD from the University of Wisconsin.

Dahlia Kelly
BSc

Tenure: 33 years

Mrs. Kelly is Managing Director of Patsy Kelly and Associates, an executive placement service. She was appointed to the board of directors of Jamaica Producers Group in 1988 and serves on the Board's Executive, Audit and Corporate Governance Committees, in addition to being a board member of the JP Tropical Group subsidiary. Mrs. Kelly serves on the board of the Urban Development Corporation and is a trustee of the Sydney A. Phillips Scholarship Trust and a director of the St. Mary Education Trust. She is a graduate of the University of the West Indies.

Kathleen Moss
BSc, MBA, CBV

Tenure: 22 years

Mrs. Moss is a Management Consultant and Chartered Business Valuator with Sierra Associates an independent advisory and business valuation firm that she established in 1993. She joined the board of Jamaica Producers Group in 1999, is a member of the Executive and the Compensation & Human Resources Committees and chairs the Audit Committee. Mrs. Moss is the Chair of JN Bank Ltd., and is a director of Kingston Wharves Ltd., PanJam Investment Ltd., The Jamaica National Group, The JN Financial Group Ltd., JN General Insurance Ltd. and Assurance Brokers Jamaica Ltd. She is a trustee of the Violence Prevention Alliance. Mrs. Moss is a member of the Canadian Institute of Chartered Business and is a graduate of the University of the West Indies and McGill University.

Donovan Perkins
JP, BA (Hons.), MBA

Tenure: 14 years

Mr. Perkins is the former President and CEO of Sagicor Bank Jamaica Ltd., retiring after over thirty years in the financial services industry. He was appointed to the Board of Jamaica Producers Group in 2007 and serves on the Board's Corporate Governance Committee. He is a former director of PanJam Invest Ltd., Sagicor Investments Jamaica Ltd. and Everything Fresh Ltd., and was an active Chairman of the Jamaica Stock Exchange from 2010-2014, supporting positive market developments. Mr. Perkins holds a bachelor's degree in Finance (Hons.) from the University of South Florida and an MBA from The Darden School at the University of Virginia.

Grantley Stephenson
CD, JP, Dip. Mgnt Studies (Shipping), MBA, DSc (Hon.)

Tenure: 6 years

Mr. Stephenson is the Vice-Chairman and former Managing Director of Kingston Wharves Ltd. and is the former Honorary Consul General for the Kingdom of Norway. He joined the Board of Jamaica Producers Group in 2015. He is a director of the Security Administrators Ltd., the Shipping Association of Jamaica, ADVANTUM, Assessment Recoveries Ltd. and is a fellow of the Jamaica Institute of Management. He was conferred with the Order of Distinction, Commander Class in 2007. In 2013 he was awarded the Royal Norwegian Order of Merit and in 2017 he was conferred a Doctor of Science degree *honoris causa* in Port Management by the Caribbean Maritime University. He holds a Master's in Business Administration from the University of the West Indies and is a graduate of the University of Technology and the University of Plymouth.

Prof. Alvin Wint
CD, BSc, MBA,DBA

Tenure: 23 years

Prof. Wint is Emeritus Professor of International Business at the University of the West Indies. He joined the Board of Jamaica Producers Group in 1998 and is a member of the Group's Audit Committee. He serves as the Lead Independent Director of NCB Financial Group Ltd. and is Chairman of the Audit Committee. He also serves as Chairman of the HEART/NSTA Trust, as a director of the Caribbean Policy Research Institute and as a member of the National Partnership Council and the National Competitiveness Council. In 2015 he was conferred with the Order of Distinction in the Class of Commander. He has received many professional awards including the UWI Vice Chancellor's Award for Excellence. Prof. Wint holds a BSc from the University of the West Indies, an MBA from Northeastern University and a Doctorate in International Business from Harvard University.

Aubrey Ffrench
(Hon. Director since September 2007)

Mr. Ffrench joined the staff of Jamaica Producers Group in 1961 and was appointed a member of the Board in 1990. Prior to that, he served Jamaica Producers Group in the capacity of Manager and then as Company Secretary for over 33 years at his retirement in 1994.

Leadership…the JP Way

Leadership.
Openness.
Reality.

At JP our leadership team is aligned to a shared set of values and goals which we call the JP Way. Through the JP Way we value and recruit highly ambitious leaders for our businesses, who are involved in every detail of the businesses they run, uphold our ethical standards and are committed to openness and realism in their leadership style.

Senior Officers And Business Leaders

JAMAICA PRODUCERS GROUP LIMITED

Jeffrey Hall	Chief Executive Officer
Alan Buckland	Group Finance Director
Simone Pearson	Corporate Secretary/ Group General Counsel

GROUP AND CORPORATE SERVICES

Antoinette Livingston	Director of Shared Services
David Martin	Director of Business Development
Maya Walrond (Johnston)	Chief Commercial Officer
V. Andrew Whyte	Group Treasurer
Taneka Whyte-Groves	Corporate Financial Controller

Business Units

A.L. HOOGESTEGER FRESH SPECIALIST

Edo Abels	Managing Director
Marco Zohlandt	Deputy Managing Director & Financial Controller

COBEVERAGE LAB

Artur Marti	Director
Cristina Etero	Head of Administration

TORTUGA INTERNATIONAL

Marcus Simmonds	Managing Director
Camille Lawson	Finance Business Partner

JP SNACKS CARIBBEAN

Benjamin Valdez	General Manager
Frank Cesar	Finance Business Partner *(Appointed in February 2022)*

JP FARMS

Mario Figueroa	General Manager
Peta-Gaye Yorke	Finance Business Partner

GRUPO ALASKA

Enrique Noboa	Chief Executive Officer
Daniel Batista	Chief Financial Officer

KINGSTON WHARVES

Mark Williams	Chief Executive Officer
Clover Moodie	Chief Financial Officer

GEEST LINE

Peter Dixon	Managing Director
Chris Roberts	Finance Director

JP SHIPPING SERVICES

Gary Phillips	General Manager
John Davies	Financial Controller

Corporate Governance

JP is committed to good governance. We have held true to this commitment since our inception, over 90 years ago. This commitment means that we will continue to strengthen the ways in which we can best demonstrate to our stakeholders that they can rely on us to be open, fair and transparent in everything that we do. We believe in the regular re-assessment of our governance systems and policies in line with best practices. As a Group, we believe this continuous improvement will allow us to deliver greater returns to our shareholders.

In 2021 we continued to build on the achievements of 2020. Under the leadership of the Corporate Governance Committee of the Board, we conducted a full review and renewal of most of our governance policies and Committee Terms of Reference. With so many changes in the regulatory landscape, we continued to work to keep abreast of these changes and to ensure compliance in the many jurisdictions in which we operate. In light of our “2021 Global Moves”, as represented by the acquisition of three new joint venture businesses, part of our focus for the year was on onboarding these new businesses in line with the “JP Way” of governance for our businesses.

Through the “JP Way Leadership Project” we sought to reinforce for our Group’s leaders, the values which are core to our Group, as embodied in the JP Way. As a global group, we continue to assess the ways in which we craft and implement our group level policies, to ensure that we take into account the diversity of our industries and teams in the many jurisdictions in which we conduct business.

In 2021 we are pleased to have maintained a score of “A” in respect of the Jamaica Stock Exchange’s Corporate Governance Index for the 2020/2021 period. With the full cooperation and commitment of our Board and management team we intend to further improve on our high standards of governance in the coming years.

Our Board

JP’s Board of Directors represents the interests of our shareholders in JP and its subsidiaries in maintaining and growing a successful business by optimising long-term shareholders’ financial returns and adhering to best practices in corporate governance.

JP’s Corporate Governance Policy sets out details of the functions of the Board and provides guidance for our Directors in the discharge of their responsibilities.

EXPERTISE

Our directors offer a diversity of skills and expert knowledge and a combination of years of experience and fresh perspectives in the exercise of the Board’s responsibilities. Through a continuous assessment of the segments and industries in which our diverse and global Group operates, led by the Compensation and Human Resources Committee of the Board, we have identified critical areas of skill and expertise which we require on our Board, and which help to inform our director recruitment and selection process. During 2021 these critical areas were all fulfilled by our current complement of directors.

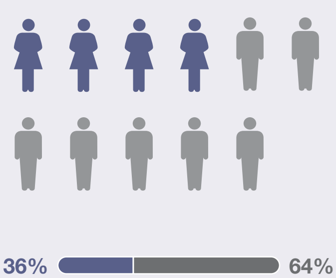
Board Expertise

	Strategy & Business Leadership	Finance & Accounting	Legal/ Public Policy	Governance & Risk Management	Human Resources	Shipping & Logistics	Food Production & Manufacturing
Charles Johnston	●	●	○	●	●	●	●
Jeffrey Hall	●	●	●	●	●	●	●
Alan Buckland	●	●	○	●	○	●	●
Patricia Francis	●	○	●	○	○	●	○
Sanya Goffe	●	○	●	●	○	○	○
Marshall Hall	●	●	○	●	●	●	●
Dahlia Kelly	●	○	○	●	●	○	○
Kathleen Moss	●	●	○	●	●	○	○
Donovan Perkins	●	●	○	●	○	○	○
Grantley Stephenson	●	○	○	●	●	●	○
Alvin Wint	●	●	●	●	○	○	○

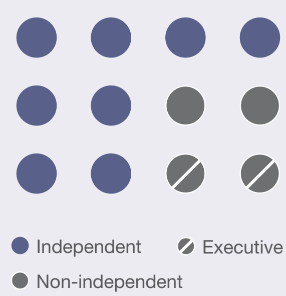
DIVERSITY

We believe in the benefit of maintaining diversity on our Board in respect of skills and expertise, years of experience, gender and age. We also aim to maintain an optimal combination of executive, non-executive and independent directors. Under JP's Corporate Governance Policy, we are required to have a minimum of 50% independent directors on our Board. "Independence" is defined in our Corporate Governance Policy and considers various factors including employment by or business relationships with the Company, family relationships with other Board members or senior officers of the Company, and employment of directors at any other company where any of JP's directors or senior officers serve in a board capacity. Independence of our directors is assessed on an ongoing basis.

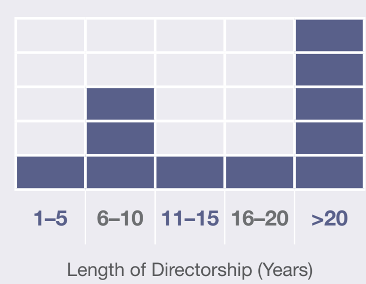
Board Diversity



Gender



Director Independence



Tenure

Corporate Governance

CONTINUED

Meetings and Attendance

The Board has six regularly scheduled meetings each year and participates in a focused 2-day strategic retreat to review and approve the Group's proposed budget and strategic plans for the coming year. Special Board meetings are also convened to address matters which require immediate attention. Due to the ongoing health risks associated with the COVID-19 pandemic, all our Board meetings during 2021 were held virtually.

Our Annual General Meeting ("AGM") was also held virtually in June of 2021. Through a livestream on our website and other online platforms, we took the opportunity to inform our shareholders about the performance of the Group and to share Management's outlook and vision for the Group going forward. Our AGM is the primary forum for the Board and the management of JP to directly interact with our shareholders, with the aim of gaining a deeper understanding of their views and concerns about the performance of the Group. With this in mind, we invited our shareholders who had chosen to attend the meeting by proxy to submit questions and concerns ahead of the meeting to be addressed by the management team. We sought to ensure that sufficient time was allocated on the AGM agenda for shareholders to ask questions and provide comments. Minutes of AGMs are available for viewing on the company's website. Although this format had the additional advantage of allowing many of our shareholders located outside of Jamaica to view the meeting, we look forward to greeting our shareholders in person, once again, as soon as it becomes possible.

During 2021, six regularly scheduled Board meetings were convened. No special meetings of the Board were held. The table below provides details on the attendance of directors at meetings convened during the year.

Directors' Attendance

	Annual General Meeting	Board Meetings	Audit Committee Meetings	Compensation and Human Resources Committee Meetings	Executive Committee Meetings	Corporate Governance Committee Meetings
Number of Meetings for the year	1	6	4	1	0	2
Charles Johnston	●	●●●●●●	●●●○	●	–	●○
Jeffrey Hall	●	●●●●●●			–	●●
Alan Buckland	●	●●●●●●				
Patricia Francis	●	●●●●●●				
Sanya Goffe	●	●●●●●●				●●
Marshall Hall	●	●●●●●●	●●●●	●	–	
Dahlia Kelly	●	●●●●●●	●●●●		–	●●
Kathleen Moss	●	●●●●●●	●●●●	●	–	
Donovan Perkins	●	●●●●●○				●●
Grantley Stephenson	●	●●●●●●				
Alvin Wint	●	●●●●●●	●●●●			

Board Committees

AUDIT COMMITTEE

Members	Mrs. Kathleen Moss CHAIR Dr. the Hon. Marshall Hall • Mr. Charles Johnston • Mrs. Dahlia Kelly • Prof. Alvin Wint
Composition	The Audit Committee is appointed by the Board and comprises at least three (3) members who should be Non-Executive Directors, the majority of whom should be identified by the Board as independent. Under the Terms of Reference of this Committee, the Board Chairman cannot be appointed Chairman of the Audit Committee. The Audit Committee currently comprises five Non-Executive Directors of whom four are independent.
Functions	• Monitors the adequacy and effectiveness of JP Group's systems of risk management and internal control; • Reviews JP Group's annual and interim financial statements and related accounting policies and assumptions and any accompanying reports or related policies and statements; • Monitors and reviews the effectiveness of JP Group's internal audit function; • Monitors and reviews the external auditor 's independence, objectivity and effectiveness; • Develops and implements policy on the engagement of the external auditor to supply non-audit services; • Reviews and approves related party transactions.
2021 Highlights	In 2021 the Audit Committee reviewed and approved the quarterly unaudited financial statements of the Group, and the annual audited financial statements of the Group, with an emphasis on the accounting treatment for the Group's various acquisitions throughout the year. The Committee continued to review a menu of risk assessment areas for the Group's businesses and to expand the internal audit process throughout the Group to include new areas to effectively address and mitigate risk. The Committee further oversaw the implementation of a new Information Security Policy for the Group's tropical businesses and renewed the Audit Committee Charter and the Group's Investment Policy.

COMPENSATION AND HUMAN RESOURCES COMMITTEE ("CHRC")

Members	Mr. Charles Johnston CHAIR Dr. the Hon. Marshall Hall • Mrs. Kathleen Moss
Composition	The CHRC is appointed by the Board and comprises not less than two (2) and up to four (4) Directors, excluding Executive directors. The CHRC currently comprises three Non-Executive Directors of the Board.
Functions	• Nominates potential candidates and evaluates the suitability of those candidates for future Board membership; • Proposes potential candidates to the Board for approval; • Conducts an annual review of the remuneration policies for Executive Directors and Senior Officers of JP Group as well as material employee benefits and compensation plans and programmes; • Reviews the JP Group's senior level organisational structure and management succession plan at least annually.
2021 Highlights	In 2021 the CHRC reviewed and approved the annual remuneration policy of the Group for Executive Directors and Senior Officers. The Committee continued to assess the structure of the Group's corporate team in line with the Group's strategic goals. The Committee reviewed the mechanisms for succession planning in the Group's businesses and in relation to the Board of Directors. An annual review of the composition of the Board was conducted to ensure that all required competencies were fulfilled by the current complement of Directors.

EXECUTIVE COMMITTEE

Members	**Mr. Charles Johnston** CHAIR **Mr. Jeffrey Hall • Dr. the Hon. Marshall Hall • Mrs. Dahlia Kelly • Mrs. Kathleen Moss**
Composition	The Executive Committee is appointed by the Board and comprises not more than six (6) Directors. The current complement of this Committee is six Directors.
Functions	**The Executive Committee is responsible for carrying out, at short notice, a review of critical business decisions for which Executive Management is required or has elected to obtain the support, advice and/or approval of the Board.**
2021 Highlights	In 2021 no meetings of the Executive Committee were held.

CORPORATE GOVERNANCE ("CG") COMMITTEE

Members	Mrs. Sanya Goffe CHAIR Mr. Jeffrey Hall • Mr. Charles Johnston • Mrs. Dahlia Kelly • Mr. Donovan Perkins
Composition	The CG Committee is appointed by the Board and comprises no more than five (5) members and no fewer than three (3) members, a majority of whom shall be non-executive, independent members of the Board. The complement of the CG Committee is five directors, four of whom are non-executive, independent directors.
Functions	• **Addresses corporate governance issues;** • **Reviews the corporate governance practices and policies of the Company and ensures that they are up to date and in compliance with the Board's Corporate Governance Policy, the law and best practices;** • **Oversees the development and implementation of a Board induction process for new directors and a programme of continuing director development, as needed;** • **Establishes and facilitates an effective process for the annual evaluation of Board members, committees, committee chairs and the Chairman of the Board and to make recommendations to the Board arising from the results of the annual evaluation processes as appropriate;** • **Reviews other corporate governance matters when necessary or required by the Board.**
2021 Highlights	In 2021 the CG Committee continued to steer the Group towards achieving best practices in governance standards. The Committee oversaw the implementation of an Investor Communication Policy and the renewal of the Social Media Policy, the Securities Trading Policy, the Whistle-blower Policy, the Corporate Social Responsibility Policy, the Code of Ethics and Business Conduct and the Dividend Policy. The Committee also renewed its Terms of Reference. The Committee considered various regulatory developments, specifically in Environmental and Social Governance, as well as the Data Protection Act and the Sexual Harassment Act, and will continue to work with management to ensure adherence to regulatory requirements in these areas. Finally, the Committee was instrumental in managing the action list emanating from the external board evaluation process conducted at the end of 2020 to ensure that all actions were fulfilled during the year.

Connecting Board and Management

We believe that our Group is better served by Directors who are familiar with our team and have the opportunity to understand our team members' perspectives on the business. We continue to seek ways to encourage and facilitate opportunities for our directors and our team to interact. Due to the pandemic, our Board and management had very limited opportunities to meet in person. We sought to provide a similar level of interaction through virtual platforms both during our annual Board Budget Retreat and through a virtual board training session.

Board Training and Development

JP's directors are expected to be knowledgeable and informed about the businesses of the Group, the industries in which they operate, and best practices in corporate governance. We are committed to investing in training for our directors and the directors of our subsidiary boards, on areas which impact our range of businesses and the diverse environments in which they operate. These areas are re-assessed on an annual basis as we believe in tailoring training to support our directors in respect of the specific issues affecting the Group.

During 2021, we facilitated a forum for the discussion of global supply challenges entitled "World Economic Prospects: Maritime Trade and Supply Chains in Transition" with a leading expert on the subject. Our Board and the leadership team of the Group's shipping business were in attendance and participated in a robust discussion on a critical issue affecting the industries in which our Group conducts business.

Board Performance Evaluation

The performance of our Board is evaluated annually as part of the continuous development of the Board's working methods and efficiency. The results of the 2021 evaluation process indicated satisfaction with most areas of the Board's performance and identified a few areas for consideration which will be addressed during 2022.

Stockholdings

STOCKHOLDINGS OF DIRECTORS AND OFFICERS

December 31, 2021

	Personal Stockholdings	Stockholdings in which Director/ Officer has a controlling interest	Total
Directors			
Mr. A. Buckland	1,602,400	-	1,602,400
Mrs. P. R. Francis	-	-	-
Mrs. S. M. Goffe	-	-	-
Mr. J. McG. Hall	29,185,754	-	29,185,754
Dr. the Hon. M. McG. Hall	-	111,178,507	111,178,507
Mr. C. H. Johnston	3,916,684	101,238,579	105,155,263
Mrs. D. E. Kelly	1,269,198		1,269,198
Mrs. K.A.J. Moss	15,249,428	22,361,040	37,610,468
Mr. D. H. Perkins	130,872	-	130,872
Mr. G. St.J. Stephenson	-	-	-
Prof. A.G. Wint	49,368	-	49,368
Officers			
Mr. D. Martin	542,738	-	542,738
Ms. S. M. Pearson	3,453	-	3,453
Ms. M. Walrond (Johnston)	-	-	-
Trustees			
Jamaica Producers Group Limited ESOP	72,447,330	-	72,447,330

LIST OF TOP TEN STOCKHOLDERS

December 31, 2021

	Units
McGowan Properties Limited	111,178,507
Sagicor Pooled Equity Fund	109,351,413
Lennox Portland Ltd. et al.	105,155,263
Shareholder Services Trust J.P.	86,410,360
Shareholder Services Trust J.B.P.A.	86,233,210
Trustees - Jamaica Producers Group Limited ESOP	72,447,330
National Insurance Fund	54,166,633
David and Kathleen Moss	37,610,468
Jeffrey McGowan Hall	29,185,754
JMMB Pension Fund	13,416,244

What We Value

Our People

We are global employers. Our team spans nine countries in seventeen locations and consists of more than 2,000 people. Our ability to deliver outstanding results for our stakeholders starts with our capable, committed team members in all our businesses. Our people are our most valued resource. We seek to always ensure that our team is treated fairly and with dignity, compassion, respect and consideration for their goals and aspirations.

