

**JFP LIMITED**

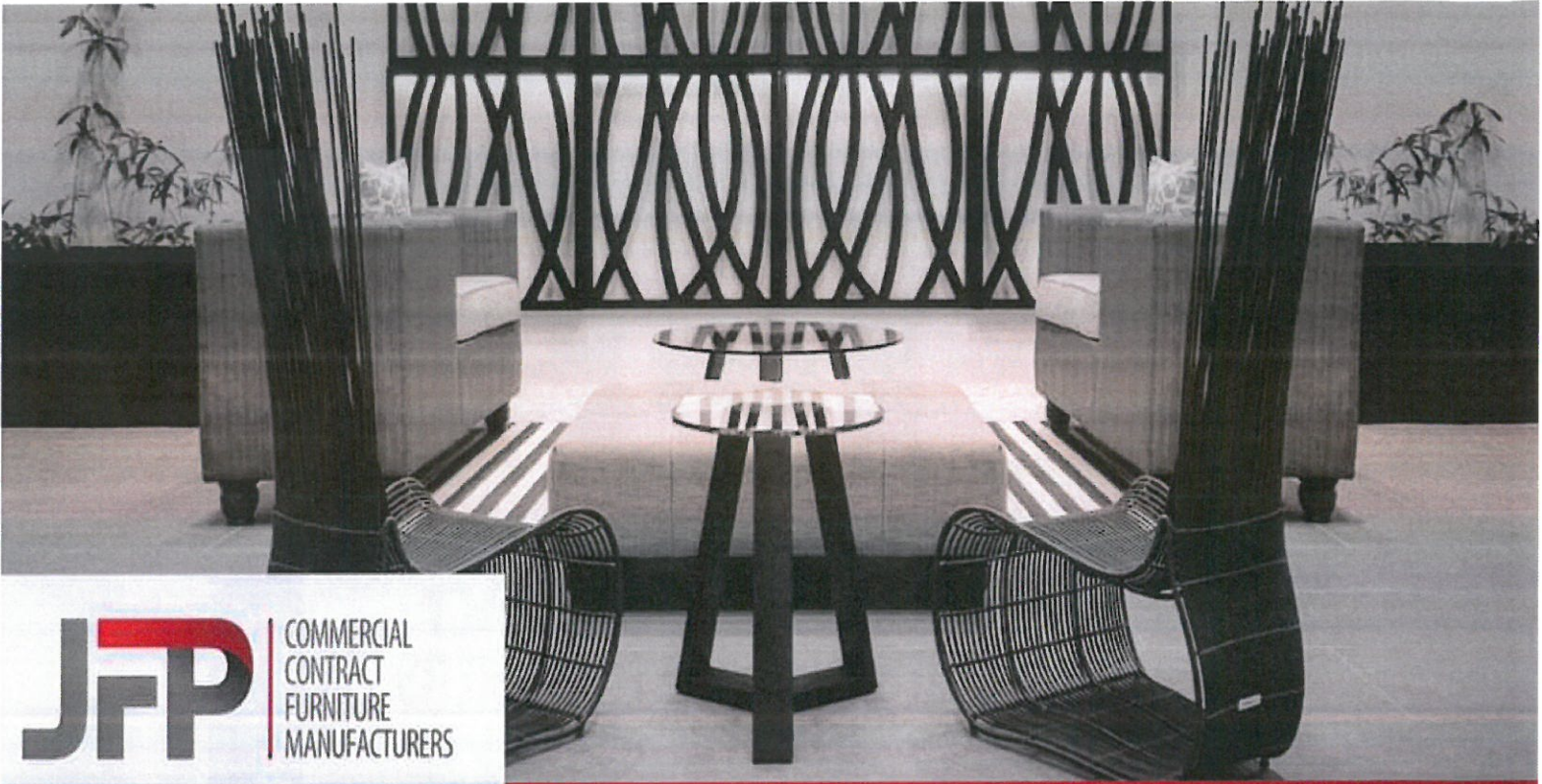
**UNAUDITED FINANCIAL STATEMENTS**

**3<sup>rd</sup> QUARTERLY REPORT**

**For the period ended 30 September 2022**



**COMMERCIAL | CONTRACT  
FURNITURE MANUFACTURERS**



**JFP**

COMMERCIAL  
CONTRACT  
FURNITURE  
MANUFACTURERS

if you  
can **imagine it**  
we can build it!

