



INTERIM REPORT

**(THREE MONTHS)
31 MARCH 2022**

INTERIM REPORT TO OUR STOCKHOLDERS

GraceKennedy (GK) is pleased to report its financial results for the first quarter of 2022. For the three months ended March 31, 2022, GK achieved revenues of J\$36.26 billion, representing an increase of 15.5% or J\$4.86 billion over the corresponding period in 2021. Profit before other income was J\$1.55 billion, a \$26.6 million or 1.74% increase over prior year. Profit before tax (PBT) was J\$2.57 billion or \$53.9 million higher than the corresponding period in 2021; while net profit after tax was J\$1.88 billion, representing an increase of 2.1% or J\$39.4 million over prior year. Net profit attributable to stockholders was J\$1.74 billion, 4.9% or J\$81.7 million higher than the corresponding period in 2021. Earnings per stock unit for the period was J\$1.75 (2021: J\$1.67).

These results reflect our continued efforts to successfully navigate the myriad challenges we face in the various jurisdictions where we operate around the world, including global inflationary pressures, rising interest rates and supply chain and logistic challenges. Our revenue remains robust and profits for three of our four business segments increased when compared to the corresponding period of the prior year. Given the current geopolitical climate and ongoing COVID-19 pandemic, our outlook for the remainder of 2022 remains cautious; however we are resolute in the execution of our strategic initiatives, while remaining agile in order to mitigate the impact of any headwinds on our business.

Performance of Business Segments

Foods

GK's Foods recorded an overall growth in revenues and PBT when compared to the corresponding period of 2021. However, there were mixed results across its various divisions as the businesses continued to manage logistics issues including delays in the supply chain and port congestion, as well as margin pressures.

Our Jamaican food distribution business maintained its momentum from 2021, recording growth in both revenues and pre-tax profits. Core products, including *Tropical Rhythms* beverages, *Grace Ketchup*, *Grace Coconut Milk Powder*, *Grace Vienna Sausages* and *Grace Frankfurters*, demonstrated notable growth. This was coupled with the very strong performance of our *Caribbean Choice* brand, *Spring Time* laundry products, and *Grace Sardines*.

World Brands Services (WBS) continued to rebound, recording mid to high double-digit growth in both revenues and PBT. This was attributable to more distribution points being added by WBS throughout Jamaica, which resulted in double-digit growth in key brands. The resumption of in person classes in Jamaican schools earlier in the year has also been a contributing factor to the improved performance of brands such as *Frito-Lay*, *Mars*, and *Capri-Sun*, which are distributed by WBS.

Jamaica-based Consumer Brands Limited (CBL) also reported double-digit growth in revenues and PBT. Notwithstanding this improved performance, CBL continues to experience inventory challenges for some key products, as global supply chain issues persist.

GK's chain of Jamaican supermarkets, Hi-Lo Food Stores, recorded strong growth in revenues and PBT, as its initiatives focused on service levels and customer satisfaction continue to yield positive results.

GK's Manufacturing Division also achieved growth in revenues and PBT, despite significant shipping delays and the rising cost of raw materials and packaging. The demand for Grace brands remained strong during the period under review.

Our International Foods business recorded an improvement in revenue over prior year, however there was a decline in PBT primarily due to significant charges incurred arising out of shipping and port delays in the United States.

GraceKennedy Foods (USA) LLC (GK Foods USA) exceeded prior year's revenues, however due to shipping logistics costs, profits for the period were negatively impacted. Measures have been implemented to mitigate a recurrence of this going forward. GK Foods USA has benefitted from the growth of the La Fe brand, and the Grace brand also continues to resonate with shoppers, particularly our canned fish and meats. New products such as *Tropical Rhythms* in the tetra pack and *Grace Peanut Punch* exceeded expectations.

Grace Foods UK Limited continued its positive trajectory, recording growth in both revenues and PBT. This performance was bolstered by the recovery of the food service industry as COVID-19 restrictions eased in the UK. The newly relabelled Encona sauces have recently hit shelves and we anticipate a positive reception.

Grace Foods Canada Inc. closed the quarter with revenues above prior year while PBT was affected by freight and other supply chain related cost increases. The growth in revenue came mainly from key products such as *Grace Coconut Water*, *Grace Rice* and *Nutrament*. Our new offering *Grace Jerk Wings* also performed well, in addition to meal replacement products such as *Grace Peanut Punch* and *Vitamalt*.