LEADERSHIP DEVELOPMENT

2021 was a year of growth and transition for our team. Our global teams were focussed on piloting their businesses towards recovery from COVID-19 and taking advantage of the opportunities which arose during this period. In line with JP's commitment to people and talent development, we sought to position our business leaders for growth, and ensure alignment with JP's strategic goals, by enrolling them in a transformational leadership programme with Soul Career, a workforce development company based in Jamaica. This programme brought together a subset of the Group's leadership teams with participants from Jamaica, the United States, the Dominican Republic, the Cayman Islands and the United Kingdom over the course of six months to empower them with cutting edge leadership trends and practices.

#VACCINATEJP

Our team continued to manage the many challenges resulting from the COVID-19 pandemic as as they operated on the front line of the crisis during recurring lockdowns and other restrictions. A major priority for our businesses was protecting the health and well-being of our teams. Many of our businesses dedicated significant time and resources to hosting and participating in vaccination drives and projects to provide our teams and our local communities with lifesaving COVID-19 vaccines. These efforts were not only important steps in keeping our teams and their families safe and healthy, but also provided an important platform for the recovery of our businesses and the countries in which they are located. Our Group "Did It For Our Team" and we can proudly announce that these efforts resulted in an estimated JP staff vaccination rate of more than 85% globally.

OUR GROWING TEAM

We proudly welcomed new team members to our Group from the United Kingdom, Spain and the Dominican Republic. A major priority for the Group was to onboard the leadership teams of our new businesses and to familiarise them with our Group's governance and leadership values.

We owe our people a tremendous debt of gratitude for their resilience, dedication and commitment throughout 2021 and into 2022. Once again, we thank our team for delivering the strong 2021 results of our business under challenging conditions.

Thank you. Gracias. Dank Je. Diolch. Gràcies.

Our Community

The stakeholders to which JP owes the greatest duty, are our shareholders, our team, our partners, our customers, our suppliers, and their families. This is our community. Our commitment to our community is built on the principles of citizenship, fair play, integrity, transparency, accountability and sustainability.

RESPONSIBLE CITIZENSHIP

JP is Jamaican owned, however, since our inception, we have been willing to do business in any part of the world in which we are able to operate in line with our principles. Today, we are a multinational group and we see ourselves as citizens of Jamaica and, also, citizens of the many countries in which we operate.

For JP, corporate citizenship means that we feel entitled to our fair share of the common good, but we also feel duty bound to share our unique capabilities and our special resources with others.

OUR CORPORATE SOCIAL RESPONSIBILITY POLICY

In accordance with JP's Corporate Social Responsibility Policy ("CSR"), we give in line with an annual plan that identifies the resources that we are able to share with our community and that brings transparency, discipline and inclusiveness to the process of setting our priorities for action. We prioritise causes that involve children, health and wellness, the environment and education because we believe that these causes are most fundamental to the sustainability of our community.

ST. MARY EDUCATION TRUST

#UnlockingPotential

In keeping with our CSR Policy, we remain committed to providing educational opportunities for Jamaican students, and particularly those in St. Mary. Our registered charity, the St. Mary Education Trust ("SMET"), that administers the Sydney A. Phillips Scholarships and the Ernest Johnston Memorial Bursary, had a strong inaugural year culminating in eight scholarships:- four new Sydney A. Phillips scholars, one new Ernest Johnston Memorial Bursary recipient, and three continuing Sydney A. Phillips scholars. Through SMET, we believe that we can make a meaningful contribution to providing educational opportunities, mainly in a parish which has contributed so much to our Group and to our shareholders. We look forward to using this platform to expand the number and value of scholarships available to students in the coming years.

Ethics and Integrity

At JP, we are simply good people with whom to do business. Since our inception, almost a century ago, we have been committed to operating in accordance with straightforward principles of fair dealing. We conduct business in an open, honest and ethical manner. We engage our stakeholders, partners, customers, suppliers and team members with a sense of integrity that is demonstrable, deeply rooted and consistent, and we demand no less from them.

The principles of ethics and accountability by which we abide are embodied in our Code of Business Ethics and Business Conduct (the "Code"). We obligate all our team members in every business in our Group to strictly adhere to this Code in their business dealings and in maintaining a work environment which reflects JP's reputation for integrity, ethical conduct and trust. The Code is available for viewing on our website.

As producers and service providers, we are committed to maintaining the highest standards of quality for our products and services. At JP we do not sell products or provide services which we would not want ourselves or our families to consume. We believe what we say about our products and services, and we stand by the claims and promises that we make about our business.

The Environment

JP believes in environmentally sustainable business practices. Our businesses interact directly and intensively with our natural environment, and so, we are committed to using the natural resources upon which we depend, sparingly and sustainably. In our businesses we deploy technology, processes and attention to detail to minimise waste. We also believe in measuring our impact on the environment and consistently assessing ways in which we can lessen any adverse impact our businesses may have on the long-term availability of our natural resources. We require all the businesses in our Group to implement and adhere to environmental policies which are applicable to the industries in which they operate, and in compliance with the relevant law.

Corporate Data

DIRECTORS

Mr. Charles H. Johnston, CD, BSc (Econ.), DSc (Hon.) CHAIRMAN
Mr. Jeffrey McG. Hall, BA, MPP, JD GROUP MANAGING DIRECTOR
Mr. Alan Buckland, BA, FCA
Mrs. Patricia R. Francis, CD, BSc
Mrs. Sanya M. Goffe, LLB (Hons.), LEC
Dr. the Hon. Marshall McG. Hall, OJ, CD, PhD
Mrs. Dahlia E. Kelly, BSc
Mrs. Kathleen A. J. Moss, BSc, MBA, CBV
Mr. Donovan H. Perkins, BA (Hons.), MBA
Mr. Grantley St. J. Stephenson, CD, JP, FJIM, MBA, DSc (Hon.)
Prof. Alvin G. Wint, CD, BSc, MBA, DBA

COMPANY SECRETARY

Ms. Simone M. Pearson, LL.B., LL.M., Attorney-at-Law

REGISTERED OFFICE

4 Fourth Avenue
Newport West,
Kingston 13, Jamaica, W.I.
Tel: (876) 926-3503
Email: headoffice@jpjamaica.com
Website: www.jpjamaica.com

REGISTRAR & TRANSFER AGENT

KPMG Regulatory & Compliance Services
6 Duke Street
Kingston, Jamaica, W.I.

AUDITORS

KPMG – Chartered Accountants
6 Duke Street
Kingston, Jamaica, W.I.

BANKERS

The Bank of Nova Scotia Jamaica Limited
Corner Duke & Port Royal Streets
Kingston, Jamaica, W.I.

National Commercial Bank Jamaica Limited
The Atrium
32 Trafalgar Road
Kingston 10, Jamaica, W.I.

Citibank, N.A.
19 Hillcrest Avenue
Kingston 6, Jamaica, W.I.

MAIN OPERATING ENTITIES

A.L. Hoogesteger Fresh Specialist B.V.
Domineeslaan 93
1161 BW Zwanenburg
The Netherlands
Tel: (31) 20-4073000

Kingston Wharves Limited
195 Second Street
Newport West
Kingston 13, Jamaica, W.I.
Tel: (876) 923-9211

JP Shipping Services Limited
Main ABP Building, South Entrance
Alexandra Dock
Newport NP20 2NP
United Kingdom
Tel: (44) 1633-842062

JP Tropical Foods Limited
14 Retirement Road
Kingston 5, Jamaica, W.I.
Tel: (876) 926-3503

Tortuga International Holdings Limited
1st Floor, Bourbon House, Bourbon Street
P.O. Box 1695
Castries, St. Lucia
Tel: (345) 943-7663

- **Cayman office**
  Tel: (345) 943-7663

- **Jamaica office**
  Tel: (876) 926-3503

- **Miami office**
  Tel: (305) 378-6668

Antillean Foods, Inc.
Carretera Mao-Guayubin, Km. 23
Cana Chapeton, Montecristi
Dominican Republic
Tel: (809) 247-2248

JOINT VENTURE & ASSOCIATED COMPANIES

Tortuga Cayman Limited
P.O. Box 10395
Grand Cayman KY1-1004
Cayman Islands, B.W.I.
Tel: (345) 943-7663

Geest Line Limited
Eaglepoint
Little Park Farm Road
Fareham
Hants P015 5TD
United Kingdom
Tel: (44) 1489-873531

CoBeverage Lab S.L.
Poligono Industrial de la Zona Franca
Calle 28 Num 62
08040 Barcelona
Spain
Tel: (34) 93-1751503

2 Associated company until Q3 2020

Grupo Alaska S.A.
Autopista San Isidro Km 7 ½
Urb. Franconia
Santo Domingo Este
Dominican Republic
Tel: (809) 596-1420

CORPORATE GOVERNANCE

The Corporate Governance Policy and related policies are available on our website at:
www.jpjamaica.com/investor-information

INVESTOR RELATIONS

For investor relations please contact:
Simone M. Pearson, Corporate Secretary or
Lisa McG. Johnston, Corporate Affairs Manager
www.jpjamaica.com/contact-us or
headoffice@jpjamaica.com

ATTORNEYS-AT-LAW

Harrison & Harrison
Suite 1, 16 Hope Road
Kingston 10, Jamaica, W.I.

Hart Muirhead Fatta
53 Knutsford Boulevard
Kingston 5, Jamaica, W.I.

Livingston Alexander & Levy
72 Harbour Street
Kingston, Jamaica, W.I.

Reid-Burrell & Company
Suite #2, 29 Lady Musgrave Road
Kingston 5, Jamaica, W.I.

JAMAICA PRODUCERS GROUP LIMITED

Audited **Group** Financial Statements

Year ended December 31, 2021

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FINANCIAL STATEMENTS

KPMG
P.O. Box 436
6 Duke Street
Kingston
Jamaica, W.I.
+1 (876) 922 6640
firmmail@kpmg.com.jm

INDEPENDENT AUDITORS' REPORT

To the Unit Holders of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Jamaica Producers Group Limited ("the company") and its subsidiaries (collectively, "the group"), set out on pages 60 to 117, which comprise the group balance sheet as at December 31, 2021, the group statements of profit or loss, 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 consolidated financial statements give a true and fair view of the financial position of the group as at December 31, 2021, and of its financial performance and its 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 ("the 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
JAMAICA PRODUCERS GROUP LIMITED

Report on the Audit of the Consolidated 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 consolidated 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 *Impairment of goodwill and intangible assets*

The key audit matter	*How the matter was addressed in our audit*
The carrying value of the group's goodwill and intangible assets may not be recoverable due to changes in the business and economic environment in which specific subsidiaries operate. These factors create inherent uncertainty in forecasting and require significant judgement in estimating and discounting future cash flows that support the assessment of recoverability. *See notes 3(k) and 13 of the consolidated financial statements.*	Our audit procedures included the following: • Testing the reasonableness of the group's forecasts and discounted cash flow calculations. • Using our own valuation specialists to evaluate the assumptions and methodologies used by management. • Comparing the group's assumptions to externally derived data as well as our own assessments of key inputs, such as projected economic growth, competition, cost inflation and discount rates, as well as performing sensitivity analysis on the assumptions. • Assessing the adequacy of the group's disclosures about the assumptions and the sensitivity of the impairment assessments to changes in key assumptions.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Audit of the Consolidated Financial Statements (continued)

2 Measurement of pension and other post-retirement benefits

The key audit matter	*How the matter was addressed in our audit*
A subsidiary operates a defined benefit retirement scheme and provides other unfunded retirement benefits. Significant estimates are made in valuing the group's employee benefit asset and obligations. Given the value of the assets and liabilities, small changes in the assumptions can have a material financial impact on the group. The key assumptions involved in calculating employee benefit asset and obligations are discount rates, inflation, and future increases in salaries and pensions. Management appointed an external actuarial expert to assist in measuring the employee benefit asset and obligations at the reporting date. The use of significant assumptions increases the risk that management's estimate can be materially misstated. *[see notes 3(q) and 17 to the financial statements]*	In performing our audit, we ensured that the following procedures were performed: • Evaluating the independence and objectivity of the appointed actuarial expert. • Determining that the actuarial valuation was performed in accordance with the requirements of IAS 19 *Employee Benefit*s. • Using our own actuarial specialist to evaluate the assumptions and methodologies used by management's expert. • Testing employee data provided by management to the actuarial expert. • Assessing key assumptions used by the actuary, including inflation and discount rates, by comparing them to information from independent sources. • Confirming a selection of the plan assets with the custodians of the assets and recomputing their fair values by reference to independent prices and yield curves. • Assessing whether disclosures in the financial statements are appropriate in respect of the group's employee benefit arrangements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Audit of the Consolidated Financial Statements (continued)

3 *Accounting for investments in associate and joint ventures during the year*

The key audit matter	*How the matter was addressed in our audit*
The group acquired shareholdings in three equity-accounted investees during the year, as detailed in note 10 of the financial statements. The classification and measurement of these investments involves significant judgement, having regard to the group's ability to control or significantly influence the relevant activities (being the significant operating and financing decisions) of the investee entities through Board representation, shareholder agreements, commercial relationships and other relevant factors. The group is also required to determine the fair value of the net assets acquired and the goodwill arising on each acquisition, in accordance with IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities.* The determination of fair values involves judgment in the application of fair value analysis, including projected cash flows, and discount rates reflecting the business risks and capital structure. These measurements, being subject to significant judgement, are therefore, subject to higher risk of error. *See notes 3(a) and 10 of the financial statements.*	In performing our audit in respect of this matter, we did the following: • Examined the terms of the purchase and shareholder's agreements for each investment to determine that the rights acquired over each investee were appropriately assessed by management as conferring joint control or significant influence. • Involved our own valuation specialists in challenging the valuation methodologies and assumptions used by management's valuation experts to identify and measure the net assets, including intangible assets. • Tested the mathematical accuracy of the calculations including cash flow projections performed by management and management's expert which formed the basis of accounting measurement for the transactions. • Evaluated the adequacy of disclosures in respect of the acquisitions and the assumptions involved in the measurement of net assets acquired in the transactions, as well as uncertainties involved in the estimates made at the reporting date.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Other Information

Management is responsible for the other information. The other information comprises the information in the company's annual report for the year ended December 31, 2021, but does not include the financial statements and our auditor's 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 do 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.

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 company or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Audit of the Consolidated Financial Statements (continued)

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 58 to 59, forms part of our auditors' report.

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 Nigel Chambers.

KPMG

Chartered Accountants
Kingston, Jamaica

March 1, 2022

KPMG

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PRODUCERS GROUP 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 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.

To the Members of
JAMAICA PRODUCERS GROUP 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, related safeguards.

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 matters 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.

Group Balance Sheet

December 31, 2021

	Notes	2021 $'000	2020 $'000
CURRENT ASSETS			
Cash and cash equivalents		1,282,048	1,127,084
Short-term investments	4	416,110	1,091,990
Securities purchased under resale agreements	5	10,319,916	7,645,526
Accounts receivable	6	3,147,428	2,894,684
Taxation recoverable		63,701	38,133
Inventories	7	1,173,633	979,484
Total current assets		16,402,836	13,776,901
CURRENT LIABILITIES			
Accounts payable	8	4,547,419	3,919,950
Taxation		283,775	135,508
Loans and borrowings	20	833,250	712,762
Lease liabilities	21(i)(b)	158,957	184,088
Total current liabilities		5,823,401	4,952,308
WORKING CAPITAL		10,579,435	8,824,593
NON-CURRENT ASSETS			
Biological assets	9	101,779	55,880
Interest in associates and joint ventures	10(a)	969,891	-
Investments	12	511,058	591,325
Intangible assets	13	1,425,692	1,466,364
Deferred tax asset	14	9,056	14,011
Property, plant and equipment	15	22,809,785	22,306,664
Investment property	16	552,783	560,701
Employee benefit asset	17(a)	1,698,874	1,549,850
Right of use of assets	21(i)(a)	582,413	636,304
Total non-current assets		28,661,331	27,181,099
Total assets less current liabilities		39,240,766	36,005,692
EQUITY			
Share capital	18	112,214	112,214
Reserves	19	17,841,243	16,019,886
Attributable to equity holders of the parent		17,953,457	16,132,100
NON-CONTROLLING INTEREST	11	16,219,005	14,799,759
Total equity		34,172,462	30,931,859
NON-CURRENT LIABILITIES			
Deferred tax liability	14	1,293,498	1,313,920
Loans and borrowings	20	2,941,367	2,898,428
Employee benefit obligations	17(b)	396,749	384,517
Lease liabilities	21(i)(b)	436,690	476,968
		5,068,304	5,073,833
Total equity and non-current liabilities		39,240,766	36,005,692

The financial statements on pages 60 to 117 were approved for issue by the Board of Directors on March 1, 2022 and signed on its behalf by :

C.H. Johnston   J.Hall

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

Group Profit and Loss Account

Year December 31, 2021

	Notes	2021 $'000	2020 $'000
Gross operating revenue	22	25,020,595	20,998,982
Cost of operating revenue		(17,962,918)	(15,488,280)
Gross profit		7,057,677	5,510,702
Other income and expenses, net		872,301	382,821
Selling, administration and other operating expenses	23	(3,453,300)	(3,260,093)
Profit from operations		4,476,678	2,633,430
Gain on disposal of interest in associate		-	1,871,349
Share of profits in associates and joint ventures		256,309	4,084
Profit before finance cost and taxation		4,732,987	4,508,863
Finance cost	24	(257,371)	(293,400)
Profit before taxation		4,475,616	4,215,463
Taxation charge	25	(655,964)	(478,050)
Profit for the year		3,819,652	3,737,413
Attributable to:			
Parent company stockholders		1,844,791	2,167,593
Non-controlling interest	11	1,974,861	1,569,820
		3,819,652	3,737,413
Dealt with in the financial statements of:			
The company		8,170	471,955
Subsidiary companies		1,561,236	1,700,806
Associated companies and joint ventures	10(b)	275,385	(5,168)
		1,844,791	2,167,593
Profit per ordinary stock unit:	26		
Based on stock units in issue (cents)		164.40¢	193.17¢
Excluding stock units held by ESOP (cents)		176.12¢	207.11¢

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

Group Statement of Profit or Loss and Other Comprehensive Income

Year ended December 31, 2021

	Notes	2021 $'000	2020 $'000
Profit for the year		3,819,652	3,737,413
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit asset and obligations	17	114,921	(616,284)
Deferred tax effect on remeasurement of defined benefit asset and obligations	14	(14,365)	77,036
Change of fair value through other comprehensive income (FVOCI) investments		(88,554)	(65,506)
Share of other comprehensive income of associates and joint ventures		127,288	-
Items that may be reclassified to profit or loss:			
Exchange gains on translation of foreign operations		77,425	671,868
		216,715	67,114
Total comprehensive income for the year		4,036,367	3,804,527
Attributable to:			
Parent company stockholders		2,023,517	2,543,751
Non-controlling interest		2,012,850	1,260,776
		4,036,367	3,804,527

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

Group Statement of Changes in Equity

Year ended December 31, 2021

	Share capital $'000 (note 18)	Share premium $'000 (note 19)	Capital reserves $'000 (note 19)	Fair value reserve $'000 (note 19)	Reserve for own shares $'000 (note 19)	Retained profits $'000 (note 19)	Parent company stockholders' equity $'000	Non – controlling interest $'000	Total equity $'000
Balances at December 31, 2019	112,214	135,087	2,006,972	6,970	(66,392)	11,641,603	13,836,454	13,760,645	27,597,099
Total comprehensive income for 2020:									
Profit for the year	-	-	-	-	-	2,167,593	2,167,593	1,569,820	3,737,413
Other comprehensive (loss)/income									
Remeasurement of defined benefit asset and obligations	-	-	-	-	-	(258,839)	(258,839)	(357,445)	(616,284)
Deferred tax effect on remeasurement of defined benefit asset and obligations	-	-	-	-	-	32,355	32,355	44,681	77,036
Change of fair value through other comprehensive income (FVOCI) investments	-	-	-	(32,146)	-	-	(32,146)	(33,360)	(65,506)
Exchange gains arising on translation of foreign operations	-	-	634,788	-	-	-	634,788	37,080	671,868
Total other comprehensive income/(loss)	-	-	634,788	(32,146)	-	(226,484)	376,158	(309,044)	67,114
Total comprehensive income for the year	-	-	634,788	(32,146)	-	1,941,109	2,543,751	1,260,776	3,804,527
Other reserve movements									
Reclassification of capital gains to capital reserves (note 19)	-	-	2,233,168	-	-	(2,233,168)	-	-	-
Other transfer to capital reserves	-	-	12,742	-	-	(12,742)	-	-	-
	-	-	2,245,910	-	-	(2,245,910)	-	-	-
Transactions with owners of the company									
Own shares sold by ESOP	-	-	-	-	16,116	-	16,116	-	16,116
Acquisition of shares in subsidiary from non-controlling interest (note 1)	-	-	-	-	-	(61,690)	(61,690)	226,277	164,587
Distributions to non-controlling interests	-	-	-	-	-	-	-	(447,939)	(447,939)
Distributions to stockholders (note 27)	-	-	(209,373)	-	-	-	(209,373)	-	(209,373)
Unclaimed distributions to stockholders (note 27)	-	-	6,842	-	-	-	6,842	-	6,842
	-	-	(202,531)	-	16,116	(61,690)	(248,105)	(221,662)	(469,767)
Balances at December 31, 2020	112,214	135,087	4,685,139	(25,176)	(50,276)	11,275,112	16,132,100	14,799,759	30,931,859
Retained in the financial statements of:									
The company	112,214	135,087	1,816,728	(1,018)	-	1,999,292	4,062,303		
Subsidiary companies	-	-	2,868,411	(24,158)	(50,276)	9,280,697	12,074,674		
Associate companies	-	-	-	-	-	(4,877)	(4,877)		
Balances at December 31, 2020	112,214	135,087	4,685,139	(25,176)	(50,276)	11,275,112	16,132,100		

