



JFP

COMMERCIAL | CONTRACT
FURNITURE MANUFACTURERS

2022 Annual Report

Table of contents

About Us.....	3
Our Mission, Our Vision.....	5
Notice of Annual General Meeting.....	7-8
Corporate Data.....	9
Chairman's Statement.....	10
CEO & COO Statements.....	12-13
Board Of Directors.....	14-20
Corporate Governance.....	21-25
Management Discussion And Analysis.....	26-30
Senior Management.....	32-34
Human Resources.....	35
JFP Corporate Social Responsibility (CSR) Report.....	36
Environmental Sustainability Initiatives.....	37
Shareholdings.....	38
Auditor's Report/Financial Statements.....	39-78
Form of Proxy.....	79

About Us

Founder Stephen Sirgany's passion for race cars is what propelled him into business. Having learned the trade of molding fibreglass in Florida, he gained the experience to produce a body kit for his private car, which drew the attention of Alfa Romeo of North America. He was able to secure an order to provide those kits for their limited edition car called the 'Maratona'. What an exciting feeling that was for him! With his new vision and given the labour-intensive nature of the work and the size of the order, he opted to move to Jamaica.

Stephen joined forces with his cousin Ray producing the interior of fridges as well as the body kits. Developing new products and garnering new customers within the automotive industry was intriguing. He then manufactured three prototypes of vending carts and filled them with merchandise, jerk chicken and cold drinks to showcase for a government tender. The determination to excite recipients with his creativity was high, so much so that he pushed them across the street from his workshop to make the presentation at Jamaica House. It was well worth it as the contract was awarded which saw the birth of Jamaica Fibreglass Products Ltd.

It's a proud feeling to see JFP grow from its humble beginnings, which started with a couple of employees working under a mango tree, to a 75,000sqft facility employing approximately 92 employees.

At the time of inception, JFP was primarily a fibreglass furniture manufacturing company, but over the years transitioned into woodwork, metalwork, upholstery, solid surface and acrylic. The six forms of manufacturing when combined, produces interior decor packages for commercial entities and allows JFP to provide unique services/settings, such as the retrofitting of buses for National Housing Trust, Ministry of Health and Wellness, Human Employment and Resource Training (HEART), Child Development Agency, Stewarts Industrial among others. The company occupies 75,000sq.ft. of factory space and currently employs approximately 92 persons full time, some of whom have been with the company since the inception of the company. JFP prides itself on creating and maintaining a positive working environment for employees while keeping a keen interest in its environs and surrounding communities.

JFP has the industry's most up-to-date equipment, such as computerized CNC Routers among others and designs, develops, manufactures, installs, and offers after-sales service on all products sold, thus providing the customers with support for the life of the product. JFP's products are of the highest quality and can compete on any international market.

Some of JFP's customers include:

Mothers, Tastee, Starbucks, KFC, Pizza Hut, TGIF, JDF, Toyota, LIME, Digicel, Spanish Court Hotel, S Hotel Montego Bay, Courtyard Marriott, AC by Marriott Hotel and ROK Hotel Kingston.

JFP Exports to the Caribbean and Latin America and USA

Countries include:

Trinidad, Barbados, Antigua, Saint Vincent and the Grenadines, St. Lucia, Dominica, Bermuda, Guyana, Panama and USA.

Types of Products

- **Restaurant Décor Packages:** tables, chairs, planters, garbage bins, counters, divider walls
- **Office Furniture:** desks, workstations, chairs, file cabinets, computer desks
- **Hotel Furnishing:** Bed base with headboard, nightstands, luggage racks, tv units, desks, patio, pool and seaside furniture, lobby furniture, common area furniture, restaurant furnishing, tables, chest of drawers, closets, sofa chairs, molding, valance
- **Retrofit of Buses & Ambulances:** desks, booths, benches, partition system
- **Point of Sale Display:** display units, charging stations



KFC, Drax Hall

OUR MISSION



To Design and Manufacture the highest quality commercial furnishings for local and overseas markets, on time and within budget. To create and maintain a positive working environment for our employees whilst keeping a keen interest in the environment and communities that we live and work in. To make our country proud, by being a leading exporter of fine workmanship and design to all corners of the world.

OUR VISION

"To manufacture the highest quality products."

JFP'S CORE VALUES

At JFP Ltd., we are guided by a set of core values that drive our decisions, actions, and interactions. Our commitment to these values allows us to create a positive impact on the lives of our stakeholders, contribute to the development of our community, and achieve sustainable growth.

Employees

- Employee value and well-being: We believe that our employees are our most valuable asset. We are committed to providing a safe, healthy, and inclusive work environment that promotes personal and professional growth, and fosters a culture of respect, teamwork, and excellence.

