



MFS CAPITAL PARTNERS LIMITED

UNAUDITED FINANCIAL STATEMENTS

THREE MONTHS ENDING 30TH SEPTEMBER 2022

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MFS CAPITAL PARTNERS LIMITED
REPORT TO OUR STOCKHOLDERS
QUARTER ENDING 30TH SEPTEMBER 2022

We hereby present the 1st Quarter Results for MFS Capital Partners Limited (MFS), (Formerly SSL Venture Capital Limited, SSLVC).

NET PROFITS

For the three months ending 30th September 2022, the Group recorded profits after taxes of **\$5.3M**. These profits recorded during the period resulted from a new revenue stream: receivables financing. MFS will continue to align itself within the market to realise more business opportunities that will ensure growth.

REVENUES

For the three months ending 30th September 2022, the Group recorded revenues of **\$12.5M** as stated above MFS was successful in its first receivables financing transaction.

EXPENSES

For the three months ending 30th September 2022, the Group's administrative & operational expenses were **\$5.8M** in addition to the finance related costs of **\$150k**, bringing overall expenses to **\$6.03M**. The expenses incurred relates to the operating costs for the SSLVC's Head Office and BCL obligations.

FINANCIAL POSITION

Total assets of the Group stood at **\$72.6M** for the quarter ending 30th September 2022 with total liabilities at **\$115.9M** and shareholders' equity at a negative **\$43.2M**.

Profit per stock unit for the three months was \$0.014 per share.

OUTLOOK

The first quarter results were positive and as stated above MFS is strategically positioning itself in the market to attain more profits. We are on target in achieving certain milestones outlined in our June Quarter results as well as our annual report:

- Refining our business model is an ongoing mechanism to ensure efficiency
- Final stage of our strategic acquisitions.

The Board of Directors wishes to thank you, our valued shareholders, our management and employees for their unwavering support.



Clide Leopold Nesbeth
Chairman



Dino Hinds
CEO

MFS CAPITAL PARTNERS LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

	Note	Unaudited 30-Sep-22 \$	Unaudited 30-Sep-21 \$	Audited 30-Jun-22 \$
Assets				
<u>Non-Current Assets</u>				
Property and equipment	4	2,538,270	5,691,097	2,672,088
Intangible Assets	5	-	20,613	-
Goodwill		-	-	-
Deferred Tax Asset		-	-	-
Total non-current assets		2,538,270	5,711,710	2,672,088
<u>Current assets</u>				
Inventory		26,146	97,153	26,146
Director's Account		-	750,000	-
Taxation recoverable		4,755,175	4,674,115	4,755,175
Due from related parties		24,000,000	5,120,500	-
Receivables	7	1,726,630	7,443,433	2,290,315
Cash and bank balances		39,619,887	1,021,158	4,481,282
Total current assets		70,127,839	19,106,359	11,552,918
Total assets		72,666,108	24,818,069	14,225,006
EQUITY & LIABILITIES				
<u>Equity</u>				
Share capital	8	111,880,297	111,880,297	111,880,297
Capital Reserves		-	294,881	-
Accumulated deficit		(142,132,458)	(158,100,420)	(147,491,795)
Total equity		(30,252,161)	(45,925,242)	(35,611,498)
Non- Controlling interest	9	(13,043,433)	(17,721,567)	(13,043,433)
		(43,295,594)	(63,646,809)	(48,654,931)
<u>Non-current liabilities</u>				
Due to Related Companies		27,072,380	-	-
Long term Loan		-	-	-
Total Non-current liabilities		27,072,380	-	-

MFS CAPITAL PARTNERS LIMITED

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)