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

Group Statement of Changes in Equity (Continued)

Year ended December 31, 2021

	Share capital $'000 (note 18)	Share premium $'000 (note 19)	Capital reserves $'000 (note 19)	Fair value reserve $'000 (note 19)	Reserve for own shares $'000 (note 19)	Retained profits $'000 (note 19)	Parent company stockholders' equity $'000	Non – controlling interest $'000	Total equity $'000
Balances at December 31, 2020	112,214	135,087	4,685,139	(25,176)	(50,276)	11,275,112	16,132,100	14,799,759	30,931,859
Total comprehensive income for 2021:									
Profit for the year	-	-	-	-	-	1,844,791	1,844,791	1,974,861	3,819,652
Other comprehensive income/(loss)									
Remeasurement of defined benefit asset and obligations	-	-	-	-	-	48,266	48,266	66,655	114,921
Deferred tax effect on remeasurement of defined benefit assets and obligations`	-	-	-	-	-	(6,032)	(6,032)	(8,333)	(14,365)
Share of other comprehensive income of associate and joint ventures	-	-	-	-	-	127,288	127,288	-	127,288
Change of fair value through other comprehensive income (FVOCI) investments	-	-	-	(37,807)	-	-	(37,807)	(50,747)	(88,554)
Exchange gains arising on translation of foreign operations	-	-	47,011	-	-	-	47,011	30,414	77,425
Total other comprehensive income/(loss)	-	-	47,011	(37,807)	-	169,522	178,726	37,989	216,715
Total comprehensive income for the year	-	-	47,011	(37,807)	-	2,014,313	2,023,517	2,012,850	4,036,367
Other reserve movements									
Other transfer to capital reserves	-	-	12,842	-	-	(12,842)	-	-	-
Transactions with owners of the company									
Own shares sold by ESOP	-	-	-	-	50,212	-	50,212	-	50,212
Net movement in subsidiary ESOP	-	-	-	-	-	-	-	(73,516)	(73,516)
Distributions to non-controlling interests	-	-	-	-	-	-	-	(497,724)	(497,724)
Distributions to stockholders (note 27)			(262,424)	-	-	-	(262,424)	-	(262,424)
Acquisition of shares in subsidiary from NCI	-	-	-	-	-	-	-	(22,364)	(22,364)
Unclaimed distributions to stockholders (note 27)	-	-	10,052	-	-	-	10,052	-	10,052
	-	-	(239,530)	-	50,212	(12,842)	(202,160)	(593,604)	(795,764)
Balances at December 31, 2021	112,214	135,087	4,492,620	(62,983)	(64)	13,276,583	17,953,457	16,219,005	34,172,462
Retained in the financial statements of:									
The company	112,214	135,087	1,546,244	(2,077)	-	2,007,462	3,798,930		
Subsidiary companies	-	-	2,946,376	(60,906)	(64)	10,865,898	13,751,304		
Associate companies and joint ventures	-	-	-	-	-	403,223	403,223		
Balances at December 31, 2021	112,214	135,087	4,492,620	(62,983)	(64)	13,276,583	17,953,457		

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

Group Statement of Cash Flows

Year ended December 31, 2021

	Notes	2021 $'000	2020 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		3,819,652	3,737,413
Adjustments for:			
Depreciation – property, plant and equipment and investment property	15,16	1,184,057	1,124,368
Amortisation – right of use assets	21[i(a)]	169,549	165,455
Amortisation and impairment – intangible assets	13	94,928	211,115
Amortisation – biological assets	9	21,728	44,834
Exchange movement in working capital		8,874	44,737
Current taxation charge	25(a)	684,593	504,282
Deferred tax, net	25(a)	(28,629)	(26,232)
Employee benefits, net		(21,871)	(79,881)
Profit on disposal of property, plant and equipment and investments		(2,324)	(12,102)
Share of profit in associate companies and joint ventures		(256,309)	(4,084)
Impairment charge on long term loan receivable		-	53,931
Gain on disposal of investment on associate		-	(1,871,349)
Amortisation of bond issue costs	20	744	12,274
Interest earned	24	(336,054)	(245,998)
Interest expense	24	257,371	293,400
		5,596,309	3,952,163
(Increase)/decrease in current assets:			
Accounts receivable		(252,029)	123,913
Taxation recoverable		(25,568)	(14,437)
Inventories		(194,149)	(559)
Increase/(decrease) in current liabilities:			
Accounts payable		472,597	(33,279)
Tax paid		(555,402)	(561,528)
Net cash provided by operating activities		5,041,758	3,466,273
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to biological assets	9	(67,627)	(32,396)
Short-term investments		675,880	(852,750)
Interest received		335,339	176,631
Securities purchased under resale agreements		(2,674,390)	(2,264,959)
Additions to property, plant and equipment	15	(1,685,960)	(1,096,152)
Additions to intangible assets	13	(4,212)	(61,846)
Proceeds from disposal of investment in associate		-	1,900,000
Acquisition of subsidiary, net of cash		(22,364)	-
Proceeds from disposal of investments and property, plant and equipment		2,324	24,051
Own shares or subsidiary shares sold by ESOP		(23,304)	16,116
Acquisition of associate company and joint ventures		(296,216)	-
Movement in interests in associate companies and joint ventures, net		(254,221)	115,455
Net cash used by investing activities		(4,014,751)	(2,075,850)

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

Group Statement of Cash Flows (Continued)

Year December 31, 2021

	Note	2021 $'000	2020 $'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans and borrowings, net		131,325	(804,490)
Interest paid		(180,435)	(243,428)
Distributions to non-controlling interests		(472,839)	(423,046)
Distributions to stockholders, net		(199,321)	(150,009)
Payment of lease liabilities	21	(182,018)	(150,786)
Net cash used by financing activities		(903,288)	(1,771,759)
Net increase/(decrease) in cash and cash equivalents		123,719	(381,336)
Cash and cash equivalents at beginning of the year		1,127,084	1,407,847
Exchange gains on foreign currency cash and cash equivalents		31,245	100,573
Cash and cash equivalents at end of the year		1,282,048	1,127,084

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

Notes to the Financial Statements

1. The company

Jamaica Producers Group Limited ("the company") is incorporated and domiciled in Jamaica. The company's registered office is located at 4 Fourth Avenue, Newport West, Kingston 13, Jamaica.

The main activities of the company, its subsidiaries (collectively, "group"), joint ventures and associates (note 32) are port terminal operations; shipping and logistics; the cultivation, marketing and distribution of fresh produce; food and drink manufacturing; land management and the holding of investments.

On April 9, 2021 the group acquired a 50% shareholding in Geest Line Limited ("Geest"). Geest, based in the UK, operates a shipping line connecting Europe and the Caribbean (note 10).

On September 1, 2021 the group acquired a 50% shareholding in CoBeverage Lab S.L. ("CBL"). CBL is a producer of fruit and vegetable juices based in Barcelona, Spain (note 10).

On October 16, 2021, the company completed an investment in Grupo Frontera Limited ("GFL"), a joint venture holding company. The investment was made by subscription of shares and through a long term loan. The company owns 50% of the issued shares of GFL. On the same date, a subsidiary of GFL, Grupo Alaska S.A., acquired the assets of an ice and bottled water producer and distributor in the Dominican Republic (note 10).

During the prior year, on August 13, 2020, the group concluded an agreement to sell part of its interest in SAJE Logistics Infrastructure Limited ("SAJE"), representing 22.1% of the issued share capital of SAJE, for consideration of $1.90 billion, resulting in a gain of $1.87 billion before transaction costs. The group retains an investment representing 9.5% of the issued share capital of SAJE through Kingston Wharves Limited, and accounts for this remaining investment on the basis of fair value through other comprehensive income ("FVOCI").

Also during the prior year, as part of a programme of corporate simplification and administrative cost saving, the group acquired the equity and debt interests owned by a Non-Controlling Interest ("NCI") in a non-trading subsidiary of the group, Four Rivers Mining Company Limited ("FRM"). FRM closed its operations in 2016 and has been winding down its operations since then. The group acquired the 49% equity holdings of the NCI and the rights to amounts due by FRM to the NCI of $164,588,000 for consideration of $2. The transaction resulted in the elimination of NCI and intercompany amounts on the Balance Sheet that had a net effect of $61,690,000 recognised directly in equity.

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.

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 its financial statements but their adoption did not result in any changes to amounts recognised or disclosed in these financial statements.

At the date of authorisation of the financial statements, certain new and amended standards have been issued which are not yet effective and which the group has not early adopted. The group has assessed the relevance of all such new standards and amendments with respect to its operations and has determined that the following may be relevant:

Notes to the Financial Statements (Continued)

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

(a) Statement of compliance (continued)

Standards issued but not yet effective

- Amendments to IAS 37 *Provision*, C*ontingent 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 a 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 larger 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.

  The group is assessing the impact that the amendment will have on its 2022 financial statements.

- Annual Improvements to IFRS Standards 2018-2020 cycle contain amendments to IFRS 1 *First*-time Adoption *of International Financial Reporting Standards*, IFRS *9 Financial Instruments,* IFRS 16 *Leases*, IAS 41 *Agriculture*, and are effective for annual periods beginning on or after January 1, 2022.

  (i) IFRS 9 *Financial Instruments* amendment clarifies that – for the purpose of performing the "10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

  (ii) IFRS 16 *Leases* amendment removes the illustration of payments from the lessor relating to leasehold improvements.

  The group is assessing the impact that the amendment will have on its 2022 financial statements.

- Amendments to IAS 1 *Presentation of Financial Statements*, will apply retrospectively for annual reporting periods beginning on or after January 1, 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, entities 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 reporting date. Instead of the requirement for a right of deferral to be "unconditional", the standard requires that a right to defer settlement must have "substance" and exist at the end of the reporting date. An entity classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting date. It has also been clarified that a right to defer exists only if the entity is in compliance with conditions specified in the loan agreement at the reporting date, even if the lender does not test compliance until a later date.

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

(a) Statement of compliance (continued)

- Amendments to IAS 1 *Presentation of Financial Statements* (continued)

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

- Amendments to IAS 1 *Presentation of Financial Statements* are effective for annual periods beginning on or after January 1, 2023 and may be applied earlier. The amendments help entities provide useful accounting policy disclosures.

  The key amendments to IAS 1 include:

  - requiring entities to disclose their *material* accounting policies rather than their *significant* accounting policies;
  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

  The amendments are consistent with the refined definition of material:

  "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

  The group is assessing the impact that the amendment will have on its 2023 financial statements.

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* are effective for periods beginning on or after January 1, 2023, with early adoption permitted. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

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

(a) Statement of compliance (continued)

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (continued)

  The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

  Developing an accounting estimate includes both:

  - selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 *Financial Instruments*; and

  - choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

  The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies is unchanged.

  The group is assessing the impact that the amendment will have on its 2023 financial statements.

- Amendments to IAS 12 *Income Taxes* are effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted. The amendments clarify how entities should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions.

  The amendments narrow the scope of the initial recognition exemption ("IRE") so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

  For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If an entity previously accounted for deferred tax on leases and decommissioning liabilities under the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability.

  For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

  The group is assessing the impact that the amendment will have on its 2023 financial statements.

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

(b) Basis of preparation

The financial statements are prepared on the historical cost basis, except for certain investments measured at fair value through other comprehensive income ("FVOCI"). The financial statements are presented in Jamaican dollars ("J$"), which is the functional currency of the company.

(c) Use of estimates and judgment

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of, and disclosures relating to assets, 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 period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

(i) Impairment of goodwill and other intangible assets

Impairment of goodwill and other intangibles is dependent upon management's internal assessment of future cash flows from the intangibles and cash-generating units that gave rise to the goodwill. That internal assessment determines the amount recoverable from future use of cash generating units in respect of goodwill. The estimate of the amount recoverable from future use of those cash generating units is sensitive to the discount rates used (note 13).

(ii) Measurement of pension and other post-retirement benefits

The amounts recognised in the financial statements for pension and other post-retirement benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include the discount rate used to determine the present value of estimated future cash flows required to settle the pension and other post-retirement obligations, and the expected rate of increase in medical costs for post-retirement medical benefits. The discount rate is determined based on the estimate of yield on long-term Government securities that have maturity dates approximating the terms of the group's obligation. The estimated rate of increase in medical costs is determined based on inflationary factors. Any changes in these assumptions will impact the amounts recorded in the financial statements for these obligations.

3. Significant accounting policies

The group has consistently applied the accounting policies as set out hereafter to all periods presented in these financial statements.

(a) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method from the date on which control is transferred to the group. Control is the power to govern the relevant financial and operating policies of an entity so as to obtain benefits from its activities.

The group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquired entity; plus
- if the business combination is achieved in stages, the fair value of the pre-existing interest in the acquired entity; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss. Any contingent consideration payable is measured at fair value at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities that the group incurs in connection with a business combination, are expensed as incurred.

(ii) Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets from the acquisition date.

Changes in the group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the change in the carrying value of non-controlling interest and the fair value of consideration paid or received is recognised directly in equity.

(iii) Subsidiaries

Subsidiaries are those entities controlled by the group. The group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The consolidated financial statements include the financial statements of all subsidiaries, including an Employee Share Ownership Plan ("ESOP") classified as a structured entity (note 19), made up to December 31, 2021.

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iv) Loss of control

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

(v) Joint venture arrangements

A joint venture is a contractual arrangement in which the group has joint control and whereby the group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Joint ventures are recognised initially at cost, including transaction costs. Subsequent to initial recognition, the consolidated financial statements include the group's share of the profit or loss and other comprehensive income of joint ventures using the equity method, until the date on which joint control ceases. If the group's share of losses exceeds its interest in a joint venture the group's carrying amount is reduced to nil and recognition of further losses is discontinued, except to the extent that the group has incurred legal or constructive obligations or made payments on behalf of a joint venture. If the joint venture subsequently reports gains, the group resumes recognising its share of those gains only after its share of gains equals the share of losses not recognised.

(vi) Associates

Associates are those entities over which the group has significant influence, but not control or joint control over the financial and operating decisions, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method and are initially recognised at cost, including transaction costs.

The group's investment is carried at its share of the fair value of net identifiable assets of the associate net of any impairment loss identified on acquisition.

The group's share of associates' post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition movements in reserves is recognised in other comprehensive income to the extent that the profits, losses or movements are consistent with the group's significant accounting policies.

Should the group's share of losses in an associate equal or exceed its interest in the associate, including any other unsecured receivables, the group ceases to recognise further losses unless it incurs obligations or makes payments on behalf of the associate.

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(vii) 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 associates and joint ventures are eliminated to the extent of the group's interest in the associate or joint venture. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the asset transferred.

(b) Foreign currencies

The group's foreign currency assets and liabilities are translated at the buying rates of exchange ruling at the reporting date [note 31(b)(ii)]. Items in the foreign subsidiaries' profit and loss accounts are translated at rates of £1 to J$205.31 (2020: J$178.22), US$1 to J$149.97 (2020: J$141.77), €1 to J$174.07 (2020: J$156.59), being the weighted average rates of exchange for the year. Other transactions in foreign currencies are converted at the rates of exchange at the dates of those transactions.

Gains and losses arising from translating profit or loss items are included in profit or loss. Unrealised portions of such gains are ultimately transferred to capital reserve. Exchange differences arising on other changes to stockholders' interests are reflected in other capital reserves [note 19(ii)].

(c) Financial instruments – Classification, recognition and de-recognition, and measurement

Financial instruments carried on the balance sheet include cash and cash equivalents, accounts receivable, short-term investments, securities purchased under resale agreement, investments, accounts payable and loans and borrowing and lease liabilities.

Financial assets

Initial recognition and measurement

Financial assets that are not designated as at fair value through profit or loss and: a) are held within a business model whose objective is to hold assets to collect contractual cash flows, and b) have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified as "Held to collect" and measured at amortised cost.

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

- Cash and cash equivalents;
- Accounts receivable;
- Short-term investments; and
- Securities purchased under resale agreements.

3. Significant accounting policies (continued)

(c) Financial instruments – Classification, recognition and de-recognition, and measurement (continued)

Equity instruments

On initial recognition the group elects to irrevocably designate an equity investment at fair value through other comprehensive income ("FVOCI"). Subsequent changes in the investment at fair value are recorded in OCI.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described in their respective accounting policy notes.

Impairment of financial assets

For trade receivables, the group applies the simplified approach to providing for expected credit losses ("ECLs"), which allows the use of a lifetime expected credit loss provision. The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward-looking information.

The group recognises a loss allowance for expected credit losses on other financial assets that are measured at amortised cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Macroeconomic Factors, Forward Looking Information and Multiple Scenarios

The group applies an unbiased and probability weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions. Macroeconomic factors and forward-looking information are incorporated into the measurement of ECL as well as the determination of whether there has been a significant increase in credit risk since origination. Measurement of ECLs at each reporting date reflects reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. The group uses three scenarios that are probability weighted to determine ECL.

Derecognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired, or the group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement, and either (a) the group has transferred substantially all the risks and rewards of the asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to the Financial Statements (Continued)

3. Significant accounting policies (continued)

(c) Financial instruments – Classification, recognition and de-recognition, and measurement (continued)

Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described in their respective policy notes.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

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, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the group balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

(d) Cash and cash equivalents

Cash comprises cash in hand, on demand and on call deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in fair value and are held for the purpose of meeting short-term cash commitments, rather than for investment or other purposes.

(e) Short-term investments

Short-term investments comprise fixed deposits with banks, money market securities and loans and receivables maturing within one year. They are acquired for their earnings potential and for balancing the group's risks on its investment portfolio. Their nature, liquidity and risk are similar to those of cash and cash equivalents.

3. Significant accounting policies (continued)

(f) Securities purchased under resale agreements

Securities purchased under resale agreements ("reverse repos") are short-term transactions in which the purchaser makes funds available to other parties and in turn receives securities which it agrees to resell on a specified date at a specified price. Reverse repos are accounted for as short-term collateralised lending. The difference between the sale and repurchase consideration is recognised on the effective interest basis over the period of the repurchase agreement and is included in interest income.

(g) Accounts receivable

Trade and other receivables are recognised initially at the fair value of the amounts due from the customers and subsequently measured at amortised cost, less allowance for impairment.

(h) Inventories

Inventories are measured at the lower of cost, determined principally on the first-in first-out basis, and net realisable value. Net realisable value is the estimated selling price less the estimated costs of completion and selling expenses.

(i) Trade and other payables

Trade and other payables, including provisions, are measured at amortised cost. A provision is recognised in the balance sheet when the group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. 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 liability.

(j) Biological assets

Biological assets represent the cost of, primarily, pineapple and banana fields, which are capitalised up to maturity. These are measured at cost, less accumulated amortisation and impairment losses. The costs are normally amortised over a period of two years for pineapples and seven years for bananas.

(k) Intangible assets and goodwill

(i) Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units (note 13) and tested annually for impairment. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the equity accounted investee as a whole. Other intangible assets that are acquired by the group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure including expenditure on internally generated goodwill and brands is recognised in profit or loss as incurred.

3. Significant accounting policies (continued)

(k) Intangible assets and goodwill (continued)

(iii) Amortisation

Intangible assets are amortised on the straight-line basis in profit or loss over their estimated useful lives from the date that they are available for their intended use by management. Goodwill is not amortised but tested annually for impairment.

The estimated useful lives are as follows:

• brands and trademarks	25 years
• customer relationships	10-15 years
• other identified intangible assets	3-5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted as appropriate.

(l) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of an asset.

The cost of self-constructed assets includes the costs of material and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the present value of costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs related to the acquisition or construction of qualifying assets are recognised as part of the cost of the qualifying asset.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent costs

The group recognises the cost of replacing part of an item of property, plant and equipment in the carrying amount of such an item when that cost is incurred, if it is probable that the future economic benefits embodied with the item will flow to the group and the cost of the item can be measured reliably.

(iii) Depreciation

Property, plant and equipment, including leased assets, with the exception of freehold land, on which no depreciation is charged, are depreciated on the straight-line basis at annual rates, varying between 2% and 50%, estimated to write down the assets to residual values over their expected useful lives.

3. Significant accounting policies (continued)

(l) Property, plant and equipment (continued)

(iii) Depreciation (continued)

Computer software, vehicles, furniture and equipment are depreciated on the straight-line basis at rates between 25% and 50% per annum. Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(m) Investment property

Investment property, principally freehold warehouse buildings, are held for long-term rental yields and are not occupied by the Group. Investment property is shown at cost less accumulated depreciation.

Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. On replacement of a separately measured part of an item of investment property, the carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss when the expenditure is incurred.

Land is not depreciated. Depreciation is calculated on buildings held as investment property on the straight-line basis at an annual rate of 2.5%.

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its recoverable amount [note 3(n)].

Gains and losses on disposal of investment property are determined by comparing proceeds with their carrying amounts and are included in the statement of profit or loss.