Customers

- Customer satisfaction: We are dedicated to delivering high-quality products and services that meet and exceed our customers' expectations. We listen to our customers' needs, continuously improve our processes to ensure their satisfaction and provide a world class service.

Community

- Community development: We recognize the importance of giving back to our community. We actively support initiatives that promote education, health, and social welfare, and collaborate with local organizations to create a positive impact on the lives of those around us.

Shareholders

- Shareholder commitment/value: We are committed to creating sustainable value for our shareholders. We operate with transparency, integrity, and accountability, and strive to achieve profitable growth while managing risks and maximizing returns.

Country

- Corporate social responsibility: We understand the importance of responsible business practices. We integrate environmental, social, and governance considerations into our operations, and work to minimize our impact on the environment, respect human rights, and contribute to the well-being of our stakeholders.



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of JFP Limited will be held at the offices of JFP Limited at 155 Spanish Town Road, Kingston 11 on Monday, May 29, 2023 at 10:00 a.m.

Shareholders who choose not to be present in person will be able to join virtually by using this link:

<https://meet.google.com/fhy-vrfm-fvy?hs=122&authuser=0>

The purpose of the meeting is for transacting the following business:

1. To receive the Audited Financial Statements for the Year Ended December 31, 2022 together with the Reports of the Directors and Auditors thereon.

The Shareholders are asked to consider, and if thought fit, approve the following Resolution:

Ordinary Resolution No. 1

“That the Audited Financial Statements for the Year Ended December 31, 2022 together with the Reports of the Directors and Auditors thereon, be and are hereby adopted.”

2. To elect Directors

The Directors retiring by rotation in accordance with Regulation 113 of the company’s Articles of Incorporation are Mr. Stephen Sirgany and Mr. Metry Seaga, who being eligible for re election, offer themselves for re-election.

The shareholders are being asked to consider, and if thought fit, approve the following Resolutions:

Ordinary Resolution No. 2

“That the Directors retiring by rotation be re-elected by a single resolution.”

Ordinary Resolution No. 3

“That Mr. Metry Seaga and Mr. Stephen Sirgany, who are retiring by rotation in accordance with Regulation 113 of the Articles of Incorporation be and are hereby re-elected as Directors of the Company.”

3. To approve the remuneration of the non-executive Directors

The Shareholders are asked to consider, and if thought fit, approve the following Resolution:

Ordinary Resolution No. 4

“That the amount shown in the Audited Financial Statements for the Year Ended December 31, 2022 as fees paid to the non-executive Directors for their services as Directors, be and is hereby approved.”

Notice of Annual General Meeting

4. To appoint Auditors and to authorize the Directors to fix the remuneration of the Auditors.

The Shareholders are asked to consider, and if thought fit, approve the following Resolution:

Ordinary Resolution No. 5

“That the remuneration of the Auditors, McKenley and Associates, who have signified their willingness to continue in office, be such as may be agreed between the Directors of the Company and the Auditors.”

Dated the 19th day of April, 2023



.....
Cristina Matalon
Company Secretary
155 Spanish Town Road
Kingston 11

IMPORTANT NOTICE TO THE SHAREHOLDERS UNABLE TO ATTEND THE ANNUAL GENERAL MEETING

A shareholder entitled to attend the meeting and to vote may appoint a proxy to attend on his/her behalf, and to vote (on a poll) on his/her behalf. A proxy need not be a shareholder of the Company.

A suitable Form of Proxy is enclosed. Forms of Proxy must be lodged at the Company's Office at 155 Spanish Town Road, Kingston 11, Attention: The Company Secretary, not less than 48 hours before the time of the meeting.

Proxy Forms submitted by Corporate Shareholders must be duly executed under the Common Seal of the company.