AS AT SEPTEMBER 30, 2022

	Note	Unaudited 30-Sep-22	Unaudited 30-Sep-21	Audited 30-Jun-22
<u>Current liabilities</u>		\$	\$	\$
Payables		56,605,956	64,182,689	55,746,571
Short Term Loan		-	21,304,341	-
Current portion of long-term loans		1,557,057	2,341,539	1,557,057
Due to Related Companies		30,150,000	-	5,000,000
Taxation		576,309	636,309	576,309
Total current liabilities		88,889,322	88,464,877	62,879,937
Total equity & liabilities		72,666,108	24,818,069	14,225,006



Clide Leopold Nesbeth
Chairman



Dino Hinds
Director

MFS CAPITAL PARTNERS LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
THREE MONTHS ENDING SEPTEMBER 30, 2022

		Unaudited Quarter 30-Sep-22 \$	Unaudited Quarter 30-Sep-21 \$	Audited Year End 30-Jun-22 \$
Revenues	10	12,560,000	-	-
Cost of Sales		-	-	-
Gross Profit		12,560,000	-	-
Other Income	11	3,066	11,765,049	66,028,130
Impair. losses on financial assets		-	-	(3,498,232)
Administrative expense	12	(6,243,434)	(7,548,815)	(43,229,625)
Operating Profit/Loss		6,319,632	4,216,234	19,300,273
Finance Costs, net		(150,000)	(88,000)	(1,131,160)
Profit/(Loss) before taxation		6,169,632	4,128,234	18,169,113
Taxation	13	(810,295)	(950,999)	-
Profit/(Loss) after taxes		5,359,337	3,177,235	18,169,113
Net loss Attributable to:				
Stockholders of the Company		5,359,337	2,524,781	12,838,525
Non-Controlling interest		-	652,454	5,330,588
		5,359,337	3,177,235	18,169,113
Profit/(Loss) per Stock Unit	14	0.013	0.008	0.30

MFS CAPITAL PARTNERS LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
THREE MONTHS ENDING 30TH SEPTEMBER 2022

	Number of Shares	Share Capital	Capital Reserve	Accumulated (deficit)/profit	Total	Non- Controlling Interest	Total Equity
		\$	\$	\$	\$	\$	\$
Audited Balances as at 30 Jun 2021	400,000,000	111,880,297	294,881	(160,625,201)	(48,450,023)	(18,374,021)	(66,824,044)
Total Comprehensive profits/(losses)	-	-	-	2,524,781	2,524,781	652,454	3,177,235
Unaudited Balances as at 30 Sep 2021	400,000,000	111,880,297	294,881	(158,100,420)	(45,925,242)	(17,721,567)	(63,646,809)
Audited Balances as at 30 Jun 2022	400,000,000	111,880,297	-	(147,491,795)	(35,611,498)	(13,043,433)	(48,654,931)
Total Comprehensive profits/(losses)	-	-	-	5,359,337	5,359,337	-	5,359,337
Unaudited Balances as at 30 Sep 2022	400,000,000	111,880,297	-	(142,132,458)	(30,252,161)	(13,043,433)	(43,295,594)