(n) Impairment of non-financial assets

The carrying amounts of the group's non-financial assets 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. The recoverable amount of goodwill is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

3. Significant accounting policies (continued)

(n) Impairment of non-financial assets (continued)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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, net of depreciation or amortisation, if no impairment loss had been recognised.

(o) Loans payable

Loans payable are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, loans are measured at amortised cost using the effective interest method.

(p) Leases

At inception of a contract, the 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 group uses the definition of a lease in IFRS 16.

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

3. Significant accounting policies (continued)

(p) Leases (continued)

i. As a lessee (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the group by the end of the lease term or the cost of the right-of-use asset reflects that the group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the scheduled lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Generally, the group uses its incremental borrowing rate as the discount rate.

The group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

– fixed payments, including in-substance fixed payments;
– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
– amounts expected to be payable under a residual value guarantee; and
– the exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the group is reasonably certain to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee, if the group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3. Significant accounting policies (continued)

(p) Leases (continued)

i. As a lessee (continued)

Short-term leases and leases of low-value assets

The group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. As a lessor

When the group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(q) Employee benefits

Employee benefits are all forms of consideration given by the group in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, national insurance contributions, annual leave and non-monetary benefits such as medical care and housing, post-employment benefits such as pensions and other long-term employee benefits such as termination benefits. Employee benefits that are earned as a result of past or current service are recognised in the following manner:

- Current employee benefits are recognised as a liability, net of payments made, and charged as expense. The expected cost of vacation leave that accumulates is recognised when the employees become entitled to the leave.

- Pension obligations

  The group, through its subsidiaries, participates in defined benefit retirement plans, the assets of which are generally held in separate trustee-administered funds. The pension plans are funded by payments from employees and by the group, taking into account the recommendations of qualified actuaries. The group has defined benefit and defined contribution plans.

3. Significant accounting policies (continued)

(q) Employee benefits (continued)

- Pension obligations (continued)

The asset or liability recognised in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for past service costs.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in profit or loss.

The group also participates in defined contribution plans whereby it pays contributions to privately administered pension plans which are administered by trustees. Once the contributions have been paid, the group has no further payment obligations. The contributions are charged to profit or loss in the period to which they relate.

- Other retirement obligations

The group, through its subsidiaries, provides post-employment health care and life insurance benefits to certain retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that for defined benefit pension plans.

Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

- Termination benefits

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

3. Significant accounting policies (continued)

(r) Revenue

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 goods or service to a customer.

A contract with a customer that results in a recognised financial instrument in the group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

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:

Type of revenue	Nature and timing of satisfaction of performance obligations, including significant payment terms.	Revenue recognition under IFRS 15
Terminal and logistics services	The group provides a full range of cargo handling, logistics, freight forwarding and trans-shipment services. Fees to its customers are calculated based on specific tariffs and charged based on services rendered.	Generally recognised at the point in time that the service is delivered.
Sale of food and drinks	The group provides goods to its customers. Customers obtain control of products when the goods are delivered and have been accepted at their premises, or in certain cases when the goods have been collected from the group's premises. Invoices are generated at that point and are payable within a range of terms that vary from immediately to 60 days.	Recognised at the point in time that the goods are delivered and have been accepted by the customers at their premises. For contracts that permit return of goods, revenue is recognised to the extent that it is highly probable that a significant reversal will not occur.
	Some contracts allow customers to return goods. Returned goods are exchanged for new goods or, in certain cases, are refunded through credit notes.	The group has a very low level of returned goods. Where applicable, the right to recover returned goods is measured at the former carrying amount of inventory less any expected cost to recover.

3. Significant accounting policies (continued)

(s) Finance costs

Finance costs represent interest payable and amortised borrowing costs calculated using the effective interest method.

(t) Interest income

Interest income is recognised in profit or loss and is calculated taking into account the effective interest rate on the asset.

(u) Taxation

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 in other comprehensive income, in which case it is also 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 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.

(v) Segment reporting

An operating segment is a component of the group:

(i) that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components.

(ii) whose operating results are reviewed regularly by the Chief Executive Officer ("CEO") to make decisions about resources to be allocated to the segment and assess its performance, and

(iii) for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4. Short-term investments

This comprises fixed deposits bearing interest of 3% annually.

5. Securities purchased under resale agreements

The fair value of the underlying securities purchased under resale agreements approximated $10,850,804,000 (2020: $8,091,011,000).

6. Accounts receivable

	2021 $'000	2020 $'000
Trade receivables	2,602,068	2,367,560
Other receivables and prepayments	714,519	727,852
	3,316,587	3,095,412
Less: allowance for expected credit losses	(169,159)	(200,728)
	3,147,428	2,894,684

The movement in allowance for expected credit losses during the year is as follows:

	2021 $'000	2020 $'000
Balance at beginning of year	200,728	125,203
Impairment losses recognised	30,303	111,970
Amount recovered in the year	(50,496)	(41,773)
Amount written-off as uncollectible	(11,415)	-
Exchange loss on retranslation	39	5,328
Balance at end of year	169,159	200,728

The allowance for impairment is used to record impairment losses, unless the group is satisfied that no recovery of the amount owing is probable, at which point the amount considered irrecoverable is written-off directly against the receivable.

7. Inventories

	2021 $'000	2020 $'000
Raw materials and consumables	554,167	419,337
Processed goods	165,978	109,711
Spare parts and other	453,488	450,436
	1,173,633	979,484

Inventory balances are shown net of a provision of $32,349,000 (2020: $30,129,000).

8. Accounts payable

	2021 $'000	2020 $'000
Trade payables	2,060,803	1,870,354
Dividends payable – shareholders and non-controlling interests	594,869	495,655
Accrued expenses and other payables	1,891,747	1,553,941
	4,547,419	3,919,950

9. Biological assets

	2021 $'000	2020 $'000
Balance at beginning of the year	55,880	68,318
Increase due to new plantings	67,627	32,396
Amortisation in year	(21,728)	(44,834)
Balance at end of the year	101,779	55,880

10. Interest in associates and joint venture companies

The group's associated and joint venture companies, which are recognised using the equity method, are set out below:

(a) Interest in associates and joint ventures

	2021 $'000	2020 $'000
(i) Tortuga Cayman Limited	72,793	-
(ii) Geest Line Limited	525,309	-
(iii) CoBeverage Lab S.L.	125,855	-
(iv) Grupo Frontera Limited	245,934	-
	969,891	-

(i) The group has a 40% holding in Tortuga Cayman Limited, a company that manufactures and distributes baked products, through its subsidiary Tortuga International Holdings Limited. During the prior year, in accordance with accounting policy (note 3(a)(vi)) the group limited the recognition of losses to the value of its equity and debt interests in the associate.

(ii) On April 9, 2021, the group acquired a 50% shareholding in Geest Line Limited ("Geest") for consideration of $138,565,000. Based in the UK, Geest operates a shipping line connecting Europe and the Caribbean.

(iii) On September 1, 2021 the group acquired a 50% shareholding in CoBeverage Lab S.L ("CBL") for consideration of $120,709,000. CBL is a producer of fruit and vegetable juices in Barcelona, Spain with sales across Europe.

(iv) On October 15, 2021 the group acquired a 50% shareholding in Grupo Frontera Limited ("GFL") through a subscription for new shares. At the same time the group made a long-term loan to GFL. The group's total investment was $266,070,000. GFL owns 100% of Grupo Alaska S.A. ("GA"), which on the same date acquired the trade, assets and certain liabilities of an ice and water manufacturer and distributor in the Dominican Republic. In accordance with the measurement principles of IFRS 3 *Business Combination*, the net assets and liabilities disclosed at the date of investment are based on provisional estimates available to management at the date of approving the financial statements. These are subject to change as the fair value assessments are finalised within the measurement period.

Notes to the Financial Statements (Continued)

Year ended December 31, 2021

10. Interest in associate and joint venture companies (continued)

(b) The following table summarises the financial information for Geest Line Limited and the aggregated information for Grupo Frontera Limited, CoBeverage Lab S.L and Tortuga Cayman Limited, as included in the Group's financial statements as at December 31, 2021, reflecting adjustments for differences in accounting policies, foreign exchange and related party transactions.

	2021			2020
	Geest Line Limited $'000	Other associates and joint venture $'000	Total $'000	Other associates $'000
Percentage ownership interest	50%	40%/50%		40%
Cash and cash equivalents	1,133,570	183,956		716
other current assets	1,989,523	572,180		238,705
Non-current assets	187,923	1,845,032		29,908
Current liabilities	(2,446,322)	(488,948)		(150,370)
Non-current liabilities	(449,516)	(1,933,097)		(121,921)
Net assets attributable to equity holders (100%)	415,178	179,122		(2,962)
Group's share of net assets	207,589	89,908	297,497	(1,185)
Goodwill	69,925	38,645	108,570	-
Fair value adjustments at acquisition date	301,758	5,186	306,944	-
Net amounts due to the group from associates and joint ventures	(47,819)	303,422	255,603	-
Foreign exchange adjustments	(6,144)	7,421	1,277	1,185
Carrying amount of investment	525,309	444,582	969,891	-
Revenue	12,196,890	913,844		79,296
Depreciation and amortisation	(80,892)	(74,208)		(12,907)
Interest income	411	-		-
Interest expense	(3,285)	(32,400)		(8,936)
Profit/(loss) from continuing operations	495,620	(18,486)		(110)
taxation expense	40,241	(2,097)		-
Profit after tax	535,861	(20,583)		(110)
Other comprehensive income, net of tax	242,061	-		-
Total comprehensive income/(loss)	777,922	(20,583)		(110)
Share of total comprehensive income during the year or since date of investment:				
Profit/(loss) from continuing operations	292,506	(17,121)	275,385	-
Other comprehensive income	127,288	-	127,288	-
Foreign exchange difference on translation	5,723	(5,173)	550	-
	419,794	(17,121)	403,223	-

Notes to the Financial Statements (Continued)

Year ended December 31, 2021

11. Non-controlling interest

The following table summarises information relating to each of the group's subsidiaries that has a material non-controlling interest ("NCI") before any intra-group eliminations but after adjustments to align accounting policies.

	2021				2020			
	Kingston Wharves Limited	Tortuga International Holdings Limited	JP Snacks Caribbean Limited	Total	Kingston Wharves Limited	Tortuga International Holdings Limited	JP Snacks Caribbean Limited	Total
NCI percentage	58%	38%	30%		58%	38%	30%	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Non-current assets	22,609,088	799,335	427,729		22,225,028	677,222	366,930	
Current assets	10,884,231	501,871	455,348		8,086,693	427,741	353,949	
Non-current liabilities	(3,251,843)	(186,342)	(721,932)		(3,052,774)	(136,522)	(608,385)	
Current liabilities	(2,511,988)	(342,822)	(159,129)		(2,003,260)	(242,638)	(113,239)	
Net assets/(liabilities)	27,729,488	772,042	2,016		25,255,687	725,803	(745)	
Carrying amount of NCI	15,910,941	303,040	5,024	16,219,005	14,507,481	285,548	6,730	14,799,759
Revenue	8,674,001	1,080,639	1,492,594		7,145,119	990,569	1,326,131	
Profit/(loss) for the year	3,392,401	7,699	468		2,839,653	(193,980)	(17,026)	
Other comprehensive income/ (loss)	13,061	38,539	52,801		(596,766)	59,364	48,675	
Total comprehensive income/ (loss)	3,405,462	46,238	53,269		2,242,887	(134,616)	31,649	
Profit/(loss) allocated to NCI	1,989,491	2,917	(17,547)	1,974,861	1,665,138	(73,490)	(21,828)	1,569,820
Other comprehensive income/ (loss) allocated to NCI	7,575	14,574	15,840	37,989	(346,124)	22,478	14,602	(309,044)
Cash flows from operating activities	3,781,625	99,942	41,282		2,806,343	(64,021)	22,225	
Cash flows from investment activities	(743,090)	(16,357)	(109,495)		(580,042)	78,750	(42,834)	
Cash flows from financing activities	(721,413)	(59,968)	98,628		(1,538,163)	(84,645)	(11,173)	
Net increase/(decrease) in cash and cash equivalents	2,317,122	23,617	30,415		688,138	(69,916)	(31,782)	

12. Investments

	2021 $'000	2020 $'000
Quoted equities	17,869	14,122
Unquoted equity	449,616	537,111
Long-term receivable	43,573	40,092
	511,058	591,325

The long-term receivable represents a third-party loan of US$1,140,000 (2020: US$1,140,000) receivable in equal monthly payments over fifteen years. It commenced in 2010 and included a one-year principal moratorium for the first year. The loan, which earns interest at 3% per annum, is secured by a first mortgage over property and liens over plant, equipment, inventories and any other assets owned by the borrower. In addition, a first lien is held over the shares held by the borrower in former subsidiaries that own the assets pledged as security.

An impairment allowance of US$734,000 (2020: US$734,000) has been recognised against this loan following a review of indicators of uncertainty in recoverability of the underlying value of security and the costs of liquidation.

13. Intangible assets

	Brands and trademarks $'000	Customer relationships $'000	Other identifiable intangibles $'000	Goodwill $'000	Total $'000
Cost					
December 31, 2019	552,525	665,462	147,898	882,750	2,248,635
Additions	-	-	61,846	-	61,846
Disposals	-	-	(1,753)	-	(1,753)
Exchange adjustments	36,915	20,789	4,794	113,264	175,762
December 31, 2020	589,440	686,251	212,785	996,014	2,484,490
Additions	-	-	4,212	-	4,212
Transfers to property, plant and equipment	-	-	(3,185)	-	(3,185)
Exchange adjustments	41,154	23,176	5,501	43,356	113,187
December 31, 2021	630,594	709,427	219,313	1,039,370	2,598,704
Amortisation and impairment					
December 31, 2019	165,145	315,941	91,227	189,975	762,288
Charge for the year	23,380	59,734	19,648	-	102,762
Impairment	-	69,411	-	38,942	108,353
Disposals	-	-	(351)	-	(351)
Exchange adjustments	12,110	13,521	3,736	15,707	45,074
December 31, 2020	200,635	458,607	114,260	244,624	1,018,126
Charge for the year	24,487	41,400	29,041	-	94,928
Transfers to property, plant and equipment	-	-	(1,272)	-	(1,272)
Exchange adjustments	15,644	23,181	4,896	17,509	61,230
December 31, 2021	240,766	523,188	146,925	262,133	1,173,012
Net book values					
December 31, 2021	389,828	186,239	72,388	777,237	1,425,692
December 31, 2020	388,805	227,644	98,525	751,390	1,466,364
December 31, 2019	387,380	349,521	56,671	692,775	1,486,347

13. Intangible assets (continued)

In the prior year, as a result of the group's impairment assessment, the following impairments were identified:

i) The value in use of certain customer relationships was identified to be lower than the carrying amount because of lower than previously expected future earnings before interest, taxes, depreciation and amortisation ("EBITDA") margins. Accordingly, an impairment of $69,411,000 was recognised to reflect this reduction in recoverable amount.

ii) The value in use of goodwill was identified to be lower than the carrying amount and an impairment of $38,942,000 was recognised to reflect this reduction in recoverable amount.

In testing goodwill for impairment, recoverable amounts of cash-generating units are estimated based on value-in-use. Where the recoverable amounts exceed the carrying amounts, no impairment allowance is made. The recoverable amounts of cash-generating units are measured by estimating their future cash flows and discounting those cash flows using long-term discount rates applicable to the countries in which the businesses operate. Future sustainable cash flows are estimated based on the most recent forecasts, after taking account of past experience. In all cases projected cash flows are estimated over 5 years, followed by a terminal value calculated based on the discount rates and growth rates in the table below. Each unit is regarded as saleable to a third party at a future date at a price sufficient to recover the carrying amount of its goodwill. Key assumptions are set out below:

	2021		2020	
Cash-generating units (CGUs)	Discount rates	Growth rates	Discount rates	Growth rates
Juice manufacturing business	12.4%	2%	12.4%	2%
Other food manufacturing business	15.4%	3%	15.0%	2%
Logistics business	13.7%	2%	13.7%	2%

Sensitivity analysis:

A 1% (2020: 1%) increase or (decrease) in the discount rate and growth rate assumptions used in the impairment assessment for intangible assets would not result in an impairment for the current year and would not have led to any increase in the impairment provision made in 2020.

14. Deferred tax asset/(liability)

The deferred tax asset/(liability) is attributable to the following:

	Deferred tax					
	Asset		Liability		Net	
	2021	2020	2021	2020	2021	2020
	$'000	$'000	$'000	$'000	$'000	$'000
Property, plant and equipment	9,056	14,011	(1,138,396)	(1,220,554)	(1,129,340)	(1,206,543)
Employee benefits	-	-	(162,879)	(145,666)	(162,879)	(145,666)
Other liabilities	-	-	(8,733)	(6,455)	(8,733)	(6,455)
Other assets	-	-	16,510	58,755	16,510	58,755
	9,056	14,011	(1,293,498)	(1,313,920)	(1,284,442)	(1,299,909)

Notes to the Financial Statements (Continued)

Year ended December 31, 2021

14. Deferred tax asset/(liability) (continued)

Movement on the net deferred tax liability during the year:

	2021 $'000	2020 $'000
Net deferred tax liability at beginning of year	(1,299,909)	(1,402,875)
Effect of re-measurement of post-employment benefits	(14,365)	77,036
Recognised in taxation credit [note 25(a)(ii)]	28,629	26,232
Translation gain/(loss) in the year	1,203	(302)
	(1,284,442)	(1,299,909)

15. Property, plant and equipment

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Equipment, vehicles and furniture $'000	Work-in-progress $'000	Total $'000
Cost					
December 31, 2019	18,769,696	391,545	6,848,396	604,220	26,613,857
Additions	197,485	10,717	220,416	667,534	1,096,152
Disposals	-	-	(67,965)	-	(67,965)
Transfers	659,370	3,827	41,539	(704,736)	-
Exchange adjustments	334,853	-	497,645	55,386	887,884
December 31, 2020	19,961,404	406,089	7,540,031	622,404	28,529,928
Additions	96,034	10,492	423,396	1,156,038	1,685,960
Disposals	-	-	(8,730)	-	(8,730)
Transfers	415,586	-	832,234	(1,244,635)	3,185
Exchange adjustments	(10,571)	(175)	(5,919)	(6,924)	(23,589)
December 31, 2021	20,462,453	416,406	8,781,012	526,883	30,186,754
Depreciation and impairment					
December 31, 2019	1,705,276	233,597	2,739,020	96,519	4,774,412
Charge for the year	490,569	8,812	600,321	16,748	1,116,450
Eliminated on disposals	-	-	(61,136)	-	(61,136)
Exchange adjustments	117,131	117	254,823	21,467	393,538
December 31, 2020	2,312,976	242,526	3,533,028	134,734	6,223,264
Charge for the year	507,872	9,145	626,401	32,721	1,176,139
Transfers	-	-	1,272	-	1,272
Eliminated on disposals	-	-	(8,741)	-	(8,741)
Exchange adjustments	(7,128)	35	(4,574)	(3,298)	(14,965)
December 31, 2021	2,813,720	251,706	4,147,386	164,157	7,376,969
Net book values					
December 31, 2021	17,648,733	164,700	4,633,626	362,726	22,809,785
December 31, 2020	17,648,428	163,563	4,007,003	487,670	22,306,664
December 31, 2019	17,064,420	157,948	4,109,376	507,701	21,839,445

16. Investment property

	Land $'000	Plant and buildings $'000	Total $'000
Cost at December 31, 2020 and December 31, 2021	269,700	300,300	570,000
Depreciation			
December 31, 2020	-	9,299	9,299
Charge for the year	-	7,918	7,918
December 31, 2021	-	17,217	17,217
Net book values			
December 31, 2021	269,700	283,083	552,783
December 31, 2020	269,700	291,001	560,701

The investment property, which is carried at cost less accumulated depreciation, was valued at $570,000,000 as at October 30, 2019 based on open market value by D.C. Tavares and Finson Realty Limited, independent qualified valuators. The valuation was carried out for determining the fair value at acquisition.

Amounts recognised in profit or loss for investment property:

	2021 $'000	2020 $'000
Rental income	50,329	43,865
Direct operating expenses from property that generated rental income	(7,918)	(7,918)

17. Employee benefit asset and obligations

The group participates in benefit plans for its employees, summarised as follows:

(i) Four defined contribution schemes for qualifying employees in Jamaica and another in the United Kingdom.

(ii) An industry-wide multi-employer defined benefit scheme in the Netherlands. The subsidiary is required to contribute a specified percentage of payroll costs to the scheme to fund the benefits. This percentage may increase or decrease as a result of changes in actuarial valuations. The only obligation of the group with respect to this scheme is to make the specified contributions. Accordingly, it is treated as a defined contribution scheme for the purpose of the group's financial reporting.

(iii) A defined benefit scheme for certain employees of its subsidiary also in the Netherlands. The group has contracted out all legal and constructive commitments of this scheme to an insurance company and is only obliged to make annual specified contributions. Accordingly, this scheme is treated as a defined contribution scheme for the purpose of the group's financial reporting.

(iv) A defined benefit scheme operated by Kingston Wharves Limited ("KW"). KW also provides other retirement benefits giving rise to obligations. The assets of the funded plans are held independently in separate trustee administered funds.