CORPORATE DATA

DIRECTORS

CHAIRMAN

Mr. Ian Kent Levy

EXECUTIVE

Mr. Metry Seaga

Mr. Stephen Sirgany

NON-EXECUTIVE

Mr. Richard Sirgany

Ms. Marie McMorris

Dr. Adrian Mitchell

Ms. Chantal Bennett

COMPANY SECRETARY

Mrs. Cristina Matalon

LIST OF SENIOR OFFICERS

Mr. Metry Seaga - Chief Executive Officer

Mr. Stephen Sirgany – Chief Operating Officer

Mrs. Lisa Sirgany – General Manager

Mrs. Maria Harvey – Chief Accountant

Mr. Steve Peart – Sales Manager

ATTORNEYS- AT-LAW

MH&CO

7 Barbados Avenue

Kingston 5

BANKERS

National Commercial Bank

94 Half-Way-Tree Road

Kingston 10

AUDITOR

McKenley & Associates

Unit 11, Seymour Park

2 Seymour Park

Kingston 6, Jamaica

REGISTRAR AND TRANSFER

AGENT

Jamaica Central Securities

Depository

40 Harbour Street

Kingston, Jamaica

JFP LIMITED

REGISTERED OFFICE

155 Spanish Town Road

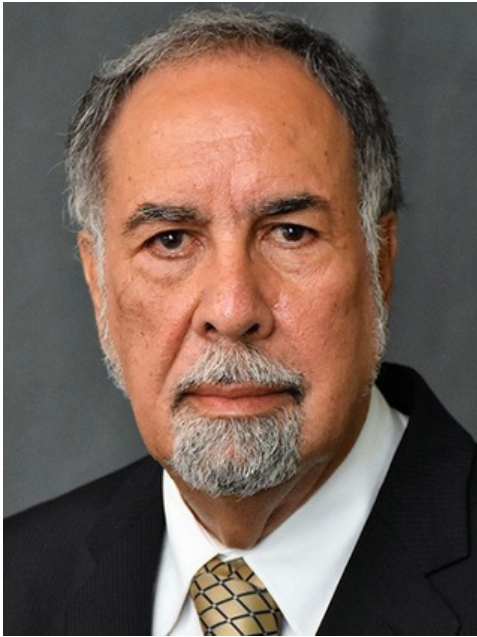
Kingston 11, Jamaica W.I.

(876) 758-3735

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Chairman's Statement



Dear Shareholders,

I am pleased to present the Chairman's Report for JFP's 37th year of operation. Despite challenges such as the ongoing recovery from the global pandemic and threats of recession due to the war in Ukraine, I am proud to report that JFP had a successful year with increased sales and profits, although not at the levels we had hoped. This achievement would not have been possible without the remarkable teamwork and dedication of our 92 employees, who have contributed immensely to our success and growth.

I would like to extend my congratulations to our CEO, Mr. Metry Seaga, for his recent election as the new President of the PSOJ. While this has taken up some of his time, I have full confidence in the capable hands of our team, led by Mr. Stephen Sirgany and Mrs. Lisa Sirgany, COO and GM respectively, who have ensured a continuous and smooth path forward for our company. I am confident that this position will bring exposure and opportunities for our esteemed brand, JFP.

As part of our long-term goals to increase exports, we have been exploring new markets further afield. Our team has traveled to and initiated discussions in the Dominican Republic, Nassau, and Panama; showcasing Mr. Metry Seaga's commitment to the growth of our country's exports and the strategic direction of our company.

I am thrilled to announce that JFP has also acquired a 30% stake in Total Office Ltd., a company with offices in Trinidad, Barbados, Guyana, and Jamaica. This strategic partnership aims to diversify our income streams, reduce concentration risk, and increase our profits without encountering any capacity limitations.

In addition, our board has welcomed a valuable addition in the person of Ms. Chantal S. Bennett, an attorney at DunnCox. Ms. Bennett brings extensive knowledge in the logistics and export space and currently chairs our corporate governance committee, further strengthening our governance practices.

In conclusion, I would like to express my heartfelt appreciation to our entire team, including our employees, management, and board, for their unwavering support and dedication over the 37 years of JFP's operation. Thank you for your continued support.

Sincerely,



HON. Ian Kent Levy, O.J., C.D., O.D.
Board Chairman



S Hotel, Montego Bay

CEO Statement

Dear Shareholders and Stakeholders,

I am pleased to present to you JFP Ltd.'s CEO report for the year 2022, which highlights our achievements, challenges, and future plans for growth.

Despite facing challenges in the areas of logistics, supply shortages, price inflation, and lack of skilled labor force, we have successfully increased our revenue by an impressive 104%. Our revenues grew from \$233.7 million in 2021 to \$476.4 million in 2022, showcasing our resilience and determination in navigating the market challenges.

Our Profit and Loss statement reflects our strategic efforts in managing costs and driving profitability. Cost of sales, administrative expenses, and selling/distribution expenses increased due to various factors, but we were able to increase our net profit by \$6.7 million or 80%, demonstrating our commitment to sustainable growth.

On our balance sheet, we made strategic decisions to manage our inventory and accounts receivables. We doubled our inventories by stocking up on raw materials in high demand, ensuring timely supply to our customers despite global logistics challenges. While our accounts receivables increased by \$130 million, it is a reflection of our increased sales and specific contract types that tend to have longer payment timelines. However, we have taken measures to tighten our controls on receivables to mitigate risks.

Additionally, the company had \$30 million in cash and cash equivalents from proceeds raised in our initial public offering (IPO) at the beginning of the year, which has further strengthened our financial position and provided us with additional resources for growth.