JFP is capable of manufacturing long lasting furnishing from wood, metal, solid surface and acrylic.

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**JFP Limited (formerly Jamaica Fibreglass Products Limited)**  
**Statement of Comprehensive Income**  
**For the nine (9) months ended September 30, 2022**

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## **Report to the Shareholders**

The board of directors is pleased to present the unaudited results of JFP Limited for the nine-month period ended September 30, 2022.

### **Profit and Loss**

Year to date revenue was reported at 328.7M, an increase of 119M or 57% over the prior year comparative period. Total sales for the quarter was 115.1M which represents a 24% increase over the quarter ended September 2021. The increase in year to date and quarterly comparatives was due to completion of orders previously secured as well as JFP's capability to streamline operational processes in meeting customers deadlines.

The quarterly cost of sales increased by 26%. However, the year-to-date cost of sales was normalized bringing a minimal decline of 1%. Gross profit for the nine-month period ended September 2022 increased by 129% over the corresponding prior year period. Gross Profit margin also saw an improvement moving from 44% to 65%.

There was a decline in other income within the quarter, resulting in a year-to-date reduction of 99% moving from 20M to 0.13M. This was due to losses from the investment currently held at GK Capital which were as a result of the devaluation of the equity investments held, as well as the sale of a portion of the equity investments to fund cash flow. In the previous financial year there was a sale of motor vehicle for 6.7M. Further details on the use of these funds are provided in the balance sheet analysis below. The acquisition of the 2022 portion of this GK investment was done subsequent to the IPO.

Administrative expenses for the nine-month period was 142.9M reflecting an increase of 46M or 48% over the prior year's reporting period. This increase was due primarily to increased staff costs as we continue to build our capacity to support continued growth in our operations. Our overtime expenses increased significantly within the quarter in order to respond to both our challenge of acquiring additional skilled labourers as well as our need to complete our projects on time. We have also continued with the quarterly incentives to our staff in the form of a productivity grant award.

Selling and distribution expenses increased by 244% moving from 4.5M to 14.7M over the comparative nine-month period. This was due primarily to increase in promotional and business development expenses which have increased as we continue to grow and expand our brand regionally and internationally. JFP has invested in its marketing strategy and completed three international trade shows this year costing approximately 6M.

**JFP Limited (formerly Jamaica Fibreglass Products Limited)**  
**Statement of Comprehensive Income**  
**For the nine (9) months ended September 30, 2022**

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There was an improvement in the year-to-date bottom line which saw JFP moving from a profit of 3.5M to a profit of 43.1M. This was driven primarily by an increase in sales and by extension, gross profit.

**JFP Limited (formerly Jamaica Fibreglass Products Limited)**  
**Statement of Comprehensive Income**  
**For the nine (9) months ended September 30, 2022**

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**Balance Sheet**

As acknowledged in the previous quarterly report property, plant and equipment value decreased in year-to-date value, due to the sale of the factory building as part of the IPO process

The long-term investment portfolio held at GK Capital saw an increase of 31% over the corresponding nine-month period last year. However, this quarter saw a decline over the previous quarter due to the withdrawal of portions of the investment which were re-allocated for cashflow purposes.