Financial Services

The GraceKennedy Financial Group (GKFG) delivered a positive performance for the period, recording growth in revenues and PBT when compared to the same period of 2021.

Our Banking and Investments segment yielded positive results led by GK Capital Management Limited (GK Capital), the investment and advisory arm of GKFG, who had an exceptional start to 2022. GK Capital acted as the principal broker for two successful Initial Public Offerings (IPOs) – Spur Tree Spices Jamaica Limited and Jamaica Fibreglass Products Limited in January and March, respectively. The company also sustained its focus on expense management during the period and realised noteworthy growth in both revenues and PBT as a result. In February, approval was received from the Financial Services Commission in Jamaica for our mutual fund offering from GK Mutual Funds Limited, which is expected to launch to the public by the third quarter of 2022. SigniaGlobe Financial Group Inc., GK's jointly owned merchant banking business in Barbados, reported encouraging results evidenced by double digit growth in revenue and PBT. Our Jamaican commercial bank, First Global Bank Limited (FGB) achieved growth in both its loan and deposit portfolios during the period and continues its focus on strengthening relationships and expanding its digital offerings to its customers.

GK's Insurance segment also recorded a positive performance. GK General Insurance Company Limited (GKGI) outperformed its prior year revenues due to growth in its core business portfolios. The company aims to drive continued revenue growth through innovation and expanding its digital footprint through

“GKGOnline” and internal system upgrades. Key Insurance Company Limited also continues to produce positive results, recording growth in revenues and PBT. Canopy Insurance Limited (Canopy) generated revenue growth over prior year in all business segments. The Canopy team remains focused on revenue diversification and continues to actively pursue strategic partnerships. GKFG’s most recent acquisition, GK Life Insurance Eastern Caribbean Limited reported double-digit top-line growth and will continue implementing its strategy to maximize the performance of its portfolio while establishing itself as a major pan-Caribbean insurer. Allied Insurance Brokers Limited remains one of the leading insurance brokers evidenced by the award of two new tenders in the first quarter. The team is focused on strengthening and growing client relationships and leveraging partnerships.

GraceKennedy Money Services Limited (GKMS) reported a decline in revenue and PBT, primarily attributed to lower remittance flows and foreign currency volatility during the first quarter of 2022. Other GKMS products, such as “Bill Express” and “FX Trader” however, saw growth in both revenues and PBT. GKMS continued to advance its digital agenda during the period, which was reflected in the positive performance of its online offerings, such as direct-to-bank transactions and “Bill Express Online”.

Digital Transformation

The “GK ONE” App was released in the Google and Apple App stores in March with the Bill Payment feature enabled. The development of the Credit Card Application was completed in March and released early in April. This followed 2 months of pilot testing with customers of FGB and GK staff. With this feature, GK ONE customers are able to apply for a credit card from FGB, thereby, allowing the Bank to offer credit cards using a digital application. The business has also completed testing of the flagship product, “Receive Remittance”, which will facilitate the receipt of remittances directly to their GK ONE wallet and expects to launch in the near term.

Mergers & Acquisitions

GK continues to advance its Mergers & Acquisitions (M&A) strategy in 2022. In April, GK entered into an agreement with entrepreneur and information technologist Darren Peart to make a private equity investment in Bluedot. The business was founded by Peart in 2016, and is a full-service research and data intelligence consultancy, which uses data collection and analytics to inform business insights and decision-making. The private equity investment sees GK becoming the majority shareholder and the remaining interest held by Darren Peart. Peart will be the Managing Director responsible for its day-to-day operations and developing and implementing its strategy.

GK100

GK’s 100th Anniversary (GK100) activities kicked off on Saturday, January 15, 2022 with a virtual launch event which was live streamed to the GK team around the world. During the launch, the special GK100 share offer for GK staff was announced. A GK100 Service of Thanksgiving was held on Sunday, February 13, at the Cathedral of the Most Holy Trinity in Downtown Kingston and was live streamed on YouTube.