In terms of human resources, we continue to address the shortage of skilled labor by hiring a senior technician from the Philippines who will be responsible for training our current staff and prospective recruits in modern techniques. We have also partnered with HEART NTA to establish a training facility at our plant, which will ensure a readily available and skilled workforce for our company's needs.

Looking ahead, we have ambitious plans for the future. We are investing in upgrading our machinery, equipment, and software, as well as implementing an ERP system to streamline our processes and improve efficiency. We are in discussions with EXIM Bank for financing, and we expect the project to be implemented and completed by the third quarter of 2023. These upgrades and new systems will enable us to expand our product line, enhance our quality, and reduce concentration risks in our customer base, further strengthening our market position.

I am also proud to share that JFP Ltd successfully completed its listing on the Jamaica Stock Exchange (JSE). We raised a significant amount of \$140 million through the IPO, becoming the 43rd company to be listed on the JSE's Junior Market. This remarkable achievement is a testament to our commitment to excellence, strategic foresight, and unwavering dedication to success.

I would like to express my deepest appreciation to our shareholders, stakeholders, and the entire JFP Ltd team for their relentless efforts and support in achieving these milestones. I am confident that with our strategic plans and strong leadership, we will continue to achieve sustainable growth and deliver value to our shareholders.

In conclusion, I am proud to report that despite the challenges faced in 2022, JFP Ltd has demonstrated resilience, agility, and strategic foresight in driving our business forward. We remain committed to our vision for growth and excellence, and I am confident in our ability to achieve even greater successes in the future. Thank you for your continued support.

Sincerely,



Metry Seaga
CEO, JFP Ltd



COO Statement

Dear Shareholders,

I am pleased to present to you the report on the operational performance of JFP over the past year. Despite the global uncertainties, JFP has demonstrated resilience in mitigating supply chain disruptions, inflation, and labor shortages, and has taken significant steps to ensure the stability of our operations.

Building on our 37-year foundation as a leading custom contract furniture manufacturer, we have continuously improved our manufacturing technologies, enhanced our product offerings, upgraded our warehouse and inventory processes, and expanded employee engagement initiatives.

In our unwavering commitment to achieving operational excellence, we have implemented a series of significant measures, encompassing:

Trade Shows: Investing significantly in trade shows has been a key strategy for JFP. These shows have allowed us to bolster our processes, plant and machinery, techniques, technology, materials, and supply chain. The implementation of these new measures has resulted in greater accuracy, minimized mistakes, and reduced material wastage. I am proud to share that JFP successfully secured the Hyatt Newark in California through the HD Expo trade show.

Staffing: Over the past year, JFP has made strategic hires, and our staff complement now stands at 92 employees. In addition, we introduced a productivity incentive program earlier this year as an added benefit to our employees. We are also in the process of updating our employee performance appraisal process, which will be utilized in the first quarter of 2023. We believe that our employees are our most valuable asset, and their dedication and hard work have been instrumental in our success.

Training: As part of our focus on recruitment and continuity of skilled labor, we have been in discussions with HEART NTA to establish a training program for trade workers in order to create a more skilled labor force for the economy. These discussions are underway and will be finalized in 2023. We are committed to investing in the development of our workforce to ensure they have the necessary skills and knowledge to meet the demands of our industry.

Warehouse Restructure: In the past year, we undertook an extensive reorganization of our warehouse to maximize space, optimize process flow, implement organized labels and signage, clear items with expired shelf life, and improve procedural systems. These improvements have resulted in greater accuracy, productivity, and financial reporting. We are confident that these measures will further enhance our operational efficiency and contribute to our profitability.

Future Plans: Looking ahead, we believe that further streamlining our operational management systems is critical to increasing production capacity, productivity, efficiency, and profitability. As such, we have planned a retooling exercise, software migration, and implementation of an ERP system in 2023. This will bring in new innovative machinery and equipment, improve our business processes, and position us to meet the growing demands of our customers.

In conclusion, I am proud of the accomplishments of JFP over the past year, and I am confident in our ability to navigate the challenges ahead. I would like to express my sincere appreciation to our dedicated employees, loyal customers, and supportive shareholders for their unwavering commitment to JFP's success.

Thank you.



Stephen Sirgany
Founder & Chief Operating Officer



BOARD OF DIRECTORS



HON. Ian Kent Levy, O.J., C.D., O.D.
Chairman

Mr. Levy is a founding member of the largest lottery and gaming business in Jamaica and the Caribbean, Supreme Ventures Limited. An accomplished businessman, Mr. Levy serves as the Chairman of IAN K. (Agencies) Ltd., a highly successful company which has since 1978 negotiated several large contracts between French companies for and on behalf the Government of Jamaica thereby establishing a strong foreign trade and investment relationship between the two countries. Mr. Levy is also Chairman of LHCC Perfect Homes Ltd., a development company specializing in the construction of high, medium and low-income housing throughout Jamaica. Mr. Levy is also Chairman of JFP and serves as a Director for several private companies and sits on the Board as Deputy Chairman for Jamaica Promotions Corporation (JAMPRO) and a Director at CHASE.