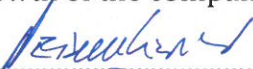
Receivables increased by 60% moving from 95.1M to 152.6M. This was due to a number of projects being completed for which we are still awaiting payment. Cash and cash equivalents increased as a result of withdrawal of portions of the GK Capital investment for deposit in the bank account for cash flow purposes as referenced above. This was done to temporarily support working capital until receivables are collected. The year-to-date balances for the Director's current account continue to decline as a result of repayment of advances by Directors.

The inventory increased by 304% moving from \$29M to \$117.2M. Management has taken a conscious decision to guard against shortages in inventory and also to maximize customer service and efficiency of logistics as the supply chain is unstable and can impact our ability to meet our customers timelines. As a result, we continue to carry inventory for the substantial number of jobs in production which has surpassed our budgeted annual sales. The inventory held is expected to decline in the next quarter as the majority of those orders will be completed by year end.

Our total current liabilities increased by 76%. This was largely due to the outstanding balances on the lease and increase in our general payables related to importation of supplies of raw materials to complete the jobs in progress as at 30 September 2022. A substantial portion of this lease liability is expected to be paid by year end from receivables to be settled.

The retained earnings decreased from 206.8M to 99.2 M or 52%, due to dividends being declared at the end of December 2021. Non-current liabilities increased due to the lease agreement for the factory.

In closing, the Board of Directors wish to express gratitude to the employees, customers, suppliers, shareholders and all other stakeholders for the continued support and ongoing contribution to the growth of the company.

  
.....  
Metry Seaga  
Chief Executive Officer

**JFP Limited (formerly Jamaica Fibreglass Products Limited)**  
**Statement of Comprehensive Income**  
**For the nine (9) months ended September 30, 2022**


**JFP LIMITED**  
**Statement of Comprehensive Income**  
**Period ended 30 September 2022**


|  | Nine months to |                | Three months to |                |               |
|--|----------------|----------------|-----------------|----------------|---------------|
|  | September 2022 | September 2021 | September 2022  | September 2021 | December 2021 |
|  |                | \$             |                 |                |               |
| <b>Revenue</b>   | 328,686,841    | 209,733,098    | 115,052,735     | 92,718,045     | 233,736,393   |
| Cost of Sales  | (116,280,302)  | (116,877,566)  | (48,034,203)    | (38,259,739)   | (129,097,818) |
| <b>Gross Profit</b>  | 212,406,539    | 92,855,532     | 67,018,532      | 54,458,306     | 104,638,574   |
| Other Income/(Loss)  | 131,116        | 20,131,097     | (3,733,492)     | 4,000,159      | 77,308,514    |
|  | 212,537,654    | 112,986,629    | 63,285,040      | 58,458,465     | 181,947,088   |
| Administrative expenses  | 142,949,107    | 96,623,367     | 49,280,654      | 36,852,754     | 148,536,864   |
| Selling and distribution expenses                                | 14,684,401     | 4,535,377      | 2,916,862       | 2,372,080      | 7,437,262     |
|  | 157,633,508    | 101,158,744    | 52,197,515      | 39,224,834     | 155,974,126   |
| <b>Operating Profit</b>  | 54,904,147     | 11,827,884     | 11,087,524      | 19,233,631     | 25,972,962    |
| Finance Income   | 47,796         | 49,411         | 1,663           | 2,323          | 53,713        |
| Finance Costs  | (11,819,178)   | (7,048,594)    | (3,553,441)     | (3,319,135)    | (17,700,234)  |
|  | (11,771,382)   | (6,999,183)    | (3,551,778)     | (3,316,811)    | (17,646,521)  |
| <b>Operating profit before tax</b>                               | 43,132,764     | 4,828,701      | 7,535,746       | 15,916,820     | 8,326,441     |
| Taxation   | -              | (1,300,122)    | -               | -              | -             |
| <b>Net profit, being total comprehensive income for the year</b> | 43,132,764     | 3,528,579      | 7,535,746       | 15,916,820     | 8,326,441     |
| Earnings per stock unit (EPS)                                    | 0.040          | 3,528.579      | 0.007           | 15,916.820     | 0.054         |