MFS CAPITAL PARTNERS LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOW
THREE MONTHS ENDING 30TH SEPTEMBER 2022

	Unaudited 30-Sep-22	Unaudited 30-Sep-21	Audited 30-Jun-22
	\$	\$	\$
Cash flow from operating activities:			
Profit/(Loss) before taxes	6,169,632	4,128,234	18,169,113
Adjustment for:			
Depreciation & Amortisation	42,460	545,809	1,851,944
Impairment losses on financial assets	-	-	3,498,232
Loss/(gain) on Disposal of assets	358,094	50,186	2,056,894
Interest expense	150,000	88,000	1,132,523
Interest Income	(3,066)	(236)	(1,363)
Operating cash flows before movements in working capital	6,717,120	4,811,993	26,707,343
Changes in working capital:			
(Increase)/decrease in receivable	563,685	(2,587,278)	(1,139,970)
(Decrease)/increase in Payables	49,088	2,110,261	(5,374,858)
Inventories	-	-	71,007
Related party balances, net	28,222,380	-	10,120,500
Directors' accounts, net	-	-	750,000
Cash provided/(used) by operations	35,552,273	4,334,976	31,134,022
Taxes recovered/(paid)		-	66,688
Interest paid	(150,000)	(88,000)	(1,132,523)
Interest received	3,066	236	1,363
Net cash provided/(used) by operating activities	35,405,339	4,247,212	30,069,550
Investing Activities			
Purchase of property, plant and equipment	(266,734)	-	(200,390)
Proceeds from disposal of motor vehicle	-	73,000	-
Net cash(used in)/provided by investing activities	(266,734)	73,000	(200,390)
Financing Activities			
Short term loans, net	-	-	(21,397,393)
Other/Loan payables, net	-	(93,051)	(784,482)
Net cash used in financing activities	-	(93,051)	(22,181,875)
Net Increase/(Decrease) in Cash and Bank Balances	35,138,605	4,227,161	7,687,285
Cash and Bank Balances at the beginning of year	4,481,282	(3,206,003)	(3,206,003)
Cash and Bank Balances at the end of year	39,619,887	1,021,158	4,481,282
Cash at Bank	39,619,887	1,021,158	4,481,282
Bank Overdraft	-	-	-
Represented by Cash & Bank	39,619,887	1,021,158	4,481,282

MFS CAPITAL PARTNERS LIMITED
UNAUDITED COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30TH SEPTEMBER 2022

	Note	Unaudited 30-Sep-22 \$	Unaudited 30-Sep-21 \$	Audited 30-Jun-22 \$
Assets				
<u>Non-current assets</u>				
Property and equipment	4	730,654	1,473,802	864,472
Intangible Assets	5	-	20,613	-
Deferred Tax Asset	6	-	-	-
Total non-current assets		730,654	1,494,415	864,472
<u>Current assets</u>				
Taxation recoverable		4,755,175	4,674,115	4,755,175
Receivables	7	1,726,629	4,942,786	2,290,314
Due to Related company		24,000,000	5,120,500	-
Cash and bank balances		39,619,887	818,380	4,481,282
Total current assets		70,101,692	15,555,781	11,526,771
Total assets		70,832,346	17,050,196	12,391,243
EQUITY & LIABILITIES				
<u>Equity</u>				
Share capital	8	111,880,297	111,880,297	111,880,297
Accumulated deficit		(112,870,988)	(122,890,618)	(118,230,325)
Total equity		(990,691)	(11,010,321)	(6,350,028)
<u>Non-current liabilities</u>				
Long-term Debt		27,072,380	-	-
Total Non-current liabilities		27,072,380	-	-
<u>Current liabilities</u>				
Payables		45,000	13,648	847,457
Other Payables		5,923,994	3,847,437	4,201,137
Related Party		30,150,000	-	5,000,000
Loan Payables		-	19,258,328	-
Payroll Liabilities		8,631,663	4,941,103	8,692,677
Total current liabilities		44,750,657	28,060,516	18,741,271
Total equity & liabilities		70,832,346	17,050,195	12,391,243



Clide Leopold Nesbeth
Chairman



Dino Hinds
Director

MFS CAPITAL PARTNERS LIMITED
UNAUDITED COMPANY STATEMENT OF COMPREHENSIVE INCOME
THREE MONTHS ENDING 30TH SEPTEMBER 2022

		Unaudited Quarter 30-Sep-22	Unaudited Quarter 30-Sep-21	Audited Year End 30-Jun-21
	Note	\$	\$	\$
Revenues	10	12,560,000	-	-
Other Income	11	3,066	6,971,376	40,990,218
Impairment losses on financial assets		-	-	(3,498,232)
Administrative expense	12	(6,243,434)	(6,322,900)	(32,265,539)
Operating Profit/(Loss)		6,319,632	648,477	5,226,447
Finance Costs, net		(150,000)	-	1,363
Profit/(Loss) before taxation		6,169,632	646,477	5,227,810
Taxation	13	(810,295)	(81,060)	-
Profit/(Loss) from after taxation		5,359,337	567,417	5,227,810