In June 2005, Mr. Levy received the National Order of Merit (Chevalier de l'Ordre National du Merite) from the Government of France. He was also nominated for the Jamaica Observer Business Leader Award in 2006. He was also awarded by Jamaica College in 2015 for the Carlton Alexander Award for Excellence.

Mr. Levy has received three National Honours from the Government of Jamaica, as he was conferred with the honour in the rank of Officer (OD) on October 15, 2012, in the rank of Commander (CD) on October 17, 2016, and the Order of Jamaica (OJ) on August 6, 2021.

BOARD OF DIRECTORS



Stephen Sirgany
Founder and Chief Operating Officer

Stephen Sirgany is a seasoned and accomplished business leader with over 40 years of experience in the fibreglass and manufacturing industry. As the Founder and Director of Operations, Production, and Finance of JFP Ltd, Mr. Sirgany has been instrumental in driving the company's success and growth.

With a strong history of devising precise and targeted business operation plans, Mr. Sirgany has successfully managed and led factory activities, overseeing all aspects of operations, including production, personnel, and finance. His forward-thinking leadership style has been pivotal in setting goals, defining quality standards, and implementing effective marketing initiatives, resulting in the quick and efficient attainment of objectives.

BOARD OF DIRECTORS



Metry Seaga
Chief Executive Officer

Metry Seaga studied at Florida International University, and graduated with a Bachelors Degree in Business Administration in 1984. After returning home to run the family business, Compact Car Rental, he became involved in the Jamaica U-Drive Association (JUDA) and served on the Board first as a director and then as VP to Michael Campbell, going on to become the youngest president of the esteemed Association.

Metry became the President of the Jamaica Manufacturers Association and oversaw the merger of the JMA and the Jamaica Exporters Association to form the JMEA where he served as the first President for 4 years.

Mr. Seaga previously served as the first chairman of The Jamaica Special Economic Zone Authority. He currently serves as Chairman of E Learning Jamaica and Universal Service Fund in addition to Deputy Chairman of PETROJAM, three of Jamaica's most important government agencies. In the private sector he serves as Chairman of AMG Packaging, Spur Tree Spices and is a board member of Paramount Trading, three publicly traded companies.

Mr. Seaga was conferred with the Order of Distinction in the rank of Commander (CD) by the Government of Jamaica on August 6, 2020.

BOARD OF DIRECTORS



Richard Sirgany
Non-Independent Director

Mr. Sirgany has over thirty (30) years' experience in the manufacturing industry, with special focus on woodwork and metal fabrication. Mr. Sirgany was responsible for overseeing and managing the production process and lead times on the Company's projects until he retired in December of 2020.

Mr. Sirgany has been a director of the Company since its inception in 1985.

BOARD OF DIRECTORS



Marie McMorris
Independent Director

Marie McMorris is an International Business Development & Change Management consultant. McMorris graduated from the University of Miami with honors, with a BSC in Communications, where she was a member of Alpha Epsilon Rho (the National Broadcasting Honor Society) and among many of her accolades which include the historic University of Miami award, as first black female to win the School's Director's Award. She subsequently held the post of Vice President of Women in Film & Television, Jamaica and formerly held the post of General Manager for the RJR Gleaner Communications Group's Cable Division (RETV, JNN). She also championed and held the post of General Manager of the Bob Marley Foundation and Group of Companies for over a decade and served as Executive In Charge of Production for US-based Media conglomerate Hearst Entertainment and Syndication at the pinnacle of her career.

Marie currently holds the post of President of ADNA Holdings, Inc. a MSO cannabis dispensary retail chain based in Oregon, USA. She also serves as Director of Operations for Ahava Homecare Nursing Registry, one of South Florida's leading concierge medical service agencies.

This multifaceted and accomplished trailblazer has climbed the corporate ladder with a track record of success for improving organization productivity, driving profit and performance for Fortune 500 companies. McMorris has worked in diverse environments – Television, Broadcasting, Financial, Medical, Franchise development, Tourism, and Entertainment and consistently demonstrates the ability to lead and develop winning teams. She has consistently and successfully delivered new revenue streams to organizations and is a strong change agent focused on building customer focused entities. McMorris is exceptionally creative in crafting strategic business solutions and garnering opportunities for maximizing growth.