On the day of GK’s 100th Anniversary - Monday, February 14, 2022 - the Jamaica Gleaner and Jamaica Observer newspapers featured an interactive GK100 branded commemorative wrap. GK100 signage at the Harbour Street location was also unveiled. A special GK100 Cake Cutting Celebration was also streamed live from the GK headquarters on Harbour Street, with team members around the world joining virtually in a simultaneous cake cutting.

Champs

The 2022 ISSA/GraceKennedy Boys' and Girls' Championships (Champs) was successfully staged between April 5 and 9 and saw over 3,000 youths competing in various track and field events over the period. Champs 2022 included several tributes to GK's 100th anniversary, including a special closing ceremony. As title sponsors, GK's contribution to the staging of Champs in 2022 totalled over J\$88 million, underscoring our Company's commitment to investing in sports development, youth and education in Jamaica.

We Care

GK remains committed to supporting the communities within which we operate around the world through corporate social responsibility initiatives led by our two Foundations. In January our GK Foundation (GKF) launched a pilot project in collaboration with The Ocean Cleanup and Clean Harbours Jamaica Limited to prevent solid waste from entering the Kingston Harbour. The project involves the installation of Interceptor Barriers to trap debris that flows from three Kingston gullies into the Kingston Harbour, the 7th largest natural harbour in the world. Debris is removed from the barriers by the Interceptor Tender, a small, self-propelled barge, and transported to an offloading site for sorting and proper disposal. During the period our Grace & Staff Community Development Foundation also continued its important work in the communities surrounding our operations in Jamaica, most notably, the roll out of its *Youth Boost* programme, which targets at risk young men from the inner-city using cognitive behavioural therapy, mentoring, education, and skills training.

Recognition & Awards

GK Group CEO, Don Wehby received the Chancellor's Award for Excellence in Global Business Leadership at the 25th anniversary Legacy Awards Gala of the American Foundation of the University of the West Indies (AFUWI) in April 2022 in New York City. At the Gala, GK was also awarded the AFUWI Corporate Award for Global Business Leadership, and was presented with a US Congressional Proclamation, bestowed by US Congresswoman Yvette Clarke, in celebration of our 100th anniversary.

As our GK100 activities are rolled out throughout the year, we are humbled and honoured by the well wishes and words of encouragement we continue to receive from all our stakeholders around the world. We remain grateful for our amazing GK team, business partners, loyal customers in Jamaica and the Diaspora, and all our supporters, and look forward to continuing the celebration throughout 2022.

Our Story is Your Story. Celebrating the Past. Shaping the Future.



Gordon V. Shirley, OJ
Chairman



Donald G. Wehby, CD
Group Chief Executive Officer

May 12, 2022

GraceKennedy Limited

CONSOLIDATED INCOME STATEMENT THREE MONTHS ENDED 31 MARCH 2022 (Unaudited)

	3 months to 3/31/2022 \$'000	3 months to 3/31/2021 \$'000
Revenue from products and services	35,062,509	30,279,826
Interest revenue	1,194,518	1,114,310
Revenues (Note 2)	36,257,027	31,394,136
Direct and operating expenses	(34,648,182)	(29,763,268)
Net impairment losses on financial assets	(55,856)	(104,480)
Expenses	(34,704,038)	(29,867,748)
Profit before other income	1,552,989	1,526,388
Other income	898,955	841,066
Profit from Operations	2,451,944	2,367,454
Interest income – non-financial services	117,408	130,168
Interest expense – non-financial services	(321,153)	(264,596)
Share of results of associates and joint ventures	324,354	285,610
Profit before Taxation	2,572,553	2,518,636
Taxation	(694,590)	(680,032)
Net Profit for the period	1,877,963	1,838,604
Profit attributable to:		
Owners of GraceKennedy Limited	1,736,616	1,654,931
Non-controlling interests	141,347	183,673
	1,877,963	1,838,604

Earnings per Stock Unit for profit attributable to the owners of the company during the period: (expressed in \$ per stock unit):

Basic	\$1.75	\$1.67
Diluted	\$1.73	\$1.66

GraceKennedy Limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

THREE MONTHS ENDED 31 MARCH 2022

(Unaudited)