MFS CAPITAL PARTNERS LIMITED
UNAUDITED COMPANY STATEMENT OF CHANGES IN EQUITY
THREE MONTHS ENDING 30TH SEPTEMBER 2022

	Number of Shares	Share Capital	Accumulated profit/(deficit)	Total
		\$	\$	\$
Audited Balances as at 30 Jun 2021	111,880,297	111,880,297	(123,458,135)	(11,557,838)
Net Profit/(Loss)	-	-	567,417	567,417
Misc.			100	100
Unaudited Balances as at 30 Sep 2021	111,880,297	111,880,297	(122,890,618)	(11,010,321)
Audited Balances as at 30 Jun 2022	111,880,297	111,880,297	(118,230,325)	(6,350,028)
Total Comprehensive loss	-	-	5,359,337	5,359,337
Unaudited Balances as at 30 Sep 2022	111,880,297	111,880,297	(112,870,988)	(990,691)

MFS CAPITAL PARTNERS LIMITED
UNAUDITED COMPANY STATEMENT OF CASH FLOW
THREE MONTHS ENDING 30TH SEPTEMBER 2022

	Unaudited 30-Sep-22 \$	Unaudited 30-Sep-21 \$	Audited 30-Jun-22 \$
Cash flow from operating activities:			
Profit/(loss) before taxes	6,169,632	648,477	5,227,810
Adjustment for:			
Depreciation and amortization	42,460	98,470	154,922
Foreign exchange losses	-	-	-
Impairment losses on financial assets	-	-	3,498,232
Loss on disposal of assets	358,094	-	773,705
Interest expense	150,000	-	-
Interest income	(3,066)	(236)	(1,363)
Operating cash flows before movements in working capital	6,717,120	746,710	9,653,306
Changes in working capital:			
(Increase)/decrease in Receivable	563,685	(2,668,240)	(3,513,930)
(Decrease)/increase in Payables	49,088	2,191,225	7,130,308
Related parties net	28,222,380	-	10,120,500
Cash provided/(used) by operations	35,552,273	269,696	23,390,184
Taxes paid	-	-	-
Interest paid	(150,000)	-	-
Interest received	3,066	236	1,363
Net cash provided/(used) by operating activities	35,405,339	269,932	23,391,547
Investing Activities			
Purchase of Equipment/Assets	(266,734)	-	(200,386)
Net Cash used in investing activity	(266,734)	-	(200,386)
Financing Activities			
Related companies, net	-	-	-
Loans payables, net	-	-	(19,258,328)
Net cash used in financing activity	-	-	(19,258,328)
Net Increase/(Decrease) in Cash and Bank Balances	35,138,605	269,932	3,932,833
Effects of exchange losses on cash and cash equivalents	-	-	-
Cash and Bank Balances at the beginning of year	4,481,282	548,449	548,449
Cash and Bank Balances at the end of year	39,619,887	818,380	4,481,282
Represented by Cash & Bank	39,619,887	818,380	4,481,281

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
THREE MONTHS ENDING 30TH SEPTEMBER 2022

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

The company was incorporated under the Companies Act of Jamaica on 24 November 2011. At the end of the quarter, MFS Capital Partners Limited changed its registered office from Unit 15, Barbican Centre, 88 Barbican Road to Suite 2, 14 Canberra Crescent, Kingston 6.

On 25 May 2022, MFS Acquisition Limited acquired the 79 % stake previously held by Stock and Securities Limited. Effective 3 August 2022, the name of the Company was changed from SSL Venture Capital Jamaica Limited to MFS Capital Partners Limited. The name was changed pursuant to Section 17 of the Companies Act and was approved by shareholders at an Extraordinary General Meeting held on 13 June 2022

The business model of the Company has not changed significantly as they will continue specializing in investing in equity of small to medium sized companies that show great potential for growth and profits. The Company is listed as a member of the Junior Market of the Jamaica Stock Exchange.