**JFP Limited (formerly Jamaica Fibreglass Products Limited)**  
**Statement of Financial Position**  
**For the nine (9) months ended September 30, 2022**

|  | <u>Unaudited</u><br><u>3<sup>rd</sup> Quarter</u><br><u>9 months</u><br><u>Ended</u><br><u>September</u><br><u>2022</u><br><u>\$</u> | <u>Unaudited</u><br><u>3<sup>rd</sup> Quarter</u><br><u>9 months</u><br><u>Ended</u><br><u>September</u><br><u>2021</u><br><u>\$</u> | <u>Audited</u><br><u>Full-year</u><br><u>12 months</u><br><u>Ended December</u><br><u>2021</u><br><u>\$</u> |
|--|--|--|---|
| <b>Non-current assets:</b>                   |  |  |   |
| Property, plant and equipment                | 45,180,132   | 126,745,455  | 50,940,655  |
| Right-of-use assets                          | 139,075,200  | -  | 150,454,080   |
| Investments                                  | 50,490,027   | 38,633,739   | 39,065,267  |
| Deferred tax asset                           | 12,239,125   | 12,239,125   | 12,239,125  |
| <b>Current assets:</b>                       |  |  |   |
| Inventories                                  | 117,200,643  | 29,019,057   | 45,772,845  |
| Receivables                                  | 152,608,181  | 95,128,852   | 36,300,480  |
| Taxation recoverable                         | 1,950,183  | -  | 1,950,183   |
| Related party                                | 2,189,539  | -  | -   |
| Directors' current account                   | 11,171,523   | 60,555,290   | 8,439,217   |
| Cash and cash equivalents                    | 27,650,855   | 452,482  | 12,393,722  |
|  | 312,770,924  | 185,155,681  | 104,856,447   |
| <b>Current liabilities:</b>                  |  |  |   |
| Payables                                     | 183,973,421  | 65,585,717   | 103,312,308   |
| Related party balance                        | -  | -  | 31,464,620  |
| Taxation                                     | -  | 1,048,006  | 1,048,006   |
| Current portion of finance lease obligations | 3,554,891  | 3,585,784  | 7,796,601   |
| Current portion- rights of use               | 20,053,852   | -  | 10,663,788  |
| Current portion of long-term loans           | -  | 32,721,241   | -   |
| Bank overdraft                               | -  | 15,249,233   | 3,579,745   |
|  | 207,582,164  | 118,189,980  | 157,865,068   |
| <b>Net current (liabilities) / assets</b>    | <b>105,188,759</b>   | <b>66,965,700</b>  | <b>(53,008,621)</b>   |
|  | <b>352,173,244</b>   | <b>244,584,019</b>   | <b>199,690,506</b>  |
| <b>Shareholders' equity:</b>                 |  |  |   |
| Share capital                                | 121,274,271  | 1,000  | 1,980   |
| Retained earnings                            | 99,234,425   | 206,837,128  | 56,101,659  |
|  | 220,508,696  | 206,838,128  | 56,103,639  |
| <b>Non-current liabilities</b>               |  |  |   |
| Finance lease obligations                    | -  | 4,102,207  | 2,532,255   |
| Lease liability                              | 131,664,548  | -  | 141,054,611   |
| Long term loans                              | -  | 33,643,684   | -   |
|  | 352,173,244  | 244,584,019  | 199,690,506   |

Approved for issue by the Board of Directors on November 8, 2022 and signed on its behalf by:

  
 Metry Seaga - Chief Executive Officer

  
 Stephen Sirgany - Chief Operating Officer



**JFP Limited (formerly Jamaica Fibreglass Products Limited)**  
**Statement of Cashflows**  
**For the nine (9) months ended September 30, 2022**