BOARD OF DIRECTORS



Dr. Adrian Mitchell

Independent Director

Dr Mitchell is a medical and business professional. A current Fellow in the Gynaecology and Oncology Programme at the University of the West Indies, Mona, Dr. Mitchell is responsible for diagnosing and treating patients with Gynaecological cancers, teaching medical students in gynae oncologic disorders and overseeing Residents and Senior House Officers in the gynaecology oncology unit. He is also a Partner/Gynaecologist at the Winchester Gynae Centre, where in addition to diagnosing and managing obstetric and gynaecological patients, he is also responsible for spearheading the implementation of technology into the practice by way of procuring efficient, technologically advanced equipment that negates the need for outsourcing certain office procedures, thereby increasing revenue and procuring a digital platform that allows for improved efficiency in the handling of patients dockets and time management of patient visits.

Dr. Mitchell is the Co- Owner and Co- Founder of BAM Cosmetics, and the Co-owner and Co-Founder of MSS Cesspool and Sanitation Ltd, a company that specialises in the sanitisation of commercial and residential units, cesspool maintenance, corporate courier and bed and breakfast solutions in Montego Bay.

BOARD OF DIRECTORS



Chantal Bennett
Independent Director

Chantal Bennett is an Attorney-at-Law at the firm DunnCox, Attorneys-at-Law. She worked in the firm's civil and commercial litigation department since 2020 and recently transitioned to the commercial law department. Her practice focuses on a wide array of commercial and litigation matters that include special economic zones, corporate governance, admiralty law, employment law, competition law, trade law, privatization of government companies and property disputes.

Chantal also has extensive experience advising major private and public entities on complex Special Economic Zone ("SEZ") transactions, and issues concerning regulatory compliance. Her work in this field has substantively contributed to the transition of over 100 Free Zone corporate entities, into the relatively new SEZ regime in Jamaica. In addition she has assisted companies with sale of land designated as SEZs and the sale of SEZ companies.

Previously Chantal worked at the SEZ Authority in the capacity of Head of the Legal Unit and Corporate Secretary. Chantal also worked as an Assistant Crown Counsel at the Attorney-General's ("AG") Chambers, in its International Affairs Division. She has also served as a representative for the AG's Chambers on the National Council on Coastal Zone Management, the Mutual Legal Assistance Committee and the Council on Trade and Economic Development of CARICOM. In this capacity, Chantal advised on environmental regulations, trade law and maritime law.

Prior to practicing in Jamaica, Chantal received training in investment and commercial arbitration and maritime law at the international law firm McDermott, Will and Emery and at the International Tribunal for the Law of The Sea respectively. Through Chantal's professional and educational experience, she has developed knowledge in corporate governance, international trade law, maritime law and commercial law. Her broad range of professional experience provides a unique slant to litigation and commercial law practice, as Chantal applies pragmatic commercial and public-policy considerations to dispute resolution issues and utilizes her litigation experience to assist in commercial matters.

Chantal holds a Bachelor of Science in International Relations and Politics, a Bachelor of Laws, a Certificate of Legal Education and a Masters of Law in Corporate and Commercial Law.



Corporate Governance

Corporate Governance is the bedrock of JFP Ltd.'s operations, embodying our unwavering commitment to transparency, accountability, and ethical business practices. As a prominent player in the Manufacturing Industry, we understand the paramount significance of adhering to robust governance principles in fostering the trust and confidence of our shareholders, valued customers, dedicated employees, and other stakeholders. In this Annual Report for 2022, we take great pride in showcasing our steadfast Corporate Governance framework, which serves as a compass for our decision-making processes, ensures rigorous compliance with laws and regulations, and promotes the highest standards of integrity and excellence across all facets of our business operations.

BOARD OVERVIEW

The Board of Directors ("the Board", "the Directors") of JFP Limited ("JFP", "the Company"), formerly known as Jamaica Fibreglass Products Limited, serves as the cornerstone of our corporate governance, upholding the highest standards of integrity, sound financial management, and effective leadership. The Board is established and entrusted with the crucial responsibility of setting and maintaining the Company's strategic plan and direction, establishing ethical standards and values, ensuring compliance with applicable laws and regulations, fostering sustainable financial stability, and building community relationships within the environment in which it operates.

At JFP, our Board uses our mission statement as a guiding tool to drive our growth and create sustainable financial value for our shareholders. We are committed to upholding the principles of corporate governance in accordance with the Rules of the Jamaica Stock Exchange, the Jamaica Corporate Governance Code, and international best practices. The Board's unwavering dedication to excellence and accountability ensures that JFP operates with the highest level of transparency, integrity, and professionalism.

As stewards of the Company, the Board of Directors at JFP Limited takes its responsibilities seriously and diligently works to protect the interests of our shareholders, employees, customers, and other stakeholders. We are proud of our strong governance framework, which emphasizes transparency, accountability, and ethical conduct in all our operations. Through regular assessments, evaluations, and continuous improvement initiatives, the Board remains committed to enhancing our corporate governance practices and ensuring that JFP remains at the forefront of best governance practices in the industry.