	3 months to 3/31/2022 \$'000	3 months to 3/31/2021 \$'000
Profit for the period	1,877,963	1,838,604
Other comprehensive income:		
<i>Items that will not be reclassified to profit or loss:</i>		
Gains on revaluation of land and buildings	-	26,976
Changes in fair value of equity instruments at fair value through other comprehensive income	29,799	(54,922)
Remeasurements of post-employment benefit obligations	(389,792)	682,321
	(359,993)	654,375
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Foreign currency translation adjustments	(154,406)	471,934
Changes in fair value of debt instruments at fair value through other comprehensive income	(290,812)	(110,102)
Share of other comprehensive income of associates and joint ventures	(10,773)	40,627
	(455,991)	402,459
Other comprehensive income for the period, net of tax	(815,984)	1,056,834
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,061,979	2,895,438
Total comprehensive income attributable to:		
Owners of GraceKennedy Limited	917,639	2,696,355
Non-controlling interests	144,340	199,083
	1,061,979	2,895,438

GraceKennedy Limited

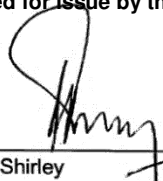
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 MARCH 2022

(Unaudited)

	March 31 2022 \$'000	December 31 2021 \$'000	March 31 2021 \$'000
ASSETS			
Cash and deposits	29,116,561	30,036,681	26,489,685
Investment securities	38,587,306	40,479,250	35,395,041
Pledged assets	9,501,915	9,361,518	5,670,737
Receivables	22,883,622	20,183,748	21,498,595
Inventories	19,660,587	19,228,919	13,587,177
Loans receivable	34,750,063	33,322,490	31,071,054
Taxation recoverable	1,212,165	1,063,158	853,644
Investments in associates and joint ventures	5,229,206	4,524,211	4,424,211
Investment properties	765,900	765,900	699,000
Intangible assets	6,211,638	6,176,933	4,400,934
Fixed assets	26,023,981	26,223,419	25,664,693
Deferred tax assets	1,570,084	1,332,769	1,074,790
Pension plan asset	6,486,607	7,097,995	7,809,490
Total Assets	201,999,635	199,796,991	178,639,051
LIABILITIES			
Deposits	48,719,918	48,143,926	44,209,774
Securities sold under agreements to repurchase	7,377,248	7,249,565	3,385,437
Bank and other loans	28,760,556	27,988,518	25,096,599
Payables	35,422,351	36,019,373	31,344,852
Taxation	875,964	789,425	598,223
Provisions	48,629	48,303	44,011
Deferred tax liabilities	1,833,113	1,783,144	1,954,690
Other post-employment obligations	6,937,916	6,768,762	6,229,409
Total Liabilities	129,975,695	128,791,016	112,862,995
EQUITY			
Capital & reserves attributable to the company's owners			
Share capital	304,596	284,387	369,659
Capital and fair value reserves	7,200,178	7,409,599	7,598,980
Retained earnings	51,664,890	50,318,566	46,434,667
Banking reserves	3,920,711	3,920,711	3,620,711
Other reserves	5,389,746	5,672,330	4,543,764
Equity attributable to owners of the company	68,480,121	67,605,593	62,567,781
Non-Controlling Interests	3,543,819	3,400,382	3,208,275
Total Equity	72,023,940	71,005,975	65,776,056
Total Equity and Liabilities	201,999,635	199,796,991	178,639,051

Approved for issue by the Board of Directors on 12 May 2022 and signed on its behalf by:


 Gordon Shirley
 Chairman


 Donald Wehby
 Group Chief Executive Officer

GraceKennedy Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

THREE MONTHS ENDED 31 MARCH 2022

(Unaudited)