**JFP LIMITED**

**Statement of Changes in Equity**

**For the nine (9) months ended September 30,2022**

|  | <b>Number of Shares</b> | <b>Share Capital</b><br><b>\$</b> | <b>Retained Earnings</b><br><b>\$</b> | <b>Total</b><br><b>\$</b> |
|--|-------------------------|-----------------------------------|---------------------------------------|---------------------------|
| <b>Balance at 31 December 2020</b>           | 1,000                   | 1,000                             | 203,308,548                           | 203,309,548               |
| Net profit, being total comprehensive income |                         | -                                 | 3,528,579                             | 3,528,579                 |
| Issue of shares during the year              |                         |                                   |                                       |                           |
| Prior year Adjustment                        |                         |                                   |                                       | -                         |
| <b>Balance at 30 September 2021</b>          | 1,000                   | 1,000                             | 206,837,127                           | 206,838,127               |
| Net profit, being total comprehensive income | -                       | -                                 | 4,797,862                             | 4,797,862                 |
| Prior year Adjustment                        |                         |                                   | (333,330)                             | (333,330)                 |
| Issue of shares during the year              | 979,999,000             | 980                               |                                       | 980                       |
| Dividends declared                           |                         |                                   | (155,200,000)                         | (155,200,000)             |
| <b>Balance at 31 December 2021</b>           | 980,000,000             | 1,980                             | 56,101,659                            | 56,103,639                |
| Net profit, being total comprehensive income | -                       | -                                 | 43,132,764                            | 43,132,764                |
| Adjustment                                   |                         |                                   | 1                                     | 1                         |
| Transaction costs                            |                         | (18,727,709)                      |                                       | (18,727,709)              |
| Issue of shares during the year              | 140,000,000             | 140,000,000.00                    |                                       | 140,000,000               |
| <b>Balance at 30 September 2022</b>          | 1,120,000,000           | 121,274,271                       | 99,234,425                            | 220,508,696               |

**JFP Limited (formerly Jamaica Fibreglass Products Limited)**  
**Statement of Cashflows**  
**For the nine (9) months ended September 30, 2022**

|   | <u>Unaudited</u><br><u>3<sup>rd</sup> Quarter</u><br><u>9 months Ended</u><br><u>September</u><br><u>2022</u><br>\$ | <u>Unaudited</u><br><u>3<sup>rd</sup> Quarter</u><br><u>9 months Ended</u><br><u>September</u><br><u>2021</u><br>\$ | <u>Audited</u><br><u>Full-year</u><br><u>12 months</u><br><u>Ended December</u><br><u>2021</u><br>\$ |
|---|---|---|--|
| <b>Cash flows from operating activities:</b>            |   |   |  |
| Net profit/(loss)                                       | 43,132,764  | 3,528,579   | 8,326,441  |
| <b>Items not affecting cash resources:</b>              |   |   |  |
| Depreciation  | 7,684,940   | 11,717,601  | 15,877,579   |
| Amortization of leases                                  | 11,378,880  | -   | 1,264,320  |
| Interest income   | (47,796)  | (49,411)  | (53,713)   |
| Gain on disposal  | 53,408  | (4,883,152)   | (57,259,518)   |
| Deferred Tax  | -   | (4,227,051)   | -  |
| Prior year adjustment                                   | -   | (6,632,882)   | (333,330)  |
| Non-cash adjustment                                     | -   | 3,361,555   | 287,452  |
| Interest expense  | 11,058,421  | 6,240,315   | 9,069,055  |
|   | 73,260,617  | 9,055,554   | (22,821,714)   |
| <b>Changes in operating assets and liabilities:</b>     |   |   |  |
| Inventories   | (71,427,798)  | 42,112,676  | (8,256,835)  |
| Receivables   | (116,307,700)   | (56,740,592)  | 17,275,801   |
| Payables  | 80,661,113  | 8,831,719   | (11,604,709)   |
| Related party   | (33,654,159)  | -   | 31,464,620   |
| Directors current accounts                              | (2,732,306)   | (19,178,595)  | 34,540,275   |
| Taxation recoverable                                    | -   | -   | (1,950,183)  |
| Taxation payable  | (1,048,006)   | (4,789,946)   | (10,400,977)   |
|   | (144,508,856)   | (29,764,738)  | 51,067,992   |
| <b>Cash provided by operating activities</b>            | (71,248,239)  | (20,709,183)  | 28,246,278   |
| <b>Cash flows from investing activities</b>             |   |   |  |
| Purchase of property, plant, and equipment              | (1,977,825)   | (1,004,079)   | (1,418,301)  |
| Finance lease-rights of use                             | -   | -   | (151,718,400)  |
| Proceeds from sale of fixed asset                       | -   | 6,695,652   | 130,782,609  |
| Investment  | (11,424,760)  | (38,633,739)  | (9,139,566)  |
| Interest received                                       | 47,796  | 49,411  | 53,713   |
| <b>Cash used in investing activities</b>                | (13,354,789)  | (32,892,755)  | (31,439,945)   |
| <b>Cash flows from financing activities</b>             |   |   |  |
| Interest paid   | (11,058,421)  | (6,240,315)   | (9,069,055)  |
| Share Capital   | 121,272,291   | -   | 980  |
| Finance Lease   | (6,773,964)   | -   | 151,718,400  |
| Dividend paid   | -   | -   | (155,200,000)  |
| Loans, net (repayments)/receipts                        | -   | (1,430,410)   | (70,839,843)   |
| <b>Cash used in financing activities</b>                | 103,439,907   | (7,670,725)   | (83,389,518)   |
| <b>Net increase in cash and cash equivalents</b>        | 18,836,878  | (61,272,664)  | (86,583,185)   |
| Net cash and cash equivalents at beginning of year      | 8,813,977   | 46,475,913  | 95,397,162   |
| <b>Net cash and cash equivalents at end of the year</b> | 27,650,855  | (14,796,751)  | 8,813,977  |