The Board of Directors at JFP Limited recognizes that effective corporate governance is critical to our long-term success, and we are dedicated to maintaining the highest standards in all aspects of our operations. We are honored to serve in our roles and remain focused on leading JFP towards continued growth, profitability, and sustainable success in the years to come.

BOARD CHARTER

The Board is primarily responsible for corporate policy and strategy. Its duties include monitoring the performance of management in meeting the company's goals and objectives. The Board strives for a balanced composition to ensure fair decision-making. Board decisions are made directly or indirectly through its sub-committees - the Audit Committee and Corporate Governance, Remuneration and Nomination Committee. The Board is responsible for effectively promoting the success of JFP through its review and approval process in relation to key policies, business strategies, and business development initiatives involving the Company's affairs.

BOARD FUNCTIONS

The Board's functions include:

- Risk management and implementation of internal accounting control measures to mitigate against fraud.
- Financial reporting.
- Compliance with applicable laws, regulations, and codes of ethical business practices.
- Corporate social responsibility.
- Compensation, including directors, executives, and employee remuneration and benefits.
- Succession planning and organizational structure.
- Timely, accurate, and balanced disclosure of material information to shareholders, stakeholders, and regulatory agencies.
- Identification, selection, and assessment of suitable candidates for the Board.
- Asset acquisition, expansion plans, and mergers.

RESPONSIBILITIES OF BOARD MEMBERS

CHAIRMAN

The Chairman is the presiding head of the Board, chairs Board meetings, drives the strategic/foundational plans, and ensures that adequate resource material is provided to guide board decisions. The Chairman collaborates with the Chief Executive Officer and the Company Secretary in setting the agenda for board meetings.

BOARD OF DIRECTORS

Directors are required to attend Board meetings, Annual General meetings and Committee meetings. There is a minimum of five Board meetings per year during which all pertinent information relating to the meetings must be shared and ample time given to allow for the review of said documents. However, if the need arises outside of the established schedule, then a request can be made to convene for discussion. It is the responsibility of the Directors to familiarize themselves with the operations of JFP and their duties based on their areas of expertise to provide the management team with efficient support. The directors are required to conduct reviews of the Board's performance and committees' performance at least once per year. The Chairman shall act on the presented results of the evaluation by acknowledging the strengths and addressing the weaknesses of the Board.

COMPANY SECRETARY

The Company Secretary has responsibility for preparing the Agenda of Board and Committee Meetings, in collaboration with the Chairman and Senior Managers, for recording the minutes of Board and sub-committee meetings, for communicating with the Jamaica Stock Exchange in keeping with regulations, and for making the necessary filings with the Companies Office of Jamaica. The Company Secretary provides guidance to the Board of Directors and to the Company's Senior Managers regarding matters of Corporate Governance.

BOARD COMPOSITION

The Board consists of a total of seven (7) members, including two (2) Non-Independent Executive Directors, four (4) Independent Non-Executive Directors, and one (1) Non-Independent Non-Executive Director. Independent Non-Executive Directors are not employees of the company and do not have executive management responsibilities. They are primarily concerned with corporate policy and strategy, including monitoring the performance of management in meeting the company's goals and objectives. A balanced board composition allows for fair decision-making.

ATTENDANCE - BOARD AND COMMITTEE MEETINGS 2022

	Board of Directors' Meetings	Audit Committee Meetings	Corporate Governance Compensation & Remuneration Committee Meetings
# of Meetings per year	4	3	1
Ian Levy	4	****	****
Metry Seaga	4	****	****
Stephen Sirgany	4	****	1
Richard Sirgany	4	****	****
Adrian Mitchell	4	3	1
Marie McMorris	4	3	****
Chantal Bennett***	1		