The company's subsidiaries, together with the company are referred to as "the group"; the subsidiaries are as follows:

Date of Acquisition	Subsidiaries	Principal Activities	Proportion of issued share capital held by company
Jul 2, 2018	Bar Central Ltd.	Distribution and provision of branding services	75%
July 20, 2018	Muse 360 Integrated Ltd.	Marketing and commercial solutions	51%

All of the company's subsidiaries are incorporated and domiciled in Jamaica.

Bar Central Limited ceased operational activities as of December 31, 2019. Muse 360 Integrated Limited ceased operational activities as of August 31, 2019. New Management has decided to dispose of shares in both companies: Muse 360 Integrated Limited and Bar Central Limited.

The consolidated financial statements include the financial statements for the company and its subsidiaries. The financial statements are presented in Jamaican dollars, which is the functional currency.

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
THREE MONTHS ENDING 30TH SEPTEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The interim financial report is to be read in conjunction with the audited financial statements for the year ended June 30, 2022. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the financial year ended June 30, 2022.

b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 30th September 2022. A subsidiary is an entity controlled by the company. Control is achieved when the group is exposed, 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. Specifically, the group controls an investee, if and only if, the group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring its accounting policy in line with the group's accounting policy. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated in full on consolidation.

c) Going concern

The Group and company reported profits in 2022 of \$5,359,337. The Group and the Company as at 30th June 2022 have accumulated deficit of \$142,132,458 (June 2022: \$147,491,795) and \$112,870,988 (June 2022: \$118,795,186) respectively. Further, as at 30 September 2022, the Group's and the Company's current liabilities exceeded its current assets by \$43,295,594 (June 2022: \$48,654,931) and \$990,690 (June 2022: \$7,214,500) respectively. This indicates the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
THREE MONTHS ENDING 30TH SEPTEMBER 2022

SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Property and Equipment

Owned Assets: Items of plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the assets. The cost of self-constructed assets includes the cost of materials, direct labour and related costs to put the asset into service.

Depreciation are stated as cost less accumulated depreciation and impairment losses (see below). Depreciation is calculated on a straight line basis at rates to write-off carrying values of the assets over their period of expected useful lives. The annual depreciation rates are as follows:

Computer Equipment 25%; Furniture - 10%; Leasehold improvements - 10%; Motor Vehicles - 20% & Office Equipment-10%

Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are included in the statement of comprehensive income. Repairs and Maintenances are charged to the statement of comprehensive income during the financial period in which they are incurred.

e) Intangible Assets

Intangible assets represent purchased computer software not integral to computer hardware, with finite useful lives that are acquired separately and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life of six years.

f) Inventories

Inventories are stated at the lower of cost and net realisable value, cost being determined on a first in first out basis. Net Realisable value is the estimate of the selling price in the ordinary course of the business, less selling expenses.

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
THREE MONTHS ENDING 30TH SEPTEMBER 2022

g) Cash and bank balances

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand, short term deposits and bank overdraft.

h) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. For trade receivables impairment provisions, the group and company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

i) Payables

Payables, including provisions, are stated at their nominal value. A provision is recognised in the statement of financial position when the group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying 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 rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

j) Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable of goods and customer acceptance or performance of service. Revenue is shown net of General Consumption Tax, returns, rebates and discounts. Revenue is recognized as follows:

- i. Sales of goods- Sales of goods are recognized upon the delivery of goods and acceptance or performance of services.
- ii. Interest income - Interest income is recognized in the statement of comprehensive income for all interest-bearing instruments on an accrual basis using the effective yield method based on the actual purchase price.