**JFP Limited (formerly Jamaica Fibreglass Products Limited)**  
**Notes to the Interim Financial Statements**  
**For the nine (9) months ended September 30, 2022**

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

JFP Limited, (the Company) is incorporated and domiciled in Jamaica. The registered office of the company and principal place of business is located at 155 Spanish Town Road, Kingston, Jamaica. Under Section 17 of the Companies Act, the Company changed its name to JFP Limited, effective 3rd December 2021.

The Company's principal activities are the manufacturing and distribution of custom-built commercial furnishings and the financial statements are stated in Jamaica dollars, which is the functional currency of the Company.

The Company's shares were listed on the Junior Market of the Jamaica Stock Exchange (JSE) on March 14, 2022. As a consequence of listing, the Company's profit will be subjected to 100% tax remission for the first five (5) five years and thereafter, will be subjected to 50% tax remission for the next 5 years as long as the Company complies with certain Junior Market regulations.

**2. BASIS OF PREPARATION**

This condensed consolidated interim financial information has been prepared in accordance with IAS 34, Interim financial reporting.

The condensed interim financial information should be read in conjunction with the annual audited financial statements for the year ended 31 December 2021, which have been prepared in accordance with IFRSs and comply with the provisions of the Jamaican Companies Act.

**3. ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these un-audited financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2021.

**4. USE OF ESTIMATES AND JUDGMENTS**

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2021.

- (i) Property, plant and equipment:

Items of property, plant and equipment are stated at cost less accumulated depreciation.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)**

**4. USE OF ESTIMATES AND JUDGMENTS (CONTINUED)**

(ii) Depreciation:

Depreciation is recognized on profit or loss on the straight-line basis, over the estimated useful lives of property, plant and equipment.

(iii) Borrowings:

Borrowings are recognized initially as the proceeds received net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method with any difference between proceeds net of transactions costs and the redemption value recognized in income along with regular interest charges over the period of the borrowings.