	Attributable to owners of the company							Non-controlling interests	Total Equity
	No. of Shares '000	Share Capital \$'000	Capital and Fair Value Reserve \$'000	Retained Earnings \$'000	Banking Reserves \$'000	Other Reserves \$'000	Total \$'000		
Balance at 1 January 2021	989,661	305,493	7,789,066	44,096,867	3,620,711	4,098,122	59,910,259	2,869,068	62,779,327
Profit for the period	-	-	-	1,654,931	-	-	1,654,931	183,673	1,838,604
Other comprehensive income for the period	-	-	(137,993)	682,321	-	497,096	1,041,424	15,410	1,056,834
Total comprehensive income for the period	-	-	(137,993)	2,337,252	-	497,096	2,696,355	199,083	2,895,438
Transactions with owners:									
Increase in non-controlling interests	-	-	-	-	-	-	-	72,392	72,392
Transfer of non-controlling interests	-	-	(68,348)	-	-	-	(68,348)	68,348	-
Share-based payments charged	-	-	-	-	-	58,308	58,308	-	58,308
Share-based payments exercised	-	-	-	-	-	(29,069)	(29,069)	(144)	(29,213)
Transfer of treasury shares to employees	1,067	64,166	16,803	-	-	(80,693)	276	(276)	-
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	(196)	(196)
Total transactions with owners	1,067	64,166	(51,545)	-	-	(51,454)	(38,833)	140,124	101,291
Transfers between reserves:									
From capital reserves	-	-	(548)	548	-	-	-	-	-
Balance at 31 March 2021	990,728	369,659	7,598,980	46,434,667	3,620,711	4,543,764	62,567,781	3,208,275	65,776,056
Balance at 1 January 2022	990,009	284,387	7,409,599	50,318,566	3,920,711	5,672,330	67,605,593	3,400,382	71,005,975
Profit for the period	-	-	-	1,736,616	-	-	1,736,616	141,347	1,877,963
Other comprehensive income for the period	-	-	(268,497)	(389,792)	-	(160,688)	(818,977)	2,993	(815,984)
Total comprehensive income for the period	-	-	(268,497)	1,346,824	-	(160,688)	917,639	144,340	1,061,979
Transactions with owners:									
Sale of treasury shares	371	38,221	-	-	-	-	38,221	-	38,221
Purchase of treasury shares	(1,000)	(104,290)	-	-	-	-	(104,290)	-	(104,290)
Share-based payments charged	-	-	-	-	-	82,860	82,860	-	82,860
Share-based payments exercised	-	-	-	-	-	(60,496)	(60,496)	(309)	(60,805)
Transfer of treasury shares to employees	1,450	86,278	58,576	-	-	(144,260)	594	(594)	-
Total transactions with owners	821	20,209	58,576	-	-	(121,896)	(43,111)	(903)	(44,014)
Transfers between reserves:									
To capital reserves	-	-	500	(500)	-	-	-	-	-
Balance at 31 March 2022	990,830	304,596	7,200,178	51,664,890	3,920,711	5,389,746	68,480,121	3,543,819	72,023,940

GraceKennedy Limited

CONSOLIDATED STATEMENT OF CASH FLOWS

THREE MONTHS ENDED 31 MARCH 2022

(Unaudited)

	3/31/2022 \$'000	3/31/2021 \$'000
SOURCES/(USES) OF CASH:		
Operating Activities (Note 3)	(1,940,729)	2,290,223
Financing Activities		
Loans received	3,012,233	3,122,351
Loans repaid	(3,297,458)	(3,964,582)
Proceeds from issue of shares to non-controlling interests	-	72,392
Dividends paid by subsidiary to non-controlling interests	-	(196)
Purchase of treasury shares	(104,290)	-
Sale of treasury shares	38,221	-
Exercise of share based payments	(60,805)	(29,213)
Interest paid – non financial services	(316,123)	(252,112)
	(728,222)	(1,051,360)
Investing Activities		
Additions to fixed assets	(416,774)	(211,553)
Proceeds from disposal of fixed assets	30,437	1,110
Additions to investments	(3,193,532)	(2,603,267)
Cash outflow on purchase of interest in associates and joint ventures	(401,093)	-
Proceeds from sale of investments	4,837,102	2,992,074
Additions to intangibles	(259,106)	(62,355)
Interest received – non financial services	166,051	175,158
	763,085	291,167
(Decrease)/increase in cash and cash equivalents	(1,905,866)	1,530,030
Cash and cash equivalents at beginning of year	27,911,182	23,319,787
Exchange and translation (losses)/gains on net foreign cash balances	(40,072)	221,294
CASH AND CASH EQUIVALENTS AT END OF PERIOD	25,965,244	25,071,111

GraceKennedy Limited

FINANCIAL INFORMATION BY OPERATING SEGMENT

THREE MONTHS ENDED 31 MARCH 2022

(Unaudited)