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
THREE MONTHS ENDING 30TH SEPTEMBER 2022

k) Related Parties

A party is related to the group, if:

- i. Directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Company (this includes parent, subsidiaries and fellow subsidiaries); has an interest in the entity that gives it significant influence over the group; or has joint control over the group;
- ii. the party is an associate of the Company;
- iii. the party is a joint venture in which the Company is a venture;
- iv. the party is a member of the key management personnel of the Company or its parent;
- v. the party is a close member of the family of any individual referred to in (i) or (iv);
- vi. the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- vii. the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

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

l) Foreign Currencies

Foreign currency transactions are accounted for at the exchange rate prevailing at the rate of the transactions. Monetary assets and liabilities that are denominated in foreign currencies are translated into Jamaican dollars at the exchange rate prevailing at the statement of financial position date; that is in the case of each currency, the Bank of Jamaica weighted average buying and selling rates at that date. Gains or losses arising from fluctuations in the exchange rates are reflected in the statement of comprehensive income.

m) Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of comprehensive income.

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
THREE MONTHS ENDING 30TH SEPTEMBER 2022

n) Taxation

Taxation on the profit or loss for the year comprises current and deferred tax. Current and deferred taxes are recognized as income tax expense or benefit in the statement of comprehensive income except, where they relate to items recorded in shareholders' equity, they are also charged or credited to shareholders' equity.

Current taxation - is the expected taxation payable on the taxable income for the year using the tax rates enacted at the statement of financial position date and any adjustment to tax payable and tax losses in respect of previous years.

Deferred Income taxes - are recognized for temporary differences between the carrying amounts of assets and liabilities and their amounts as measured for tax purposes, which will result in taxable amounts in future periods. Deferred tax assets are recognized for temporary differences which will result in deductible amounts in future periods, but only to the extent it is probable that sufficient taxable profits will be available against which these differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset will be realized or the liability will be settled based on enacted rates.

Current and deferred tax assets and liabilities are offset when the legal right of offset exists.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these 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.

Critical judgements in applying the Company's accounting policies.

Management believe there were no judgements made in the process of applying the Company's accounting policies that had a significant effect on the amounts recognised in the financial statements.

Management is of the opinion that there were no critical assumptions concerning the future that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
THREE MONTHS ENDING 30TH SEPTEMBER 2022

4. PROPERTY, PLANT & EQUIPMENT

The Group

	Computer Equipment	Furniture & Fixtures	Office Equipment	Motor Vehicle	Leasehold Improve- ments	Total
	\$	\$	\$	\$	\$	\$
At Cost						
At Jun 30, 2022	2,768,874	1,446,580	814,095	1,023,852	266,960	6,320,361
Adjustment	-	-	-	2,016,148	-	2,016,148
Additions	171,734	-	95,000	-	-	266,734
Disposals	-	-	(230,000)	-	(188,960)	(418,960)
At Sep 30, 2022	2,940,608	1,446,580	679,095	3,040,00	78,000	8,184,283
Accumulated depreciation						
At June 30, 2022	2,075,210	302,507	167,360	1,023,852	79,344	3,648,273
Adjustment	-	-	-	2,016,148	-	2,016,148
Charge for period	12,394	-	23,191	-	6,674	42,259
Eliminated Depreciation from disposal	-	-	-	-	(60,667)	(60,667)
At Sep 30, 2022	2,087,604	302,507	190,551	3,040,000	25,351	5,646,013
Net Book Value						
At Sep 30, 2022	853,004	1,114,073	488,544	-	52,649	2,538,270
At Jun 30, 2022	693,664	1,144,073	646,735	-	187,616	2,672,088

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
THREE MONTHS ENDING 30TH SEPTEMBER 2022

PROPERTY, PLANT & EQUIPMENT(Con't)