17. Employee benefit asset and obligations (continued)

The effect on the balance sheet, profit for the year and other comprehensive income are as follows:

	2021 $'000	2020 $'000
Balance sheet asset/(obligations) for:		
Pension benefits asset	1,698,874	1,549,850
Other retirement benefits obligation	(396,749)	(384,517)
(Credit)/charge to profit or loss for:		
Pension benefits	(63,461)	(107,322)
Other retirement benefits	57,725	43,098
	(5,736)	(64,224)
(Credit/charge to other comprehensive income on remeasurements for:		
Pension benefits	(80,901)	633,488
Other retirement benefits	(34,020)	(17,204)
	(114,921)	616,284

(a) Defined benefit pension plan

The Kingston Wharves scheme is open to all permanent employees of that subsidiary. Under the scheme, retirement benefits are based on average salary during the three years preceding retirement. The scheme is funded by employee contributions at 5% and employer contributions of 1% of salary, as recommended by independent actuaries. Members may also make voluntary contributions of up to 5% of their earnings.

The assets of the plan are held independently of the group's assets in a separate trustee-administered fund. The plan is valued by independent actuaries annually using the projected unit credit method.

The defined benefit asset recognised in the balance sheet is determined as follows:

	2021 $'000	2020 $'000
Fair value of plan assets	4,037,301	3,730,537
Present value of fund obligations	(2,338,427)	(2,180,687)
Asset in the balance sheet	1,698,874	1,549,850

Movements in the amounts recognised in the balance sheet:

	2021 $'000	2020 $'000
Assets at start of year	1,549,850	2,071,885
Amounts recognised in comprehensive income for the year	144,362	(526,166)
Contributions paid	4,662	4,131
Assets at end of year	1,698,874	1,549,850

17. Employee benefit asset and obligations (continued)

(a) Defined benefit pension plan (continued)

The movement in the fair value of plan asset:

	2021 $'000	2020 $'000
Balance at start of year	3,730,537	4,200,906
Interest income	334,358	312,780
Remeasurements -		
Return on plan assets, excluding amounts included in interest expense	3,292	(722,145)
Members' contributions	42,461	37,933
Employers' contributions	4,662	4,131
Benefits paid	(71,374)	(97,332)
Administrative expenses	(6,635)	(5,736)
Balance at end of year	4,037,301	3,730,537

The movement in the present value of the funded obligations is as follows:

	2021 $'000	2020 $'000
Balance at start of year	2,180,687	2,129,021
Current service cost	85,929	81,788
Interest cost	201,645	161,933
Remeasurements -		
Gain from change in financial assumptions	(77,609)	(88,657)
Members' contributions	19,149	17,279
Benefits paid	(71,374)	(97,332)
Gain on curtailment	-	(23,345)
Balance at end of year	2,338,427	2,180,687

As at the reporting date, the present value of the defined benefit obligation comprised approximately $1,513,705,000 (2020: $1,321,000,000) relating to active employees, $128,138,000 (2020: $119,583,000) relating to deferred members, $691,619,000 (2020: $733,026,000) relating to members in retirement and $4,965,000 (2020: $6,397,000) representing other liabilities.

The amounts recognised in the profit and loss account are as follows:

	2021 $'000	2020 $'000
Current service cost	62,617	61,134
Interest income	(132,713)	(150,847)
Administrative expenses	6,635	5,736
Gain on curtailment	-	(23,345)
Total, included in staff costs	(63,461)	(107,322)

17. Employee benefit asset and obligations (continued)

(a) Defined benefit pension plan (continued)

Plan assets are comprised as follows:

	2021		2020	
	$'000	%	$'000	%
Quoted equity securities	2,041,363	50.6	1,893,780	50.8
Government of Jamaica securities	908,805	22.5	856,006	22.9
Corporate bonds and promissory notes	583,117	14.4	588,357	15.8
Repurchase agreements	295,101	7.3	205,057	5.5
Leases	16,811	0.4	20,136	0.5
Real estate	79,260	2.0	125,485	3.4
Other	112,774	2.8	41,716	1.1
	4,037,231	100.0	3,730,537	100.0

The pension plan's assets include ordinary stock units of Kingston Wharves Limited with a fair value of $387,000,000 (2020: $405,000,000).

Expected contributions to the post-employment plan for the year ending December 31, 2021 are $5,900,000 (2020: $4,700,000).

The significant actuarial assumptions used were as follows:

	2021	2020
Discount rate	8.00%	9.00%
Future salary increases	6.00%	7.00%
Expected pension increase	3.50%	4.50%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on post-employment obligations					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2021	2020	2021	2020	2021	2020
			$'000	$'000	$'000	$'000
Discount rate	0.5%	0.5%	(144,060)	(130,462)	162,839	146,154
Future salary increases	0.5%	0.5%	21,362	18,873	(20,735)	(17,830)
Expected pension increase	0.5%	0.5%	126,923	116,264	(114,593)	(104,364)
Life expectancy	1 year	1 year	39,700	37,606	(39,932)	(37,185)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, as changes in some of the assumptions may be correlated.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

17. Employee benefit asset and obligations (continued)

(b) Other retirement benefits

Kingston Wharves Limited operates both a group health plan and a group life plan. KW covers 100% of the premiums of both plans. However, pensioners under the health plan have the option to pay an additional premium for dependents' coverage.

The method of accounting and the frequency of valuations for these plans are similar to those used for the defined benefit pension scheme. In addition to the assumptions used for the pension scheme, the main actuarial assumption is a long term increase in health costs of 7% (2020: 8%) per year for the insured group health plan. The insured group life plan assumes a salary rate increase of 6% (2020: 7%) per year.

The amounts recognised in the balance sheet were determined as follows:

	2021 $'000	2020 $'000
Liability at start of year	384,517	370,149
Amounts recognised in comprehensive income for the year	23,705	25,894
Benefits paid	(11,473)	(11,526)
Liability at end of year	396,749	384,517

Movement in the present value of the defined benefit obligation:

	2021 $'000	2020 $'000
Balance at start of year	384,517	370,149
Current service cost	21,683	21,182
Interest cost	36,042	28,664
Gain on curtailment	-	(6,748)
Included in staff costs in statement of profit or loss	57,725	43,098
Remeasurements -		
Loss/(gain) from change in financial assumptions, being total included in other comprehensive income	2,440	(17,204)
Experience gains	(36,460)	-
Benefits paid	(11,473)	(11,526)
Balance at end of year	396,749	384,517

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on post-employment obligations					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2021	2020	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Life						
Discount rate	0.5%	0.5%	(1,723)	(2,036)	2,015	2,096
Future salary increases	0.5%	0.5%	488	605	(490)	(612)
Medical						
Discount rate	0.5%	0.5%	(27,749)	(25,982)	31,747	39,274
Future medical cost rate	0.5%	0.5%	31,747	39,274	(27,749)	(25,982)

17. Retirement benefit asset and obligations (continued)

(c) Risks associated with pension plans and other post-employment plans

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

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to Government of Jamaica bond yields. If plan assets underperform this yield, this will create a deficit.

However, the subsidiary believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of the long term strategy to manage the plans efficiently.

Changes in bond yields

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

Inflation risk

Higher inflation will lead to higher liabilities. The majority of the plan's assets are unaffected by fixed interest bonds, meaning that an increase in inflation will reduce the surplus or create a deficit.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant, where inflationary increases result in higher sensitivity to changes in life expectancy.

The weighted average duration of the defined benefit obligation for the pension scheme is 15 years.

The weighted average duration of the defined benefit obligation for post-employment medical and life insurance benefits is 17 years and 12 years respectively.

18. Share capital

Authorised:
1,500,000,000 ordinary shares at no par value.

	2021 $'000	2020 $'000
Stated capital:		
Issued and fully paid -1,122,144,036 (2020: 1,122,144,036) ordinary stock units at no par value	112,214	112,214

The company's stated capital does not include share premium, which is retained in capital reserves (note 19) in accordance with Section 39 (7) of the Jamaican Companies Act.

Notes to the Financial Statements (Continued)

Year ended December 31, 2021

19. Reserves

	2021 $'000	2020 $'000
Capital:		
Share premium (note 18)	135,087	135,087
Reserve for own shares [see (i) below]	(64)	(50,276)
Fair value reserve	(62,983)	(25,176)
Other [see (ii) below]	4,492,620	4,685,139
	4,564,660	4,744,774
Revenue:		
Retained profits	13,276,583	11,275,112
	17,841,243	16,019,886

(i) Reserve for own shares is included in these financial statements by consolidation of the company's Employee's Share Ownership Plan ("ESOP"), which is regarded as a structured entity and is required to be consolidated under IFRS 10. The reserve comprises the cost of the company's shares held by the group through the ESOP, less net gains on shares sold.

The consolidated financial statements include the group's share of profits or loss of the ESOP based on management accounts for the year ended December 31, 2021. The results of operation of this entity are immaterial to the group's financial statements.

The number of stock units held by the ESOP at December 31, 2021 was 72,447,330 (2020: 75,278,888). Based on the bid price, less a 15% discount normally allowed to staff, the value of those stock units at December 31, 2021 was $1,446,520,000 (2020: $1,343,728,000). The fair value of these stock units is not recognised in the group's reserve for own shares until sold.

(ii) Other capital reserves comprise gains on disposal of property, plant and equipment and investments up to December 31, 2021, unrealised exchange gains and unclaimed distributions to stockholders (note 27).

(iii) Losses in a subsidiary, in excess of the non-controlling interest in the equity of the subsidiary, were included in the group's results prior to 2010. Should the subsidiary subsequently report profits, such profits would be included in the group results, until the non-controlling interest's share of losses, previously absorbed by the group, has been recovered.

20. Loans and borrowings

	2021 $'000	2020 $'000
Syndicated third party and bank loans	3,363,937	3,124,081
Finance leases	226,676	318,595
Other related party	187,970	173,224
	3,778,583	3,615,900
Less: Transaction costs		
Brought forward from prior year	(4,710)	(11,778)
Incurred in the year	-	(5,206)
Amortised in interest expense for the year	744	12,274
	(3,966)	(4,710)
Total carrying value of long-term loans	3,774,617	3,611,190
Less: current portion	(833,250)	(712,762)
Total non-current value of long-term loans	2,941,367	2,898,428

20. Loans and borrowings (continued)

The terms and conditions of outstanding loans are as follows:

	Currency	Nominal interest rate	Year of maturity	2021 Face value $'000	2021 Carrying value $'000	2020 Face value $'000	2020 Carrying value $'000
Secured bank loan (i)	JMD	5.35%	2027	1,105,000	1,105,000	1,235,000	1,235,000
Secured bank loan	GBP	2.92%	2030	39,243	39,243	43,965	43,965
Secured bank loan	JMD	6.50%	2027	142,483	142,483	158,621	158,621
Secured bank loan	JMD	6.75%	2021	-	-	12,000	12,000
Secured bank loan	JMD	4.10%	2024	101,037	101,037	140,148	140,148
Secured bank loan	JMD	4.16%	2023	98,214	98,214	176,786	176,786
Secured bank loan	JMD	5.00%	2023	177,375	177,375	241,879	241,879
Secured bank loan (ii)	JMD	5.00%	2023	855,000	855,000	1,107,000	1,107,000
Secured bank loan (iii)	JMD	5.00%	2028	723,214	723,214	-	-
Secured bank loan (iv)	JMD	5.50%	2025	88,889	88,889	-	-
Secured revolving loan facility	USD	5.50%	2022	30,550	30,550	-	-
Secured loan (vi)	JMD	8.00%	2024	-	-	5,750	5,750
Other unsecured loan	JMD	nil	n/a	2,932	2,932	2,932	2,932
Finance lease	EUR	3.50%	2022	11,745	11,745	27,670	27,670
Finance lease	EUR	2.27%	2025	125,167	125,167	165,966	165,966
Finance lease	EUR	2.35%	2025	89,764	89,764	124,959	124,959
Other related party (v)	USD	3.00%	2025	187,970	187,970	173,224	173,224
				3,778,583	3,778,583	3,615,900	3,615,900

(i) This loan, originally for $1,300,000,000, incurs interest at the fixed rate or 5.35% and is secured by shares in Kingston Wharves Limited. It is repayable over seven years by 21 bi-annual instalments of $65,000,000 with a final payment of $455,000,000 in 2027.

(ii) The total facility, originally $1,800,000,000, was used to finance capital expenditure and had a two-year moratorium on principal payments during the draw-down period and was thereafter repayable in 20 instalments, ending in 2023, of $63,000,000, with a final payment of $540,000,000.

(iii) During the year Kingston Wharves Limited obtained a loan for $750,000,000 that was used to finance the acquisition of infrastructure. The loan is repayable over seven years in quarterly instalments with an initial six-month moratorium on principal. The interest rate is fixed at 5%.

(iv) This represents an unsecured loan of $100,000,000 obtained by Kingston Wharves Limited to refinance debt and provide working capital support. The loan is repayable over five years and the interest rate is fixed at 5.5%.

(v) The loan of $187,970,000 is due to a company that holds 30% of the equity in JP Snacks Caribbean Limited, a subsidiary. The loan, which is denominated in US dollars, is repayable in 2025.

(vi) During the year the group repaid a loan of $5,750,000 that was not due until 2024. There were no penalties associated with early repayment.

21. Leases

(i) As a lessee

The group leases property and equipment. The leases typically run for 3 to 10 years, with options to renew. Some leases may have options for periodic adjustments to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices. Previously, these leases were classified as operating leases under IAS 17. The group has elected not to recognise right-of-use assets and lease liabilities for leases that are short- term and/or leases of low-value items.

Information about leases for which the group is a lessee is presented below.

(a) Right-of-use assets

	Leasehold land and buildings $'000	Equipment and vehicles $'000	Total $'000
Balance at January 1, 2020	704,340	35,667	740,007
Additions	6,527	12,971	19,498
Disposals, net	(4,883)	(6,228)	(11,111)
Amortisation charge for the year	(145,977)	(19,478)	(165,455)
Exchange adjustments	47,566	5,799	53,365
Balance at December 31, 2020	607,573	28,731	636,304
Additions	68,443	23,017	91,460
Amortisation charge for the year	(154,382)	(15,167)	(169,549)
Exchange adjustments	24,512	(314)	24,198
Balance at December 31, 2021	546,146	36,267	582,413

(b) Lease liabilities

Maturity analysis – contractual undiscounted cash flows:

	2021 $'000	2020 $'000
Less than one year	236,502	196,533
One to five years	389,837	400,785
More than five years	255,020	245,323
	881,359	842,641
Less: future interest	(285,712)	(181,585)
Total discounted lease liabilities	595,647	661,056
Less: current portion	(158,957)	(184,088)
Non-current portion	436,690	476,968

21. Leases (continued)

(i) As a lessee (continued)

(c) Amounts recognised in profit or loss

	2021 $'000	2020 $'000
Interest on lease liabilities (note 24)	12,900	21,150
Expenses relating to short-term leases	8,500	8,997

(d) Amounts recognised in the statement of cash flows

	2021 $'000	2020 $'000
Total cash outflow for leases	182,018	150,786

(e) Extension options

Some property leases contain extension options exercisable by the group up to one year before the end of the non-cancellable contract period. Where deemed appropriate, the group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the group and not by the lessors. The group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The group has estimated that potential future lease payments, should it exercise extension options in these leases, would result in an increase in lease liability of $55,129,000 (2020: $113,080,000).

(ii) As a lessor

a) Operating lease

The group leases out property. The group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the group during 2021 was $258,293,000 (2020: $217,637,000).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2021 $'000	2020 $'000
Less than one year	251,372	235,851
One to five years	23,326	112,554
Total	274,698	348,405

Notes to the Financial Statements (Continued)

22. Gross operating revenue

Gross operating revenue comprises the gross sales of goods and services of the group and commission earned by the group on consignment sales. This is shown after deducting returns, rebates and discounts, consumption taxes and eliminating sales within the group.

The following table shows disaggregation of contract revenue by primary markets, major products and services and timing of recognition:

	2021 $'000	2020 $'000
Primary Geographic Market		
Europe	11,930,013	9,679,513
Caribbean and North America	13,090,582	11,319,469
	25,020,595	20,998,982
Major Products and Services		
Food and drinks	14,738,827	12,713,286
Terminal and logistics services	10,254,245	8,282,808
Other	27,523	2,888
	25,020,595	20,998,982

All the group's performance obligations are satisfied at the point in time that the group transfers control of goods or services to its customers.

23. Selling, administration and other expenses

	2021 $'000	2020 $'000
Selling, administration and other expenses:		
Advertising, promotion and selling costs	284,982	293,774
Auditors' remuneration	82,322	80,278
Bad debt, net	(20,195)	70,197
Bank charges and merchant fees	94,289	73,135
Depreciation and amortisation	184,834	237,485
Directors' emoluments:		
Fees	13,270	14,198
For management	178,443	151,659
Donations	12,130	35,763
Insurance	114,343	117,027
IT and communication	276,891	225,843
Legal, professional and consultancy	181,986	131,003
Office and general costs	50,662	49,247
Other property related costs	179,225	164,889
Property rental	4,326	2,648
Staff costs	1,452,084	1,215,825
Transport and automobile	27,991	29,443
Travel	51,397	42,302
Utilities	141,845	126,668
Other	142,475	198,709
Total selling, administration and other operating expenses	3,453,300	3,260,093

23. Disclosure of expenses (continued)

The group defines cost of revenue as the total cost of manufacturing and delivering a product or service to customers. Selling, administration and other operating expenses are the total costs incurred that are not directly tied to the manufacture or delivery of a product or service to customers.

24. Financial income and expenses

	2021 $'000	2020 $'000
Finance income:		
Interest income on financial assets	244,784	184,947
Interest income on bank deposits, loans and receivables	91,270	61,051
Dividend income on FVOCI financial assets	1,639	3,288
Foreign exchange gains	508,175	272,519
	845,868	521,805
Finance expenses:		
Interest expense on financial liabilities measured at amortised cost	(202,083)	(254,300)
Interest expense on right of use lease liabilities note 21[i(c)]	(12,900)	(21,150)
Foreign exchange losses on financial liabilities	(42,388)	(17,950)
	(257,371)	(293,400)
Net financial income	588,497	228,405

25. Taxation

(a) The taxation charge is based on the group's results for the year, as adjusted for tax purposes, and comprises:

	2021 $'000	2020 $'000
(i) Current tax charge:		
Jamaican corporation tax	511,302	411,858
United Kingdom corporation tax	16,557	9,754
Netherlands corporation tax	175,810	73,129
Other corporation tax	-	8,501
Tax on associated companies	(19,076)	1,040
	684,593	504,282
(ii) Deferred taxation (note 14):		
Origination and reversal of temporary differences	(28,629)	(26,232)
Total taxation charge in group profit and loss account	655,964	478,050

25. Taxation

(b) Reconciliation of tax expense

The effective tax rate for 2021 was 14.7% (2020: 11.3%), compared to the statutory tax rate of the company of 25% (2020: 25%). The actual charge differs from the "expected" tax charge for the year as follows:

	2021 $'000	2020 $'000
Profit before taxation	4,475,616	4,215,463
Computed "expected" tax charge at 25% (2020: 25%)	1,118,904	1,053,865
Taxation difference between profit for financial statements and tax reporting purposes on:		
Effect of non-standard tax rates and tax rates of foreign jurisdictions	(411,928)	(395,901)
Unrelieved tax losses less tax relief utilised	33,875	101,605
Gain on disposal of property, plant and equipment and investments	-	(290,161)
Other related capital adjustments and disallowed expenses	(84,887)	8,642
Actual tax charge	655,964	478,050

(c) As at December 31, 2021, the company and certain subsidiaries had taxation losses, subject to agreement by the Commissioner General, Tax Administration Jamaica, of approximately $3,605,354,000 (2020: $3,607,918,000) available for relief against future taxable profits. Of this amount, $570,819,000 (2020: $570,819,000) is available for offset against specific income such as farming profits. As of January 1, 2014, tax losses may be carried forward indefinitely; however, the amount that can be utilised is restricted to 50% of chargeable income (before prior year losses) in any one year. A deferred tax asset of $901,339,000 (2020: $901,980,000) in respect of taxation losses of certain companies has not been recognised by the group, as management considers its realisation within the foreseeable future to be uncertain.

26. Profit per ordinary stock unit

The profit per ordinary stock unit is calculated by dividing the profit for the year attributable to stockholders of $1,844,791,000 (2020: $2,167,593,000), by a weighted average number of ordinary stock units held during the year, as follows:

Weighted average number of ordinary stock units:

	2021	2020
Issued ordinary stock units at January 1	1,122,144,036	1,122,144,036
Effect of own shares held by ESOP during the year	(74,681,546)	(75,560,504)
Weighted average number of ordinary stock units in issue during the year	1,047,462,490	1,046,583,532
Profit per ordinary stock unit in issue	164.40¢	193.17¢
Profit per ordinary stock unit excluding ESOP holdings	176.12¢	207.11¢

Notes to the Financial Statements (Continued)

27. Distributions to stockholders of parent

	2021 $'000	2020 $'000
Capital distributions:		
First interim -25¢ (2020: 20¢) per stock unit gross	280,536	224,429
Distributions to ESOP [note 19(i)]	(18,112)	(15,056)
	262,424	209,373
Unclaimed distributions written back to capital reserves [note 19(ii)]	(10,052)	(6,842)
	252,372	202,531

28. Commitments for expenditure

As at December 31, 2021, capital expenditure authorised and committed amounted to approximately $4,334,228,000 (2020: $81,334,000). At the reporting date the group has sufficient cash resources to fulfil these commitments.