(iv) Impairment:

Impairment provisions for trade receivables are recognized based on the simplified approach allowable under IFRS 9 using a provision matrix in the determination of the expected credit losses (ECL).

**5. EARNINGS PER STOCK UNIT**

The earnings per share (EPS) is computed by dividing the profit for the period by the weighted average number of shares in issue for the nine (9) month period of 1,083,076,923.08 (2021 – 1,000).

**6. SHARE CAPITAL**

**Authorized:**

10,000,000,000 shares (2021 – 1,000 shares)

**Issued and fully paid:**

1,120,000,000 shares (2021 – 1,000 shares)

**7. TAXATION**

**Remission of income tax**

By notice dated 13th August 2009, the Minister of Finance and the Public Service, issued and gazetted the Income Tax (Jamaica Stock Exchange Junior Market) (Remission) Notice, 2009. The Notice effectively granted a remission of income tax to eligible companies that were admitted to the Junior Market of the Jamaica Stock Exchange (JMSE) if certain conditions were achieved after the date of initial admission.

Effective March 14, 2022, the Company's shares were listed on the Junior Market of the JSE. Consequently, the Company is entitled to a remission of income taxes for ten years in the proportion set out below;

Years 1 to 5 (15 March 2022 – 11 March 2027) – 100%

Years 6-10: (15 March 2027 – 11 March 2032) – 50%

Provided the following conditions are met:

(i) The Company remains listed for at least 15 years and is not suspended from the JSE for any breaches of its rules.

(ii) The Subscribed Participating Voting Share Capital of the Company does not exceed J\$500million

(iii) The Company has at least 50 Participating Voting Shareholders

The financial statements have been prepared on the basis that the Company will have the full benefit of the tax remissions.

**JFP Limited (formerly Jamaica Fibreglass Products Limited)**  
**Notes to the Interim Financial Statements**  
**For the six (6) months ended June 30, 2022**

**JFP Limited**  
**Unaudited Financial Statements**  
**For the nine (9) Months ended September 30, 2022**

**INFORMATION REGARDING SHAREHOLDERS**

**AS AT September 30, 2022**

| <b>TEN LARGEST SHAREHOLDERS</b>               | <b>NO. of Stock Units</b> |
|---|---------------------------|
| JKZ Limited                                   | 280,560,000               |
| Mr. Richard Sirgany (Mrs. Nicola Sirgany)     | 279,720,000               |
| Eurobian Limited                              | 279,720,000               |
| GK Investment                                 | 62,714,211                |
| JFP Property Investment Ltd                   | 9,539,000                 |
| PAM-Pooled Equity Fund                        | 8,400,000                 |
| Claudine Murphy (Jade Speer, Chanel Grainger) | 5,057,714                 |
| Jamaica Properties Limited                    | 5,000,000                 |
| Domonick Ffrench                              | 3,200,001                 |
| Jiayong Liao                                  | 3,200,000                 |
| Rosalee Sirgany                               | 3,095,000                 |
| <b>SHAREHOLDINGS OF DIRECTORS</b>             |                           |
| Ian Kent Levy                                 | 3,000,000                 |
| JKZ Limited (Owned by Stephen Sirgany)        | 280,560,000               |
| Richard Sirgany (Mrs. Nicola Sirgany)         | 279,720,000               |
| Eurobian Limited (Owned by Metry Seaga)       | 279,720,000               |
| Stephen Sirgany (Mrs Lisa Sirgany)            | 250,000                   |
| Adrian Mitchell                               | 30,000                    |
| <b>SHAREHOLDING OF SENIOR OFFICERS</b>        |                           |
| JKZ Limited (Owned by Stephen Sirgany)        | 280,560,000               |
| Richard Sirgany (Mrs. Nicola Sirgany)         | 279,720,000               |
| Eurobian Limited (Owned by Metry Seaga)       | 279,720,000               |
| Stephen Sirgany (Mrs Lisa Sirgany)            | 250,000                   |