The Company

	Computer Equipment	Office	Leasehold Improve-	Total
	\$	Equipment	ments	\$
	\$	\$	\$	\$
At Cost				
At Jun 30, 2022	85,558	814,094	266,960	1,166,612
Addition	171,734	95,000	-	266,734
Disposals	-	(230,000)	(188,960)	(418,960)
At Sep 30, 2022	257,292	679,094	78,000	1,014,386
Accumulated depreciation				
At Jun 30, 2022	55,437	167,360	79,344	302,141
Charge for the period	12,394	23,192	6,674	42,260
Relieved on disposal	-	-	(60,669)	(60,669)
At Sep 30, 2022	67,831	190,552	25,349	283,732
Net Book Value				
At Sep 30, 2022	189,461	488,542	52,651	730,654
At Jun 30, 2022	30,122	646,734	187,616	864,472

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
THREE MONTHS ENDING 30TH SEPTEMBER 2022

5. INTANGIBLE ASSETS

The Group	Unaudited
	30-Sep-22
Cost	\$
30 Jun 2022	2,219,403
Additions/(Disposals)/Adjustments	-
Balance at end of Period	<u>2,219,403</u>
Amortisation	
30 Jun 2022	2,219,403
Adjustments	-
Charge for the period	-
Balance at end of Period	<u>2,219,403</u>
Net Book Value	
At Sep 30, 2022	<u>-</u>
At Jun 30, 2022	<u>-</u>
The Company	Unaudited
	30-Sep-22
Cost	\$
30 Jun 2022	2,404,184
Additions/(Disposals)	-
Balance at end of Period	<u>2,404,184</u>
Amortisation	
30 Jun 2022	2,404,184
Charge for the period	-
Balance at end of Period	<u>2,404,184</u>
Net Book Value	
At Sep 30, 2022	<u>-</u>
At Jun 30, 2022	<u>-</u>

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
THREE MONTHS ENDING 30TH SEPTEMBER 2022

6. RECEIVABLES

Group

	Unaudited 30-Sep-22 \$	Unaudited 30-Sep-21 \$	Audited 30-Jun-22 \$
Trade	3,542,726	3,542,726	3,542,726
Other	23,900,274	26,118,845	24,463,959
	<hr/> 27,443,000	<hr/> 29,661,571	<hr/> 28,006,685
Less: Impairment losses	(25,716,370)	(22,218,138)	(25,716,370)
	<hr/> 1,726,630	<hr/> 7,443,433	<hr/> 2,290,315

The Company will provide fully for all receivables outstanding in excess of one year as management believes receivables that are past due beyond this period are generally not recoverable.

7. SHARE CAPITAL

	Unaudited 30-Sep-22	Audited 30-Jun-22
Authorised capital:		
1,000,000,000	1,000,000,000	1,000,000,000
Ordinary shares at no par value		
Issued and fully paid:		
400,000,00 Ordinary shares of no par value	\$111,880,297	\$111,880,297

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
THREE MONTHS ENDING 30TH SEPTEMBER 2022

8. NON-CONTROLLING INTEREST

The Group

	Unaudited 30-Sep-22	Unaudited 30-Sep-21	Audited 30-Jun-22
	\$	\$	\$
Balance at beginning of period	(13,043,433)	(18,374,021)	(18,374,021)
Capital Reserves	-	-	-
Share of (Loss)/Gain for the year	-	652,454	5,330,588
Balance at end of period	(13,043,433)	(17,721,567)	(13,043,433)

9. REVENUE

Revenue represents the price of goods sold or services rendered to customers, and management fees and is stated net of discounts, allowances and General Consumption Tax.