29. Related parties

Entities subject to the same ultimate control or significant influence as the company are considered to be related. Persons who exercise control or significant influence over the company, including principal owners of the company, its key management and members of the immediate families of key management of the company or its parent company, are also considered to be related parties.

(a) Identity of related parties

The group has related party relationships with its directors, officers and senior executives of subsidiaries. The company's executive directors, officers and the senior executives of subsidiaries are collectively referred to as "key management personnel".

(b) Transactions with directors and other key management personnel

Directors and officers of the company, their immediate relatives and entities over which they have significant influence hold 32.0% (2020: 31.9%) of the voting shares of the company.

In addition to their salaries, the group contributes to various post-employment benefit plans on behalf of key management personnel.

The compensation of key management personnel based in Jamaica and overseas is as follows:

	2021 $'000	2020 $'000
Short-term employment and other benefits	539,460	461,972
Payroll taxes – employer contributions	39,465	36,740
Post-employment benefits	30,712	24,782
Total remuneration	609,637	523,494

Notes to the Financial Statements (Continued)

Year ended December 31, 2021

29. Related parties (continued)

(c) Transactions with other related parties, directors and key management personnel in other capacities

Category and nature of relationship	Nature of transactions	Transactions in year 2021 $'000	Transactions in year 2020 $'000	(Payable)/receivable at end of year 2021 $'000	(Payable)/receivable at end of year 2020 $'000	Terms and conditions *
Transactions with joint ventures and associates						
50% joint venture	Purchases by the group	250,648	-	(25,016)	-	1,2,3
50% joint venture	Management services income to the group	25,664	-	26,104	-	1,2,3
Transactions with key management personnel or entities under their control and/or significant influence:						
i) Company under their control	Insurance premiums charged to group	16,199	15,403	-	-	1,2,3
ii) Company under their control	Management services charged to group	36,630	14,177	(3,819)	(3,519)	2,3,4
iii) Company under their control	Shipping agency services charged to group	7,423	6,443	-	-	1,2,3
iv) Company under their control	Charges paid on behalf of the group	(8,340)	(7,240)	-	-	1,2,3
v) Company under their control	Collections from third parties on behalf of the group	(45,612)	(39,593)	20,418	18,343	1,2,3
vi) Company under their control	Sales by the group	(79,695)	(57,507)	6,750	9,459	2,3,4

*The number in each row represents the terms and conditions that are applicable to the stated transactions and their meanings are as follows:

1. Credit of up to 30 days
2. Unsecured
3. Settlement in cash
4. Credit over 30 days

30. Segment reporting

Segment information is presented in respect of the group's strategic business segments. The identification of business segments is based on the group's management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

The group uses profit or loss before finance cost and taxation to measure performance and allocate resources. The group's business is organised into three business segments:

(a) JP Food & Drink - This comprises businesses that are engaged in agriculture, processing, distribution and/or retail of food and drink.

(b) JP Logistics & Infrastructure – This comprises businesses that are engaged in logistics, transportation, port operations and related industries.

(c) Corporate Services – This comprises interest and investment income, net of the cost of corporate functions not directly charged to business units.

30. Segment reporting (continued)

The group uses profit or loss before finance cost and taxation to measure performance and allocate resources. The group's business is organised into three business segments (continued):

	JP Food & Drink		JP Logistics & Infrastructure		Corporate Services		Total	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Gross revenue	14,747,409	12,719,236	10,254,245	8,282,808	137,040	86,647	25,138,694	21,088,691
Inter- segment revenue	(8,582)	(5,949)	-	-	(109,517)	(83,759)	(118,099)	(89,708)
Revenue from external customers	14,738,827	12,713,287	10,254,245	8,282,808	27,523	2,888	25,020,595	20,998,983
Interest income	-	-	244,784	184,947	91,270	61,051	336,054	245,998
Segment profit/(loss)	575,392	101,017	4,382,137	2,934,213	(224,542)	1,473,634	4,732,987	4,508,863
Finance cost							(257,371)	(293,400)
Profit before taxation							4,475,616	4,215,463
Taxation charge							(655,964)	(478,050)
Non-controlling interest							(1,974,861)	(1,569,820)
Profit attributable to equity holders of the parent							1,844,791	2,167,593
Segment assets	8,574,875	7,726,395	34,525,096	30,757,651	1,964,196	2,473,955	45,064,167	40,958,000
Segment liabilities	(3,080,544)	(2,888,224)	(7,143,593)	(6,559,515)	(667,568)	(578,400)	(10,891,705)	(10,025,603)
Capital expenditure	577,949	447,039	1,105,773	647,055	2,238	2,058	1,685,960	1,096,152
Depreciation, amortisation and impairment	644,012	735,257	812,929	797,266	13,321	13,249	1,470,262	1,545,772

The revenues and earnings on subsidiaries and associates acquired or disposed of during the year are included up to or as of the date of acquisition or disposal.

Segment information below represents segment revenue based on the country receiving the benefit of our products/services and segment assets based on the country in which the owner is registered.

	Revenues		Non-current assets	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Jamaica	10,568,948	9,192,119	23,203,087	22,613,117
Netherlands	8,522,790	6,751,783	3,171,787	3,250,209
United Kingdom	594,344	343,251	898,807	378,123
United States of America	1,462,614	1,372,057	17,108	15,766
Other Caribbean countries	972,613	727,224	1,367,990	923,884
Other European countries	2,812,879	2,584,480	2,552	-
Other countries	86,407	28,068	-	-
	25,020,595	20,998,982	28,661,331	27,181,099

Revenues from one customer of the JP Food and Drink segment represents approximately $7,753,000 (2020: $6,207,000,000) or 31.0% (2020: 29.6%) of the group's total revenues.

31. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of an enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents, short-term investments, securities purchased under resale agreements, accounts receivable and investments. Financial liabilities include bank overdrafts, credit facilities and short-term loans, accounts payable, lease liabilities and long-term loans.

(a) Fair value of financial instruments

Fair value amounts represent estimates of the arm's length consideration for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties who are under no compulsion to act. Fair value is best evidenced by a quoted market price, if one exists.

The fair value of cash and cash equivalents, short-term investments, securities purchased under resale agreements, accounts receivable, credit facilities and short-term loans and accounts payable are assumed to approximate their carrying values due to their relatively short-term nature. Fair value of quoted investments is the market value. This method falls within the level 1 fair value hierarchy and is defined as quoted prices (unadjusted) in an active market for identical assets. Fair value of unquoted equity falls within level 2 hierarchy and is defined as fair value measurements that are derived from inputs other than quoted prices that are observable for the asset or liability either directly (that is as prices) or indirectly, (that is, derived from prices). The fair value of long term receivable disclosed in note 12, is assumed to approximate cost, less allowance for impairment.

The fair value for long-term loans is assumed to approximate carrying value, as no discount on settlement is anticipated.

(b) Financial instrument risks

The group has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk including interest rate risk, currency risk and price risk. Information about the group's exposure to each of the above risks and the group's objectives, policies and processes for measuring and managing risk is detailed below.

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

The 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 the group's activities. Management's standards and procedures aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

31. Financial instruments (continued)

(b) Financial instrument risks (continued)

(i) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents, financial investments, securities purchased under resale agreements and accounts receivable.

The maximum exposure to credit risk at the reporting date is equal to the carrying value.

The group manages this risk as follows:

- Cash and cash equivalents and short-term investments

  The group maintains cash resources with reputable financial institutions. The credit risk is considered to be low. The allowance for expected credit loss is immaterial.

- Securities purchased under resale agreements

  The group holds collateral for securities purchased under resale agreements. The allowance for expected credit loss is immaterial.

- Accounts receivable

  The group has a credit policy in place to minimise exposure to credit risk inherent in trade accounts receivable. Credit evaluations are performed on all customers requiring credit. Credit terms are negotiated based on a mix of terms acceptable to both parties. The group provides credit up to 60 days, dependent on other pricing arrangements that may be beneficial to the relationship. A continuing relationship with customers is dependent upon adherence to the credit terms.

  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 reviewed over the lifetime of the trade receivables.

  The group estimates ECL on trade receivables using a provision matrix based on historical credit loss experience as well as the credit risk and expected developments for each group of customers. The following tables provide information about the ECL for trade receivables as at the reporting date.

		2021		
Age categories	Weighted average loss rate	Gross carrying amount	ECL allowance	Credit impaired
		$'000	$'000	$'000
Current (not past due)	0.31%	1,588,202	1,000	No
Past due 0 – 30 days	0.62%	693,016	2,102	No
Past due 31- 120 days	13.54%	177,108	15,460	Yes
Past due 121 days - 1 year	66.88%	69,407	17,831	Yes
More than 1 year	100.00%	74,335	74,335	Yes
		2,602,068	110,728	

31. Financial instruments (continued)

(b) Financial instrument risks (continued)

(i) Credit risk (continued)

- Accounts receivable (continued)

	2020			
Age categories	Weighted average loss rate	Gross carrying amount	ECL allowance	Credit impaired
		$'000	$'000	$'000
Current (not past due)	0.12%	1,563,242	709	No
Past due 0 - 30 days	0.25%	389,534	693	No
Past due 31- 120 days	17.21%	248,896	33,985	Yes
Past due 121 days - 1 year	83.96%	106,255	85,566	Yes
More than 1 year	100.00%	59,633	59,633	Yes
		2,367,560	180,586	

Staff and other receivables are subject to credit terms consistent with staff guidelines and other factors, including Jamaican GCT, and the Netherlands and U.K. VAT. These guidelines include the provision of collateral as security for credit extended.

- Non-current investments

The loan to the purchaser of former subsidiaries, net of impairment allowance, is considered to be adequately secured. The estimated allowance for any further impairment is considered immaterial.

(ii) Market risk

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

The group manages this risk by conducting research and monitoring the price movement of securities on the local and international markets.

There were no changes in the group's approach to managing market risk during the year.

31. Financial instruments (continued)

(b) Financial instrument risks (continued)

(ii) Market risk (continued)

Currency risk

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

The group is exposed to foreign currency risk on transactions that are denominated in currencies other than the Jamaican dollar. The main currencies giving rise to this risk are the euro ("EUR"), United States dollar ("USD") and pound sterling ("GBP").

The group manages this risk by matching foreign currency assets with liabilities as far as possible. Interest on borrowings is denominated in currencies that match the cash inflows generated by the underlying operations in which the borrowings are invested. This provides an economic hedge and no derivatives are entered into.

There were no changes in the group's approach to managing foreign currency risk during the year.

The net foreign currency assets/(liabilities) at year-end were as follows:

	2021			2020		
	USD	GBP	EUR	USD	GBP	EUR
	$'000	£'000	€'000	$'000	£'000	€'000
Financial assets						
Cash and cash equivalents	1,687	626	2,737	1,488	683	2,813
Short term investments	2,724	-	-	56	-	-
Securities purchased under resale agreements	49,781	-	-	39,294	-	-
Accounts receivable	6,508	1,178	8,717	6,110	981	8,072
Investments	285	-	-	285	-	-
Financial liabilities						
Accounts payable	(2,398)	(1,176)	(10,001)	(1,997)	(1,146)	(9,480)
Loans and borrowings	(1,198)	(189)	(1,351)	(1,231)	(235)	(1,869)
Lease liabilities	(1,060)	(992)	(571)	(1,590)	(1,110)	(801)
Financial instruments position	56,329	(553)	(469)	42,415	(827)	(1,265)
Other assets	14,429	3,541	20,860	12,525	3,036	20,757
Other liabilities	(75)	(44)	(119)	(9)	(54)	-
Balance sheet position	70,683	2,944	20,272	54,931	2,155	19,492

31. Financial instruments (continued)

(b) Financial instrument risks (continued)

(ii) Market risk (continued)

Currency risk (continued)

Other assets/liabilities represent balances denominated in the respective foreign currencies that are expected to be realised or settled in those currencies.

Foreign currency sensitivity analysis

The following tables detail the group's sensitivity to an 8% strengthening or 2% weakening (2020: 6% strengthening and 4% weakening) of the relevant currencies against the Jamaican dollar and the resultant net exchange gains/(losses) based on net foreign currency assets/(liabilities) at year-end. These percentages represent management's assessment of the reasonably possible change in foreign currency rates.

This analysis assumes that all other variables, in particular interest rates, remain constant and is performed on the same basis as the previous year.

Effect of an 8% (2020: 6%) depreciation of the Jamaican dollar:

	2021		2020	
	Equity $'000	Profit $'000	Equity $'000	Profit $'000
USD	168,397	695,200	109,806	353,870
GBP	49,042	-	24,165	-
EUR	272,173	-	199,353	-

Effect of a 2% (2020: 4%) appreciation of the Jamaican dollar:

	2021		2020	
	Equity $'000	Profit $'000	Equity $'000	Profit $'000
USD	(42,066)	(173,665)	(73,219)	(235,962)
GBP	(12,250)	-	(16,111)	-
EUR	(67,990)	-	(132,983)	-

Buying exchange rates used at year-end:

	2021	2020
USD1 to J$	152.75	140.77
GBP1 to J$	208.11	186.97
EUR1 to J$	167.78	170.46

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 contracts material financial liabilities at fixed interest rates. Credit facilities are subject to interest rates which may be varied with appropriate notice by the lender.

31. Financial instruments (continued)

(b) Financial instrument risks (continued)

(ii) Market risk (continued)

Interest rate risk (continued)

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

	2021 $'000	2020 $'000
Fixed rate instruments:		
Financial assets	11,247,084	9,328,841
Financial liabilities	(3,853,376)	(3,731,484)
	7,393,708	5,597,357
Variable rate instruments:		
Financial liabilities	(486,090)	(540,762)

There were no changes in the group's approach to managing interest rate risk during the year.

Other price risk

Other price risk is the risk that the value of certain financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment or its issuer or all factors affecting instruments traded in the market generally. As the group's financial equity investments are carried at fair value through other comprehensive income, all changes in market conditions would affect other comprehensive income ("OCI").

The group's exposure to price risk is represented by the total carrying value of equity investments of $17,869,000 (2020: $14,122,000).

Sensitivity to movements in equity prices

Sensitivity is measured by computing the impact on shareholders' equity of a reasonably probable change in equity prices.

The group's equity investments are listed locally on the Jamaica Stock Exchange. A 5% (2020: 10%) increase in stock prices at the reporting date would have increased total comprehensive income by $893,450 (2020: $1,412,200); an equal decrease would have decreased total comprehensive income by an equal amount.

Cash flow sensitivity analysis for variable rate instruments

An increase of 300 (2020: 100) basis points "(bps)" or a decrease of 50 (2020: 100) bps in interest rates at the reporting date would have (decreased)/increased profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. This analysis is performed on the same basis for the previous year.

31. Financial instruments (continued)

(b) Financial instrument risks (continued)

(ii) Market risk (continued)

Cash flow sensitivity analysis for variable rate instruments (continued)

	2021		2020	
	300 bps increase $'000	50 bps decrease $'000	100 bps increase $'000	100 bps decrease $'000
Variable rate instruments	(14,583)	2,430	(5,408)	5,408

(iii) Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the group will not be able to meet its financial obligations as they fall due and/or encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed facilities.

Management of the group aims at maintaining flexibility in funding by ensuring that sufficient cash resources are held or placed in short-term marketable instruments to meet financial obligations when they fall due.

There were no changes in the group's approach to liquidity risk management during the year.

The tables below show the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the group can be required to pay. The analysis also assumes that all other variables, in particular interest and exchange rates, remain constant.

	2021				
	Weighted average interest rate %	Carrying amount $'000	Contractual cash flows $'000	0-1 year $'000	1-5 years $'000
Bank loans	5.12%	3,363,937	3,893,871	919,304	2,974,567
Other related party loans	3.00%	187,970	204,887	5,639	199,248
Accounts payable		4,547,419	4,547,419	4,547,419	-
		8,099,326	8,646,177	5,472,362	3,173,815

31. Financial instruments (continued)

(b) Financial instrument risks (continued)

(iii) Liquidity risk (continued)

	2020				
	Weighted average interest rate %	Carrying amount $'000	Contractual cash flows $'000	0-1 year $'000	1-5 years $'000
Bank loans	5.32%	3,124,081	3,669,995	791,091	2,878,904
Other related party loans	3.00%	173,224	188,814	5,197	183,617
Accounts payable		3,919,412	3,919,412	3,919,412	-
		7,216,717	7,778,221	4,715,700	3,062,521

(iv) Capital management

There were no changes in the group's approach to capital management during the year. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the group defines as total stockholders' equity, excluding non-controlling interest. The level of dividends to ordinary stockholders is also monitored in accordance with the group's stated dividend policy.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. Neither the company nor any of its subsidiaries is subject to externally imposed capital requirements.

32. Subsidiaries, associates and joint venture companies

The company has the following subsidiaries, associates and joint venture companies. Inactive subsidiaries are excluded.

	% equity held		Principal place of business
	2021	2020	
SUBSIDIARY COMPANIES			
JP Tropical Group Limited	100	100	Jamaica
Agualta Vale Limited	100	100	Jamaica
Agri Services Limited	100	100	Jamaica
Eastern Banana Estates Limited	100	100	Jamaica
St. Mary Banana Estates Limited	100	100	Jamaica
JP Tropical Foods Limited	100	100	Jamaica

Notes to the Financial Statements (Continued)

32. Subsidiaries, associates and joint venture companies (continued)

	% equity held 2021	% equity held 2020	Principal place of business
SUBSIDIARY COMPANIES (CONTINUED)			
JP Snacks Caribbean Limited	70	70	Cayman Islands
Antillean Foods, Inc.	100	100	Cayman Islands
Jamaica Producers Shipping Company Limited	60	60	Jamaica
Kingston Wharves Limited	42	42	Jamaica
Harbour Cold Stores Limited	100	100	Jamaica
Security Administrators Limited	67	67	Jamaica
Western Storage Limited	100	100	Jamaica
Western Terminals Limited	100	100	Jamaica
Newport Stevedoring Services Limited	100	100	Jamaica
KW Logistics Limited	100	100	Jamaica
KW Warehousing Services Limited	100	100	Jamaica
Four Rivers Mining Company Limited	100	100	Jamaica
JP International Group Limited	100	100	Cayman Islands
Cooperatief JP Foods U.A.	100	100	The Netherlands
A.L. Hoogesteger Fresh Specialist B.V.	100	100	The Netherlands
JP Shipping Services Limited	100	100	England and Wales
Tortuga International Holdings Company Limited	62	62	St. Lucia
Tortuga (Barbados) Limited	100	100	Barbados
Tortuga Imports, Inc.	100	100	U.S.A.
Tortuga Caribbean Rum Cake Jamaica Limited	100	100	Jamaica
Tortuga Caribbean Limited	100	100	Jamaica
ASSOCIATE COMPANIES AND JOINT VENTURES			
Tortuga Cayman Limited	40	40	Cayman Islands
Geest Line Limited	50	-	United Kingdom
CoBeverage Lab S.L.	50	-	Spain
Grupo Frontera Limited	50	-	St. Lucia
Grupo Alaska S.A.	100	-	Dominican Republic

JAMAICA PRODUCERS GROUP LIMITED

Audited **Company** Financial Statements

Year ended December 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Unit Holders of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Jamaica Producers Group Limited ("the company"), set out on pages c10 to c41, which comprise the separate balance sheet as at December 31, 2021, the separate 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 separate financial statements give a true and fair view of the unconsolidated financial position of the company as at December 31, 2021, and of its unconsolidated financial performance and its unconsolidated 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 ("the 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.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Audit of the Separate Financial Statements (continued)

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, is of most significance in our audit of the financial statements of the current period. The matter below was 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 this matter.

Impairment of investment in subsidiaries

Key Audit Matter	*How the matter was addressed in our audit*
The carrying value of the company's investments in subsidiaries may not be recoverable due to changes in the business and economic environment in which specific subsidiaries operate. These factors create inherent uncertainty in forecasting and require significant judgement in estimating and discounting future cash flows that support the assessment of recoverability.	In this area our audit procedures included: 1) Evaluating whether there were indicators of impairment of the investments, considering the economic environment and business performance of each subsidiary. 2) Where applicable, testing the reasonableness of the company's forecasts and discounted cash flow calculations, including: • Comparing the company's assumptions to externally derived data as well as our own assessments of key inputs, such as projected economic growth, competition, cost inflation and discount rates.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Audit of the Separate Financial Statements (continued)

Key Audit Matter (continued)

Impairment of investment in subsidiaries (continued)

Key Audit Matter	*How the matter was addressed in our audit*
The carrying value of the company's investments in subsidiaries may not be recoverable due to changes in the business and economic environment in which specific subsidiaries operate. These factors create inherent uncertainty in forecasting and require significant judgement in estimating and discounting future cash flows that support the assessment of recoverability.	2) (continued) • Comparing the sum of the discounted cash flows to the carrying value of investments in subsidiaries. 3) Assessing the adequacy of the company's disclosures in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information in the company's annual report for the year ended December 31, 2021 but does not include the financial statements and our auditor's 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 do 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
JAMAICA PRODUCERS GROUP LIMITED

Report on the Audit of the Separate 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 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 c8 to c9, forms part of our auditors' report.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PRODUCERS GROUP 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 Nigel Chambers.

KPMG

Kingston, Jamaica

March 1, 2022

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PRODUCERS GROUP 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 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.