3 months to 31 March 2022	Food Trading \$'000	Banking & Investments \$'000	Insurance \$'000	Money Services \$'000	Consolidation Adjustments \$'000	Group \$'000
REVENUE						
External sales	29,513,485	1,755,996	2,848,440	2,139,106	-	36,257,027
Inter-segment sales	60,117	75,287	-	-	(135,404)	-
Total Revenue	29,573,602	1,831,283	2,848,440	2,139,106	(135,404)	36,257,027
RESULT						
Operating results	1,479,180	391,510	203,164	801,863	19,382	2,895,099
Unallocated expense	-	-	-	-	(443,155)	(443,155)
Profit from operations	-	-	-	-	-	2,451,944
Finance income	1,675	1,160	11,910	5,424	97,239	117,408
Finance expense	(209,519)	(12,130)	(1,894)	(30,568)	(67,042)	(321,153)
Share of associates and joint ventures	267,234	71,977	(14,857)	-	-	324,354
Profit before Taxation	1,538,570	452,517	198,323	776,719	(393,576)	2,572,553
Taxation						(694,590)
Net Profit for the period						1,877,963
Attributable to:						
Owners of GraceKennedy Limited						1,736,616
Non-controlling interests						141,347
						1,877,963

3 months to 31 March 2021	Food Trading \$'000	Banking & Investments \$'000	Insurance \$'000	Money Services \$'000	Consolidation Adjustments \$'000	Group \$'000
REVENUE						
External sales	24,989,421	1,613,033	2,451,403	2,340,279	-	31,394,136
Inter-segment sales	48,264	37,398	15,029	-	(100,691)	-
Total Revenue	25,037,685	1,650,431	2,466,432	2,340,279	(100,691)	31,394,136
RESULT						
Operating results	1,380,324	127,398	90,534	1,082,068	16,338	2,696,662
Unallocated expense	-	-	-	-	(329,208)	(329,208)
Profit from operations	-	-	-	-	-	2,367,454
Finance income	3,825	1,971	7,691	4,707	111,974	130,168
Finance expense	(171,461)	(18,210)	(1,963)	(30,973)	(41,989)	(264,596)
Share of associates and joint ventures	261,244	37,055	(12,689)	-	-	285,610
Profit before Taxation	1,473,932	148,214	83,573	1,055,802	(242,885)	2,518,636
Taxation						(680,032)
Net Profit for the period						1,838,604
Attributable to:						
Owners of GraceKennedy Limited						1,654,931
Non-controlling interests						183,673
						1,838,604

GraceKennedy Limited

INTERIM CONSOLIDATED FINANCIAL STATEMENTS 31 MARCH 2022

Notes

1. Accounting Policies

(a) Basis of preparation

This condensed consolidated interim financial report for the reporting period ended 31 March 2022 has been prepared in accordance with Accounting Standard IAS 34 'Interim Financial Reporting'.

These financial statements are presented in Jamaican dollars unless otherwise indicated.

The accounting policies followed in these interim financial statements are consistent with those of the previous financial year and corresponding interim reporting period.

(b) Segment reporting

The principal activities of the company, its subsidiaries, associates and joint ventures (the Group) are as follows:

- *Food Trading* – Merchandising of general goods and food products, both locally and internationally; processing and distribution of food products; and the operation of a chain of supermarkets.
- *Banking and Investment* – Commercial banking; stock brokerage; corporate finance; advisory services; and lease financing.
- *Insurance* – General insurance, health insurance, creditor life insurance and insurance brokerage.
- *Money Services* – Operation of money transfer services; cambio operations and bill payment services.

2. Revenues

Revenues for the Group can be disaggregated as follows:

	2022	2021
	\$'000	\$'000
Timing of revenue recognition from contracts with customers		
Goods and services transferred at a point in time	32,651,653	28,155,061
Services transferred over time	28,942	29,615
Revenue from insurance contracts	2,381,914	2,095,150
Interest revenue	1,194,518	1,114,310
	36,257,027	31,394,136

3. Cash Flows from Operating Activities

Reconciliation of net profit to cash generated from operating activities:

	3/31/2022 \$'000	3/31/2021 \$'000
Net profit	1,877,963	1,838,604
Items not affecting cash:		
Depreciation	692,215	684,028
Amortisation	177,787	151,607
Change in value of investments	(308,959)	(53,415)
Gain on disposal of fixed assets	(8,705)	(4,105)
Gain on disposal of investments	(14,293)	(25,036)
Share-based payments	82,860	58,308
Exchange gain on foreign balances	(21,004)	(190,424)
Interest income – non financial services	(117,408)	(130,168)
Interest income – financial services	(1,293,813)	(1,198,107)
Interest expense – non financial services	321,153	264,596
Interest expense – financial services	246,157	182,703
Taxation expense	694,590	680,032
Unremitted equity income in associates and joint ventures	(314,675)	(264,760)
Pension plan surplus	91,665	60,952
Other post-employment obligations	169,154	160,820
	2,274,687	2,215,635
Changes in working capital components:		
Inventories	(431,667)	845,957
Receivables	(2,699,875)	(4,627,156)
Loans receivable, net	(1,456,448)	305,830
Payables	(597,022)	3,133,010
Deposits	664,068	2,161,519
Securities sold under repurchase agreements	158,951	(1,672,655)
Provisions	326	1,409
	(2,086,980)	2,363,549
Interest received – financial services	1,191,745	1,111,430
Interest paid – financial services	(248,523)	(172,873)
Translation (losses)/gains	(99,111)	271,529
Taxation paid	(697,860)	(1,283,412)
Net cash (used in)/provided by operating activities	(1,940,729)	2,290,223

Reconciliation of movements of liabilities to cash flows arising from financing activities:

Amounts represent bank and other loans, excluding bank overdrafts

	3/31/2022 \$'000	3/31/2021 \$'000
At beginning of year	25,863,018	24,222,390
Lease liability to acquire right-of-use asset	176,764	112,104
Loans received	3,012,233	3,122,351
Loans repaid	(3,297,458)	(3,964,582)
Foreign exchange adjustments	(146,867)	176,537
Net interest movements	1,549	9,225
At end of period	25,609,239	23,678,025

4. Acquisition of additional shares in an associated company

On 12 January 2022, the Group acquired an additional 10% of the share capital of Barbadian company, CSGK Finance Holdings Limited, for a purchase consideration of \$401 million. The company, which operates through its wholly owned subsidiary SigniaGlobe Financial Group Inc., engages in lending, motor vehicle leasing and the acceptance of deposits, and is also an authorised foreign exchange dealer and licensed stock broker. The share purchase brings the Group's total shareholdings in the company to 50%, having previously held 40% of the share capital since 2003.

5. Impact of Covid-19 and Russia/Ukraine Conflict

Covid-19

As a result of the Covid-19 pandemic, the Group continues to be exposed to an elevated level of credit risk, liquidity risk, foreign currency risk, and price risk, with the most significant exposures relating to credit and price risk. The Group has also experienced an elevated level of supply chain risk during the period.

The nature and extent of the impact on the Group's financial position, results and cash flows continues to evolve given the rapid pace of change and the elevated level of uncertainty.

The Group continues to actively monitor and manage the identified risks through its Executive Management and Covid-19 Committees. In response to the specific financial risks identified, the Group has employed several measures, including robust monitoring of the loans receivable portfolio, managing investment portfolio positions, maintaining adequate safety stock levels and establishing alternative supplier relationships.

Russia/Ukraine Conflict

In February 2022, Russian troops invaded Ukraine. The ongoing military attack has led and continues to lead to significant casualties, damage to infrastructure and disruption to economic activities in Ukraine. Additionally multiple jurisdictions have imposed economic sanctions on Russia as well as voluntary curtailment of business activities with Russian entities. The war in Ukraine and related events are likely to exacerbate the effects of current market conditions, increasing inflationary pressures and weakening the global post-pandemic recovery.

Although currently, the Group has no material direct exposure to the Russia-Ukraine war, we continue to actively monitor and evaluate the potential macroeconomic impact on our business with a focus on implementing strategies and controls to mitigate the headwinds caused by the conflict.

6. Subsequent Event

In April 2022, the Group entered into an agreement to make a private equity investment in Bluedot and take a majority shareholding in the business. Bluedot is a full-service research and data intelligence consultancy, which uses data collection and analytics to inform business insights and decision-making. Bluedot currently has clients in Jamaica and the wider Caribbean region.

The transaction is expected to close in the second quarter of 2022.