10. OTHER INCOME

	30-Sep-22 The Group	30-Sep-22 The Company
	\$	\$
Net Payables Write off	-	-
Other	3,066	3,066
	3,066	3,066

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
THREE MONTHS ENDING 30TH SEPTEMBER 2022

11. ADMINISTRATIVE EXPENSES

	The Group			The Company		
	Unaudited 30-Sep-22	Unaudited 30-Sep-21	Audited 30-Jun-22	Unaudited 30-Sep-22	Unaudited 30-Sep-21	Audited 30-Jun-22
	\$	\$	\$	\$	\$	\$
Advertising & PR	209,000	-	-	209,000	-	-
Bank Charges	14,293	22,635	484,456	14,293	22,635	109,805
Audit Fee	621,713	350,580	3,049,245	621,713	330,580	1,707,745
Rent	571,450	959,512	3,869,591	571,450	569,512	2,309,591
Depreciation	42,260	545,809	1,851,944	42,260	98,470	154,922
Director Fees	225,000	225,000	75,000	225,000	225,000	75,000
Co. Secretary	30,000	240,000	305,000	30,000	240,000	305,000
Legal & Prof.Fees	400,000	171,123	2,419,198	400,000	171,123	2,419,198
Motor Expenses	-	311,363	762,674	-	311,363	762,674
Dues & Subscrip.	58,439	153,823	502,967	58,439	153,823	502,967
Office / Admin Ex	47,532	172,146	436,270	47,532	161,097	352,720
Registrar/JSE Fee	238,757	269,100	1,941,223	238,757	269,100	1,941,223
Travelling	200,000	600,000	2,400,000	200,000	600,000	2,400,000
Other expenses	1,553,538	264,652	9,526,442	1,553,538	-	4,459,265
Payroll Expenses	1,388,194	2,976,955	14,984,228	1,388,194	2,976,955	14,925,829
Management Fees	500,000	-	-	500,000	-	-
Repairs	28,000	74,100	122,742	28,000	74,100	122,741
Utilities	115,258	122,017	498,645	115,258	119,142	478,770
Total Operating Expenses	6,243,434	7,458,815	43,229,625	6,243,434	6,322,900	32,265,539

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
THREE MONTHS ENDING 30TH SEPTEMBER 2022

12. TAXATION

Taxation is computed on the loss for the year adjusted for taxation purposes and comprises:

	The Group		The Company	
	Unaudited Sep-22	Audited Jun-22	Unaudited Sep-22	Audited Jun-22
	\$	\$	\$	\$
Income Tax @ 25%	6,169,632	-	6,169,632	-
Deferred Income Tax (Note 6)	-	-	-	-
	<u>6,169,632</u>	<u>-</u>	<u>6,169,632</u>	<u>-</u>

Entities listed on the Junior Stock Exchange in Jamaica benefit from tax incentives of tax rates of 0% in year 1-5, and 50% of regular tax rates in year 6 -10.

Subject to agreement with the Commissioner, General, Tax Administration Jamaica, the Group and the Company have tax losses of approximately June 2022 is \$282,266,701 and \$167,287,250 respectively that can be carried forward indefinitely for offset against future taxable profits.

The taxation charged in the statement of comprehensive income differs from the theoretical amount that would arise using the appropriate income tax rate:

	The Group		The Company	
	Unaudited Sep-22	Audited Jun-22	Unaudited Sep-22	Audited Jun-22
	\$	\$	\$	\$
Profit/(Loss) before tax	6,169,632	18,169,113	6,169,632	5,227,810
Tax calculated at the appropriate tax rate	771,204	4,542,278	771,204	1,306,953
Adjusted for the effects of :				
Expenses not allowed for tax purposes*	-	3,308,355	-	836,457
Other charges and allowances*	39,091	(7,850,633)	39,091	(2,143,410)
	<u>810,295</u>	<u>-</u>	<u>810,295</u>	<u>-</u>

* A recalculation of taxes will be done at the end of the year in the audited financial statements

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
THREE MONTHS ENDING 30TH SEPTEMBER 2022

13. PROFIT/LOSS PER SHARE

Basic profit/(loss) per share as calculated by dividing the loss by the weighted average number of ordinary shares in issue.

	Unaudited	Audited
	30-Sep-22	30-Jun-22
	\$	\$
Profit / (Loss)	5,359,337	12,838,525
Weighted average number of ordinary shares	400,000,000	400,000,000
Basic profit /(loss) per share	0.013	0.03