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.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Appendix to the Independent Auditors' report (continued)

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, related safeguards.

From the matters communicated with those charged with governance, we determine the 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 matters 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.

Company Balance Sheet

Year Ended Year December 31, 2021

	Notes	2021 $'000	2020 $'000
CURRENT ASSETS			
Cash and cash equivalents	4	23,957	15,620
Short term investments	3(d),5	416,110	1,084,143
Securities purchased under resale agreements	3(e)	1,242,023	1,087,056
Accounts receivable	6	24,396	46,525
Taxation recoverable		20,899	6,679
Total current assets		1,727,385	2,240,023
CURRENT LIABILITIES			
Accounts payable	7	817,047	682,999
Current portion of loans and borrowings	14	130,000	130,000
Current portion of lease liabilities	11(b)	5,974	5,795
Total current liabilities		953,021	818,794
WORKING CAPITAL SURPLUS		774,364	1,421,229
NON-CURRENT ASSETS			
Interest in subsidiaries, associates and joint ventures	8	3,894,690	3,624,711
Investments	9	17,870	18,929
Property, plant and equipment	10	80,521	87,579
Right-of-use assets	11(a)	64,419	68,445
Total non-current assets		4,057,500	3,799,664
Total assets less current liabilities		4,831,864	5,220,893
EQUITY			
Share capital	12	112,214	112,214
Reserves	13	3,686,716	3,950,089
Total equity attributable to stockholders		3,798,930	4,062,303
NON-CURRENT LIABILITIES			
Loans and borrowings	14	971,034	1,100,290
Lease liabilities	11(b)	61,900	58,300
Total equity and non-current liabilities		4,831,864	5,220,893

The financial statements on pages c10 to c41 were approved by the Board of Directors on March 1, 2022 and signed on its behalf by:

Chairman
C. H. Johnston

Managing Director
J. Hall

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

Company Statement of Profit or Loss and Other Comprehensive Income

Year ended Year December 31, 2021

	Notes	2021 $'000	2020 $'000
Gross operating revenue:			
Management fees - subsidiaries	15	41,095	36,846
- other	15	26,030	-
Interest income - subsidiaries		19,658	5,427
- other		87,107	56,293
Dividends	16	360,598	329,468
Rent - subsidiaries	15	22,488	21,321
- other	15	499	1,838
		557,475	451,193
Administration and other operating expenses	17	(414,184)	(378,313)
Profit from operations		143,291	72,880
Net gain from fluctuation in exchange rates	16	153,091	98,644
Gain on disposal of investments and property, plant and equipment		-	424,232
Debt forgiveness		1,626	-
Increase in impairment allowance on loans and receivables - subsidiaries	8	(167,598)	(10,865)
Profit before finance cost and taxation		130,410	584,891
Finance cost - interest	16	(122,218)	(112,745)
Profit before taxation		8,192	472,146
Taxation	18	(22)	(191)
Profit for the year		8,170	471,955
Other comprehensive loss:			
Items that will not be reclassified to profit or loss:			
Depreciation in fair value through other comprehensive income ("FVOCI") investments		(1,059)	(7,988)
Total comprehensive income for the year		7,111	463,967

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

Company Statement of Changes in Equity

Year ended Year December 31, 2021

	Share capital $'000 (note 12)	Share premium $'000 (note 13)	Capital reserves $'000 (note 13)	Fair value reserves $'000 (note 13)	Retained profits $'000	Total equity $'000
Balances at December 31, 2019	112,214	135,087	1,005,101	6,970	2,556,551	3,815,923
Total comprehensive income for 2020:						
Profit for the year	-	-	-	-	471,955	471,955
Other comprehensive income:						
Items that will not be reclassified to profit or loss						
Depreciation of investments at fair value through other comprehensive income	-	-	-	(7,988)	-	(7,988)
Total comprehensive (loss) /income for the year	-	-	-	(7,988)	471,955	463,967
Other reserve movements:						
Reclassification of capital gains to capital reserves	-	-	1,029,214	-	(1,029,214)	-
Transactions with stockholders						
Capital distributions (note 19)	-	-	(224,429)	-	-	(224,429)
Unclaimed distributions to stockholders written back (note 19)	-	-	6,842	-	-	6,842
Balances at December 31, 2020	112,214	135,087	1,816,728	(1,018)	1,999,292	4,062,303
Total comprehensive income for 2021:						
Profit for the year	-	-	-	-	8,170	8,170
Other comprehensive income:						
Items that will not be reclassified to profit or loss						
Depreciation in investments at fair value through other comprehensive income	-	-	-	(1,059)	-	(1,059)
Total comprehensive (loss)/income for the year	-	-	-	(1,059)	8,170	7,111
Transactions with owners of the company						
Capital distributions (note 19)	-	-	(280,536)	-	-	(280,536)
Unclaimed distributions to stockholders written back (note 19)	-	-	10,052	-	-	10,052
Balances at December 31, 2021	112,214	135,087	1,546,244	(2,077)	2,007,462	3,798,930

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

Company Statement of Cash Flows

Year ended Year December 31, 2021

	Notes	2021 $'000	2020 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		8,170	471,955
Adjustments for:			
Depreciation – plant, property and equipment	10	9,296	9,222
Amortisation – right-of-use assets	11	4,026	4,026
Net unrealised exchange gains		(153,854)	(98,653)
Gain on disposal of property, plant and equipment and investments		-	(424,232)
Debt forgiveness		(1,626)	-
Increase in provision for diminution in value of interest in subsidiaries	8	167,598	10,865
Expected credit loss charge on trade receivables	17	2,348	1,213
Amortisation of bond issuance costs	14	744	12,274
Interest income	16	(106,765)	(61,720)
Interest expense	16	122,218	112,745
Current taxation charge	18	22	191
		52,177	37,886
Decrease/(increase) in current assets:			
Accounts receivable		2,593	(10,711)
Taxation recoverable		(14,220)	3,771
Increase/(decrease) in current liabilities:			
Accounts payable		44,109	51,588
Unclaimed dividends		44,428	36,272
Taxation paid		(22)	(191)
Net cash provided by operating activities		129,065	118,615
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Short term investments		684,015	(874,709)
Securities purchased under resale agreements		(71,917)	(916,213)
Additions to property, plant and equipment	10	(2,238)	(2,058)
Interest received		116,762	34,942
Interests in subsidiary and associate companies		(403,646)	1,442,880
Proceeds from disposal of investments and property, plant and equipment		-	467,303
Net cash provided by investment activities		322,976	152,145
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution to stockholders	19	(224,429)	(168,322)
Interest paid		(67,224)	(95,645)
Lease payments		(5,551)	(6,251)
Loans and borrowings		(130,000)	(70,206)
Net cash used by financing activities		(427,204)	(340,424)
Net increase/(decrease) in cash and cash equivalents		24,837	(69,664)
Effect of foreign exchange movement		(16,500)	(3,287)
Cash and cash equivalents at beginning of year		15,620	88,571
Cash and cash equivalents at end of year		23,957	15,620

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

Notes to the Financial Statements

1. The company

Jamaica Producers Group Limited ("the company") is incorporated and domiciled in Jamaica. The company's registered office is located at 4 Fourth Avenue, Newport West, Kingston 13.

Its principal activities are the provision of administration services to its subsidiaries and associates (note 23) and the holding of investments.

On October 16, 2021, the company completed an investment in Grupo Frontera Limited ("GFL"), a joint venture holding company. The investment was made by subscription of shares and through a long term loan. The company owns 50% of the issued shares of GFL. On the same date, a subsidiary of GFL, Grupo Alaska S.A., acquired the assets of an ice and bottled water producer and distributor in the Dominican Republic (see note 8).

During the prior year, as part of the group's divestment of 22.1% of the issued share capital of SAJE Logistics Infrastructure Limited ("SAJE"), the company sold all its shares in SAJE to P.S.C. Limited, a subsidiary, for consideration of $462,471,000.

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.

Certain new, revised and amended standards and interpretations came into effect during the current financial year. The company has assessed them and has adopted those which are relevant to its financial statements but their adoption did not result in any material changes to amounts recognised or disclosed in these financial statements.

At the date of authorisation of the financial statements, certain new and amended standards have been issued which are not yet effective and which the company has not early adopted. The company has assessed the relevance of all such new standards and amendments with respect to its operations and has determined that the following may be relevant:

- Amendments to IAS 37 *Provision*, C*ontingent 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.

  The company is assessing the impact that the amendment will have on its financial statements.

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

(a) Statement of compliance: (continued)

Standards issued but not yet effective (continued)

- Annual Improvements to IFRS Standards 2018-2020 cycle contain amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS *9 Financial Instruments,* IFRS 16 *Leases*, IAS 41 *Agriculture*, and are effective for annual periods beginning on or after January 1, 2022.

  (i) IFRS 9 *Financial Instruments* amendment clarifies that – for the purpose of performing the "10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

  (ii) IFRS 16 *Leases* amendment removes the illustration of payments from the lessor relating to leasehold improvements.

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

- Amendments to IAS 1 *Presentation of Financial Statements,* will apply retrospectively for annual reporting periods beginning on or after January 1, 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, entities 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 reporting date. Instead of the requirement for a right of deferral to be unconditional, the standard requires that a right to defer settlement must have substance and exist at the reporting date. An entity classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting date. It has also been clarified that a right to defer exists only if the entity is in compliance with conditions specified in the loan agreement at the reporting date, even if the lender does not test compliance until a later date.

  The company is assessing the impact that the amendment will have on its financial statements.

- Amendments to IAS 1 *Presentation of Financial Statements* are effective for annual periods beginning on or after January 1, 2023 and may be applied earlier. The amendments help companies provide useful accounting policy disclosures.

  The key amendments to IAS 1 include:

  - requiring companies to disclose their *material* accounting policies rather than their *significant* accounting policies;

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

(a) Statement of compliance: (continued)

Standards issued but not yet effective (continued)

- Amendments to IAS 1 *Presentation of Financial Statements* (continued)

  The key amendments to IAS 1 include (continued):

  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

  The amendments are consistent with the refined definition of material:

  "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

  The company is assessing the impact that the amendment will have on its financial statements.

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* are effective for periods beginning on or after January 1, 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

  The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

  Developing an accounting estimate includes both:

  - selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 *Financial Instruments*: and
  - choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

  The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

  The company is assessing the impact that the amendment will have on its financial statements.

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

(a) Statement of compliance: (continued)

Standards issued but not yet effective (continued)

- Amendments to IAS 12 *Income Taxes* are effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted. The amendments clarify how companies should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions.

  The amendments narrow the scope of the initial recognition exemption ("IRE") so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

  For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If a company previously accounted for deferred tax on leases and decommissioning liabilities under the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability.

  For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

  The company is assessing the impact that the amendment will have on its financial statements.

(b) Basis of preparation:

These separate financial statements are intended to show the affairs of the company as a stand-alone business. They are not intended to, and do not, show the consolidated financial position, results of operations and cash flows of the company and its subsidiaries. The company's interests in subsidiaries (note 23) are measured at cost, less allowance for diminution in value [note 3(i)]. Unless otherwise indicated, references to "financial statements" herein are to the unconsolidated financial statements.

The financial statements are prepared on the historical cost basis, except for fair value through other comprehensive income ("FVOCI") investments, which are measured at fair value. The financial statements are presented in Jamaican Dollars ("J$"), which is the functional currency of the company.

(c) Use of estimates and judgment:

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of, and disclosures relating to assets, 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.

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

(c) Use of estimates and judgment (continued):

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

Judgement made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year is discussed below:

Impairment of investment in subsidiaries

Impairment of investment in subsidiaries is dependent upon management's internal assessment of future cash flows from subsidiaries. That internal assessment determines the recoverable value of subsidiaries. The estimate of the amount recoverable from future operations of the company's subsidiaries are sensitive to the discount rates and expected cashflows and weighted average cost of capital used.

3. Significant accounting policies

The company has consistently applied the accounting policies as set out in note 3 to all periods presented in these financial statements.

(a) Foreign currencies:

Except for investments in foreign subsidiaries, foreign currency balances at the reporting date are translated at the buying rates of exchange ruling at that date [note 22(b)(ii)]. Investments in foreign subsidiaries are carried at historical rates of exchange.

Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions. Gains and losses arising from fluctuations in exchange rates are included in profit or loss.

(b) Financial instruments – classification, recognition and de-recognition, and measurement:

Financial instruments carried on the statement of financial position include cash and cash equivalents, accounts receivable, securities purchased under resale agreement, short-term investments, equity investments, accounts payable, loans and borrowing and lease liabilities.

Financial assets

Initial recognition and measurement

Financial assets that are not designated as at fair value through profit or loss and: a) are held within a business model whose objective is to hold assets to collect contractual cash flows, and b) have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified as "Held to collect" and measured at amortised cost.

3. Significant accounting policies (continued)

(b) Financial instruments – classification, recognition and de-recognition, and measurement (continued):

Initial recognition and measurement (continued)

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:

- Cash and cash equivalents;
- Accounts receivable;
- Securities purchased under resale agreements; and
- Short-term investments.

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

Equity instruments

On initial recognition of an equity instrument, the company elects to irrevocably designate an equity investment at fair value through other comprehensive income("OCI"). Subsequent changes in the investment at fair value are recorded in OCI.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described in the particular recognition methods disclosed in their individual policy notes.

Impairment of financial assets

Impairment losses of financial assets, including receivables, are recognised using the expected credit loss model for the entire lifetime of such financial assets on initial recognition, and at each subsequent reporting period, even in the absence of a credit event or if a loss has not yet been incurred, considering past events and current conditions, as well as reasonable and supportable forecasts affecting collectability.

Derecognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired, or the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

Initial recognition and measurement

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

3. Significant accounting policies (continued)

(b) Financial instruments – classification, recognition and de-recognition, and measurement (continued):

Financial liabilities (continued)

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described in the particular recognition methods disclosed in their individual policy notes.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

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, and the difference in the respective carrying amounts is recognised in profit or loss.

(c) Cash and cash equivalents:

Cash comprises cash in hand and demand and call deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments, rather than for investment or other purposes.

(d) Short-term investments:

Short-term investments comprise fixed deposits with banks, money market securities and debt instruments at amortised cost due within one year. They are acquired for their earnings potential and for balancing the company's risks on its investment portfolio. Their nature, liquidity and risk are similar to those of cash and cash equivalents.

(e) Securities purchased under resale agreements:

Securities purchased under resale agreements ("reverse repos") are short-term transactions in which the company makes funds available to other parties and in turn receives securities which it agrees to resell on a specified date at a specified price.

Reverse repos are accounted for as short-term collateralised lending.

The difference between the sale and repurchase consideration is recognised on the accrual basis over the period of the transaction and is included in interest income.

(f) Accounts receivable

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

3. Significant accounting policies (continued)

(g) Accounts payable and provisions

Trade and other payables, including provisions, are measured at amortised cost. A provision is recognised when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. 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 liability.

(h) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of an asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs related to the acquisition or construction of qualifying assets are recognised as part of the cost of those qualifying assets.

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 company and it can be measured reliably. The cost of day-to-day servicing of property, plant and equipment is recognised in profit or loss, as it is incurred.

(ii) Depreciation

Property, plant and equipment, with the exception of freehold land, on which no depreciation is provided, are depreciated on the straight-line basis at annual rates estimated to write-off the assets over their expected useful lives. Depreciation methods, useful lives and residual values are reassessed at each reporting date.

The depreciation rates are as follows:

Leasehold land and buildings	5%
Freehold buildings	5%
Furniture and equipment	10%
Motor vehicles	20%
Computer software and equipment	33⅓%

3. Significant accounting policies (continued)

(i) Impairment

The company recognises a loss allowance for expected credit losses ("ECLs") on financial assets that are measured at amortised cost.

At each reporting date, the loss allowance on trade receivables is always measured at an amount equal to the lifetime expected credit losses. The loss allowance for other financial assets is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

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

Macroeconomic Factors, Forward Looking Information and Multiple Scenarios

The company applies an unbiased and probability weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions. Macroeconomic factors and forward-looking information are incorporated into the measurement of ECL as well as the determination of whether there has been a significant increase in credit risk since origination.

Measurement of ECLs at each reporting date reflects reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. The company uses three scenarios that are probability weighted to determine ECL.

For accounts receivable, the company applies the simplified approach to providing for expected credit losses, which allows the use of a provision matrix. The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward-looking information.

(j) Leases

At inception of a contract, the company 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.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

3. Significant accounting policies (continued)

(j) Leases (continued)

(i) As a lessee (continued)

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the company by the end of the lease term or the cost of the right-of-use asset reflects that the company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. The right-of-use asset is reduced by impairment losses, if any, and periodically adjusted for remeasurements of the lease liability.

The lease liability is initially measured at the present value of the scheduled lease payments at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

The company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option, or if there is a revised in-substance fixed lease payment.

3. Significant accounting policies (continued)

(j) Leases (continued):

(i) As a lessee (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The company recognises the lease payments associated with these leases as an expense on the straight-line basis over the lease term.

(ii) As a lessor

When the company acts as a lessor, it makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

(k) Employee benefits:

Employee benefits are all forms of consideration given by the company in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, National Insurance Scheme contributions, annual leave, and non-monetary benefits such as medical care and housing; post-employment benefits such as pensions; and other long-term employee benefits such as termination benefits.

Employee benefits that are earned as a result of past or current service are recognised in the following manner:

- short-term employee benefits are recognised as a liability, net of payments made, and charged as expense.
- the expected cost of vacation leave that accumulates is recognised when the employee becomes entitled to the leave.
- post-employment benefits are pensions provided through a defined contribution pension plan in which the company participates. The company's contributions to the plan are charged to profit or loss in the period in which they are due.

3. Significant accounting policies (continued)

(l) Revenue:

Performance obligations and revenue recognition policies:

Revenue is measured based on the consideration specified in a contract with a customer. The company recognises revenue over time as the service is provided.

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:

Performance obligations and revenue recognition policies:

Type of revenue	Nature and timing of satisfaction of performance obligations, including significant payment terms.	Revenue recognition under IFRS 15
Rental income	The company rents land and buildings to tenants. Rental income is based on market rates and charged monthly according to an agreement.	Recognised over time as the services are provided.
Management fees	The company provides services to its subsidiaries. Fees are based on the provision of comparable services in the market and are charged on a monthly basis. .	Recognised over time as the services are provided.
Dividend income	The company earns dividends from subsidiaries and associated companies and equity investments.	Recognised at the point in time that the company's right to receive payment is established.

(m) Finance costs:

Finance costs represent interest payable on borrowings together with amortised transaction costs and are recognised in profit or loss using the effective interest method.

(n) Interest income:

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

3. Significant accounting policies (continued)

(o) Taxation:

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 in other comprehensive income, in which case it is also 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 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.

(p) Loans payable:

Loans payable are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, loans are measured at amortised cost using the effective interest method.

(q) Subsidiaries and associated companies:

Interests in subsidiaries and associated companies are measured at cost, less allowance for impairment.

4. Cash and cash equivalents

This comprises cash and deposit balances with maturities of ninety (90) days or less.

5. Short term investments

This comprises fixed deposits bearing interest of 3% annually.

6. Accounts receivable

	2021 $'000	2020 $'000
Staff receivables	778	4,768
Prepayment	6,218	7,402
Other receivables and prepayments	31,774	45,600
	38,770	57,770
Less: Allowance for impairment	(14,374)	(11,245)
	24,396	46,525

6. Accounts receivable (continued)

The movement in the allowance for impairment in respect of accounts receivable during the year is as follows:

	2021 $'000	2020 $'000
Balance at January 1	11,245	9,237
Impairment losses recognised	8,948	1,213
Impairment losses written back	(6,600)	-
Exchange loss	781	795
Balance at end of year	14,374	11,245

7. Accounts payable

	2021 $'000	2020 $'000
Dividends payable	280,536	224,429
Loan from ESOP	231,524	171,363
Loan from Trusts	122,738	87,973
Accrued staff costs	110,645	121,135
Accrued expenses	33,579	38,533
Interest payable	14,767	16,618
Trade payables	4,553	4,029
Unclaimed dividends	9,663	10,052
Other	9,042	8,867
	817,047	682,999

8. Interest in subsidiaries, associates and joint ventures

	2021 $'000	2020 $'000
Subsidiary companies:		
Shares, at cost	4,151,890	4,129,526
Loan accounts receivable	351,407	563,642
Current accounts receivable	2,677,421	2,077,957
Less: Impairment allowance	(790,555)	(458,369)
Loan accounts payable	(2,672,702)	(2,630,120)
Current accounts payable	(114,855)	(57,925)
Interest in subsidiaries	3,602,606	3,624,711
Joint ventures:		
Shares	36,942	-
Loan	255,142	-
Interest in subsidiaries, associates and joint ventures	3,894,690	3,624,711

Shares held in a subsidiary are pledged as security against a term loan (note 14).

During the year the company acquired a 50% shareholding in Grupo Frontera Limited ("GFL") through subscription of shares. At the same time the company provided a long-term loan to GFL.

The loan bears 2.5% interest per annum. The loan plus any outstanding interest is repayable on or before October 31, 2031.

8. Interest in subsidiary and joint ventures (continued)

The recoverable amount of the company's investment in each subsidiary is reviewed annually for impairment. The impairment review at the end of the year resulted in an increase in the impairment allowance of $167,598,000 (2020: $10,865,000). Additionally, during 2020, as part of the acquisition of the interests of a non-controlling interest in the receivables of a non-trading subsidiary, the company acquired a receivable with the same subsidiary totalling $164,588,000 for consideration of $1. The company has assessed the receivable as fully impaired and immediately increased the total impairment allowance by $164,588,000.

9. Investments

This comprises quoted equity investments measured at fair value through other comprehensive income.

10. Property, plant and equipment

	Work -in-progress $'000	Freehold land and buildings $'000	Leasehold land and buildings $'000	Equipment, vehicles and furniture $'000	Total $'000
Cost					
December 31, 2019	125	74,034	39,569	129,215	242,943
Additions	-	-	-	2,058	2,058
Disposals	-	(1)	-	-	(1)
December 31, 2020	125	74,033	39,569	131,273	245,000
Additions	-	-	-	2,238	2,238
Disposals	-	-	-	(280)	(280)
December 31, 2021	125	74,033	39,569	133,231	246,958
Depreciation					
December 31, 2019	-	26,441	13,305	108,453	148,199
Charge for the year	-	2,019	1,272	5,931	9,222
December 31, 2020	-	28,460	14,577	114,384	157,421
Charge for the year	-	2,161	1,272	5,863	9,296
Eliminated on disposal	-	-	-	(280)	(280)
December 31, 2021	-	30,621	15,849	119,967	166,437
Net book values					
December 31, 2021	125	43,412	23,720	13,264	80,521
December 31, 2020	125	45,573	24,992	16,889	87,579
December 31, 2019	125	47,593	26,264	20,762	94,744

11. Leases

(a) Right-of-use assets

	Leasehold land and buildings
	$'000
Balance at January 1, 2020	72,471
Depreciation charge for the year	(4,026)
Balance at December 31, 2020	68,445
Depreciation charge for the year	(4,026)
Balance at December 31, 2021	64,419

(b) Lease liabilities

	2021	2020
	$'000	$'000
Maturity analysis - contractual cash flows:		
Less than one year	7,830	6,801
One to five years	41,530	35,471
More than five years	95,140	90,029
Total contractual cash flows	144,500	132,301
Less: future interest	(76,626)	(68,206)
	67,874	64,095
Less: current portion	(5,974)	(5,795)
Non-current	61,900	58,300
Amounts recognised in profit or loss		
Interest on lease liabilities	(1,249)	494
Amounts recognised in the statement of cash flows		
Total cash outflow for leases	7,465	6,251

(c) Real estate leases

The company leases land and buildings for its office space. The leases of office space typically run for a period of 10 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases provide for additional rent payments that are based on changes in local price indices in the period. Some also require the company to make payments that relate to the property taxes levied on the lessor and insurance payments made by the lessor. These amounts are generally determined annually.

11. Leases (continued)

(d) As the Lessor

Leases relate to property owned by the company that is leased to its subsidiaries with lease terms of between 2 to 5 years, with options to extend for a further 1 to 5 years. The lessees do not have the option to purchase the property at the expiry of the lease period.

The company earned property rental income of $22,987,000 (2020: $23,159,000) under operating leases. Direct operating expenses arising on leased property in the period was $1,338,328 (2020: $1,060,000).

Commitments for income under non-cancellable operating leases at year-end are as follows:

	2021 $'000	2020 $'000
Within one year	9,434	18,381
In the second to fifth year inclusive	29,759	37,734
	39,193	56,115

12. Share capital

Authorised:
1,500,000,000 ordinary shares at no par value.

Stated capital, comprises 1,122,144,036 issued and fully paid stock units.

The company's stated capital does not include share premium which is retained in capital reserves (note 13) in accordance with Section 39 (7) of the Companies Act.

13. Reserves

	2021 $'000	2020 $'000
Capital:		
Share premium (note 12)	135,087	135,087
Other	1,546,244	1,816,728
Fair value reserve	(2,077)	(1,018)
	1,679,254	1,950,797
Revenue:		
Retained profits	2,007,462	1,999,292
	3,686,716	3,950,089

Other capital reserves comprise gains on disposal of property, plant and equipment and investments up to December 31, 2021, unrealised exchange gains and unclaimed dividends to stockholders (note 19).

The company declared a capital distribution of $0.25 (2020: $0.20) per share unit effective December 20, 2021 (note 19).

Notes to the Financial Statements (Continued)

14. Loans and borrowings

	2021 $'000	2020 $'000
Term loan	1,105,000	1,235,000
Less borrowing cost:		
Balance at start of the year	(4,710)	(11,778)
Incurred during the year	-	(5,206)
Amortised for the year	744	12,274
	(3,966)	(4,710)
Total carrying value of long-term loan	1,101,034	1,230,290
Less: current portion long term loan	(130,000)	(130,000)
	971,034	1,100,290

A term loan of $1,300,000,000 was entered into on March 30, 2020 with The Bank of Nova Scotia Jamaica Limited. It is secured by shares in Kingston Wharves Limited and is repayable by April 2027 with principal repayable in 13 semi-annual payments of $65,000,000 and a final payment of $455,000,000 in April 2027. Interest accrues at a rate of 5.35% p.a.

15. Gross operating revenue

Gross operating revenue comprises management fees earned by the company for services rendered to its subsidiaries and joint ventures.

The following table shows a disaggregation of contract revenue by primary markets, major products and services and timing of recognition:

	2021 $'000	2020 $'000
Primary Geographic Market		
Europe	40,669	12,756
Caribbean	49,443	47,249
	90,112	60,005
Major Service		
Corporate services	67,125	36,846
Property rental	22,987	23,159
	90,112	60,005
Timing of recognition		
Services transferred over time	90,112	60,005

Notes to the Financial Statements (Continued)

Year December 31, 2021

16. Financial income and expenses

	2021 $'000	2020 $'000
Finance income:		
Interest income on bank deposits, loans and receivables	106,765	61,720
Dividend income	360,598	329,468
Net foreign exchange gain	153,091	98,644
	620,454	489,832
Finance costs:		
Interest expense on financial liabilities measured at amortised cost	(120,969)	(112,251)
Interest expense – lease liability [note 11(b)]	(1,249)	(494)
	(122,218)	(112,745)
Net finance income	498,236	377,087

17. Administrative and other operating expenses

	2021 $'000	2020 $'000
Administrative and other expenses:		
Advertising & promotion	2,751	1,530
Audit – current year	16,870	15,671
prior year	-	1,865
Bad debt	2,348	1,213
Bank charges	4,873	754
Depreciation – property, plant and equipment	9,296	9,222
Depreciation – right-of-use assets	4,026	4,026
Director's emoluments – fees	11,340	12,268
Donations	5,281	17,670
Insurance	2,536	2,041
IT & Communications	6,306	4,799
Legal & professional	35,387	36,562
Office costs	1,015	504
Other property costs, maintenance, security, cleaning	7,332	7,400
Staff costs	258,594	223,693
Transport, automobile and associated costs	4,532	2,869
Travel	23,447	9,303
Utilities	2,525	1,968
Other	15,725	24,955
Total administrative and other operating expenses	414,184	378,313

Notes to the Financial Statements (Continued)

18. Taxation

(a) The taxation charge is based on the company's results for the year, as adjusted for tax purposes and comprises:

	2021 $'000	2020 $'000
Current tax expense:		
Withholding tax at source on dividend	22	191

(b) Reconciliation of actual taxation charge:

The effective tax rate for 2021 was 0.27% (2020: 0.04%) compared to a statutory rate of 25% (2020: 25%). The actual tax charge differs from the "expected" tax charge for the year as follows:

	2021 $'000	2020 $'000
Profit before taxation	8,192	472,146
Computed "expected" tax charge at 25%	2,048	118,037
Taxation difference between profit for financial statements and tax reporting purposes on:		
Gain on sale of investment and property, plant and equipment	-	(103,606)
Foreign currency gain on capital items	(42,420)	(21,164)
Capital adjustments		-
Disallowed income and expenses, depreciation and other items	40,394	6,924
Actual tax charge recognised in the profit and loss account	22	191

(c) At December 31, 2021, taxation losses subject to agreement by the Commissioner General, Tax Administration Jamaica, available for relief against future taxable profits amounted to approximately $1,614,079,640 (2020: $1,579,744,749). As of January 1, 2014, tax losses may be carried forward indefinitely; however, the amount that can be utilised is restricted to 50% of chargeable income (before prior year losses) in any one year.

A deferred tax asset of $403,519,910 (2020: $394,936,619) has not been recognised as management considers its realisation within the foreseeable future to be uncertain.

19. Capital distributions

	2021 $'000	2020 $'000
Capital distributions:		
First interim - $0.25¢ (2020: $0.20¢) per stock unit - gross	280,536	224,429
Unclaimed capital distributions written back to capital reserves (note 13)	(10,052)	(6,842)
	270,484	217,587

Notes to the Financial Statements (Continued)

Year December 31, 2021

20. Contingent liabilities

The company has given a commitment to one of its subsidiaries of its intention to provide financial support as necessary for its operations for the foreseeable future. That subsidiary has a net shareholders' surplus of $65 million at December 31, 2021 (2020: surplus of $167 million).

21. Related parties

(a) Identity of related parties:

The company has related party relationships with its directors and officers. The company's executive directors and officers are collectively referred to as "key management personnel".

(b) Transactions with directors and other key management personnel:

Directors and officers of the company, their immediate relatives and entities over which they have significant influence control 32.0% (2020: 31.9%) of the voting shares of the company. In addition to their salaries, the company contributes to post-employment benefit plans on behalf of key management personnel.

	2021 $'000	2020 $'000
Short-term employment and other benefits	164,407	143,016
Post-employment benefits	12,582	8,874
Total remuneration, included in directors' emoluments And staff costs, where applicable (note 17)	176,989	151,890

(c) Transactions with other related parties, directors and key management personnel in other capacities:

Category and nature of relationship	Nature of transactions	Transactions in year (income)/expense 2021	2020	(Payable)/receivable at end of year 2021	2020	Terms and conditions *
Associate	Dividend income	-	1,274	-	-	3
50% Joint venture	Management Fee	26,014	-	-	-	2,3
Transactions with directors and key management personnel or entities under their control and/or significant influence:						
Company under their control	Insurance premiums charged to company by broker	2,705	2,297	-	-	1.2,3

* The number in each row represents the terms and conditions that are applicable to the stated transactions and their meanings are as follows:

1. Credit of up to 30 days
2. Unsecured
3. Settlement in cash
4. Credit over 30 days

22. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents, short-term investments, securities purchased under resale agreements, accounts receivable and investments. Financial liabilities include long-term loans and accounts payable and lease liabilities.

(a) Fair value of financial instruments:

Fair value amounts represent estimates of the arm's length consideration for which an asset could be exchanged or a liability settled between knowledgeable, willing parties who are under no compulsion to act. Fair value is best evidenced by a quoted market price, if one exists.

The fair value of cash and cash equivalents, securities purchased under resale agreements, short-term investments, accounts receivable and accounts payable are assumed to approximate their carrying values due to their relatively short-term nature. The fair value of long-term loans is assumed to approximate the carrying value as the interest rate reflects the market rate. Fair value of quoted investments is the market value. This method falls within the level 1 fair value hierarchy and is defined as quoted prices (unadjusted) in an active market for identical assets. The fair values of other investments are assumed to be cost, less allowance for impairment.

The company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk including interest rate risk, currency risk and price risk. Information about the company's exposure to each of the above risks, and the company's objectives, policies and processes for measuring and managing risk are detailed below.

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework.

The risk management policies are established to identify and analyse the risks faced by the company, 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 the company's activities. Management standards and procedures aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(i) Credit risk

Credit risk is the risk of financial loss to the company if a counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from amounts due from customers, securities purchased under resale agreements, other investments and cash and cash equivalents.

The maximum exposure to credit risk at the reporting date is equal to its carrying value.

The company manages this risk as follows:

- Cash and cash equivalents and short-term investments

  The company maintains cash resources and short-term deposits with reputable financial institutions. The credit risk is considered to be low.

  No allowance for impairment is deemed necessary.

22. Financial instruments (continued)

(a) Financial instrument risks (continued):

(i) Credit risk (continued)

The company manages this risk as follows (continued):

- Securities purchased under resale agreements

  Assigned collateral, with a fair value of $1,344,281,000 (2020: $1,298,117,000) was held for securities purchased under resale agreements [note 3(e)].

  The allowance for impairment is immaterial.

- Accounts receivable

  The company has a credit policy in place to minimize exposure to credit risk inherent in trade accounts receivable. Credit terms are negotiated based on a mix of terms acceptable to both parties.

  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 over their lifetime.

  The company estimates expected credit losses ("ECL") on trade receivables using a provision matrix based on historical credit loss experience as well as the credit risk and expected developments for each group of customers.

  The company has one trade receivable whose balance at December 31, 2021 was credit impaired and 100% provision was recorded.

  Staff and other receivables are subject to credit terms consistent with staff guidelines and other factors. These guidelines include the provision of collateral as security for credit extended.

(ii) Market risk

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

The company manages this risk by conducting research and monitoring the price movement of securities on the local and international markets.

There were no changes in the company's approach to managing market risk during the year.

22. Financial instruments (continued)

(b) Financial instrument risks (continued):

(ii) Market risk (continued)

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 company is exposed to foreign currency risk on transactions that are denominated in currencies other than the Jamaican dollar ("JMD"). The main currencies giving rise to this risk are the pound sterling ("GBP"), euro ("EUR") and United States dollar ("USD").

The company manages this risk by matching foreign currency assets with liabilities as far as possible. Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying operations in which the borrowings are invested. This provides an economic hedge and no derivatives are entered into.

There were no changes in the company's approach to managing foreign currency risk during the year.

There were no material foreign currency financial assets or liabilities at year-end.

Foreign currency sensitivity analysis

The following table details the company's sensitivity to a 8% strengthening or 2% weakening of the relevant currencies against the Jamaica dollar and the resultant net exchange gains or losses based on the net foreign currency assets or liabilities at year-end.

These percentages represent management's assessment of the reasonably possible change in foreign currency rates.

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

(i) 8% (2020: 6%) Depreciation of JMD

	Effect on profit	
	2021	2020
USD	197,263	97,273
GBP	1,585	5,576
EUR	14,107	20,582

(ii) 2% (2020: 4%) Appreciation of JMD

	Effect on profit	
	2021	2020
USD	49,315	68,849
GBP	396	3,717
EUR	3,527	13,721

Notes to the Financial Statements (Continued)

Year December 31, 2021

22. Financial instruments (continued)

(b) Financial instrument risks (continued):

(ii) Market risk (continued)

Currency risk (continued)

Foreign currency sensitivity analysis (continued)

(i) (continued)

Buying exchange rates at:

	December 31	
	2021	2020
USD 1 to JMD 1	152.75	140.77
GBP 1 to JMD 1	208.11	186.97
EUR 1 to JMD 1	167.78	170.46

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.

Bank loans and overdrafts are subject to interest rates which may be varied with appropriate notice from the lender.

At the reporting date the interest rate profile of the company's interest-bearing financial instruments was:

	2021	2020
	$'000	$'000
Fixed-rate instruments		
Financial liabilities	1,105,000	1,235,000

There were no changes in the company's approach to managing interest rate risk during the year.

Other price risk

Other price risk is the risk that the value of certain financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment or its issuer, or all factors affecting instruments traded in the market generally. As the company's financial equity investments, are carried at fair value with fair value changes recognised in the revaluation reserve, all changes in market conditions would affect other comprehensive income ("OCI").

The company's exposure to price risk is represented by the total carrying value of equity investments of $17,870,000 (2020: $18,929,000).

Sensitivity to movements in equity prices

Sensitivity is measured by computing the impact on shareholders' equity of a reasonably probable change in equity prices.

22. Financial instruments (continued)

(b) Financial instrument risks (continued):

(ii) Market risk (continued)

Other price risk (continued)

Sensitivity to movements in equity prices (continued)

The company's equity investments are listed locally on the Jamaica Stock Exchange. A 5% (2020: 10%) increase in stock prices at the reporting date would have increased other comprehensive income by $893,500 (2020: $1,892,900); an equal decrease would have decreased other comprehensive income by an equal amount.

(iii) Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the company will not be able to meet its financial obligations as they fall due and/or encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed facilities.

The management of the company aims at maintaining flexibility in funding by ensuring that sufficient cash resources are held or placed in short-term marketable instruments to meet financial obligations when they fall due.

There were no changes in the company's approach to liquidity risk management during the year.

The following tables show the undiscounted cash flows of non-derivative financial liabilities, excluding lease liabilities, based on the earliest date on which the company can be required to pay. The analysis also assumes that all other variables, in particular interest and exchange rates, remain constant.

	Weighted average interest rate	Carrying amount	Contractual cash flows	0-1 year	1-5 years	Over 5 years
	%	$'000	$'000	$'000	$'000	$'000
				2021		
Term Loan	5.35	1,105,000	1,334,525	187,374	1,147,151	-
				2020		
Term Loan	5.35	1,235,000	1,528,808	194,283	707,833	626,692

Notes to the Financial Statements (Continued)

22. Financial instruments (continued)

(c) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the company defines as total shareholders' equity. The level of dividends to ordinary shareholders is also monitored in accordance with the company's stated dividend policy.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the company's approach to capital management during the year.

Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

23. Subsidiaries and associates and joint venture companies

The company has investments in the following subsidiaries and associates. The results of these companies are not included in these financial statements [see note 2(b)]. Subsidiaries of subsidiaries are indented under their respective parent in the list below. Inactive subsidiaries are excluded.

	% equity held		Place of
	2021	2020	business
SUBSIDIARY COMPANIES			
JP Tropical Group Limited	100	100	Jamaica
Agualta Vale Limited	100	100	Jamaica
Agri Services Limited	100	100	Jamaica
Eastern Banana Estates Limited	100	100	Jamaica
St. Mary Banana Estates Limited	100	100	Jamaica
JP Tropical Foods Limited	100	100	Jamaica
JP Snacks Caribbean Limited	70	70	Cayman Islands
Antillean Foods, Inc.	100	100	Cayman Islands
Jamaica Producers Shipping Company Limited	60	60	Jamaica
Kingston Wharves Limited	42	42	Jamaica
Harbour Cold Stores Limited	100	100	Jamaica
Security Administrators Limited	67	67	Jamaica
Western Storage	100	100	Jamaica
Western Terminals Limited	100	100	Jamaica

Notes to the Financial Statements (Continued)

Year December 31, 2021

23. Subsidiaries and associates and joint venture companies (continued)

	% equity held 2021	% equity held 2020	Place of business
Newport Stevedoring Services Limited	100	100	Jamaica
KW Logistics Limited	100	100	Jamaica
KW Warehousing Services Limited	100	100	Jamaica
Four Rivers Mining Company Limited	100	100	Jamaica
JP International Group Limited	100	100	Cayman Islands
Coöperatief JP Foods U.A.	100	100	The Netherlands
A.L.Hoogesteger Fresh Specialist B.V.	100	100	The Netherlands
JP Shipping Services Limited	100	100	England and Wales
JP Fresh Limited	100	100	England and Wales
Tortuga International Holdings Limited	62	62	St. Lucia
Tortuga (Barbados) Limited	100	100	Barbados
Tortuga Imports, Inc.	100	100	U.S.A
Tortuga Caribbean Rum Cake Jamaica Limited	100	100	Jamaica
Tortuga Caribbean Limited	100	100	Jamaica
ASSOCIATES AND JOINT VENTURES			
Tortuga Cayman Limited	40	40	Cayman Islands
Geest Line Limited	50	-	United Kingdom
CoBeverage Lab S.L.	50	-	Spain
Grupo Frontera Limited	50	-	St Lucia
Grupo Alaska S.A.	100	-	Dominican Republic

JAMAICA PRODUCERS GROUP LIMITED

Form of Proxy

Place $100 adhesive stamp here

I/We ....
[BLOCK CAPITALS]

of ....

being a member/members of the above-mentioned Company HEREBY APPOINT

.... or failing him/her

....

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Friday June 17, 2022 at 10:00 a.m. and at any adjournment thereof.

DATED this .... day of 2022

Signed ....

If you wish your proxy to vote in a particular manner, please indicate.

	FOR	AGAINST
Resolution 1:	☐	☐
Resolution 2:	☐	☐
Resolution 3:	☐	☐
Resolution 4:	☐	☐
Resolution 5 (A):	☐	☐
Resolution 5 (B):	☐	☐

	FOR	AGAINST
Resolution 6:	☐	☐
Resolution 7 (A):	☐	☐
Resolution 7 (B):	☐	☐
Resolution 7 (C):	☐	☐
Resolution 8:	☐	☐

Notes

1. This Form of Proxy must be lodged at the Registered Office of the Company not later than forty-eight hours before the meeting.
2. Any alterations in this Form of Proxy should be initialed.
3. In the case of joint holders, the signature of one holder will be sufficient but the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, seniority being determined by the order in which the names stand on the Register.
4. If the appointer is a Corporation this Form of Proxy must be executed under its Common Seal.
5. An adhesive stamp for $100.00 must be affixed to this Form of Proxy.

local roots. **global spirit.**

JAMAICA PRODUCERS
GROUP LIMITED

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Kingston 13, Jamaica W.I.
Tel: (876) 926-3503 / (876) 618-1134 to 7

www.jpjamaica.com

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