***Ms. Chantal Bennett joined the Board of Directors on October 31, 2022

****Not a Member of The Committee

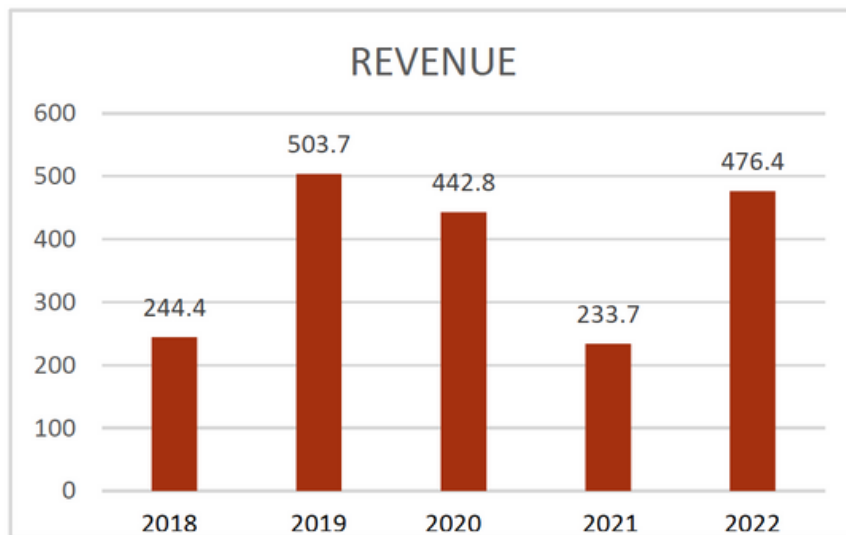
Management Discussion and Analysis

Despite facing significant challenges in 2022, including logistics disruptions, supply shortages, price inflation, and a lack of skilled labor force, JFP has successfully navigated through these obstacles by implementing efficient purchasing strategies, streamlining our supply chain, and utilizing supplementary hours. As a result, we have achieved commendable results despite the adverse circumstances.

Furthermore, our recent IPO has provided us with increased exposure, allowing our brand to gain prominence in the market. Our marketing and communications efforts, along with our participation in trade shows and networking opportunities, have highlighted JFP's capabilities, further enhancing our brand reputation. We remain committed to leveraging these positive developments to drive continued growth and success for our company.

Revenue

JFP experienced significant sales growth in the Financial Year ended December 2022, with total revenue reaching an impressive \$476M, representing a remarkable increase of 104% compared to the same period last year. Our gross profit margin remained stable, showing a notable 5% increase.



Revenues increased to

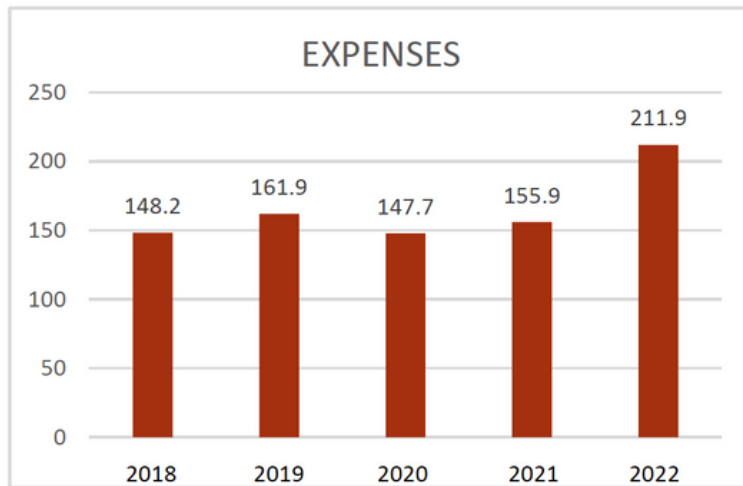
J\$476M

An increase of

104%

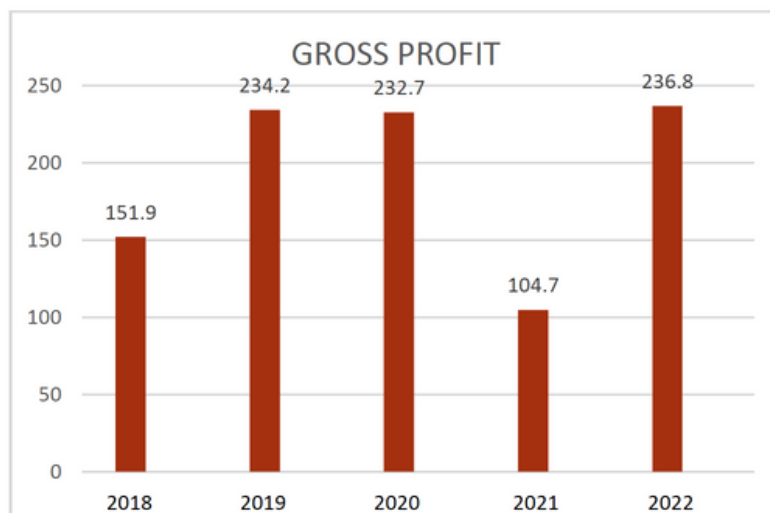
Expenses

Administrative expenses increased by 31% when compared to the corresponding period last year, as a result of increased staff costs and related expenses due mainly to increased staff complement and increased incentives. Selling and distribution expenses increased by a substantial 133% due to trade shows and commission paid (external sales agents). These expenses were necessary to promote our brand and expand our market presence.



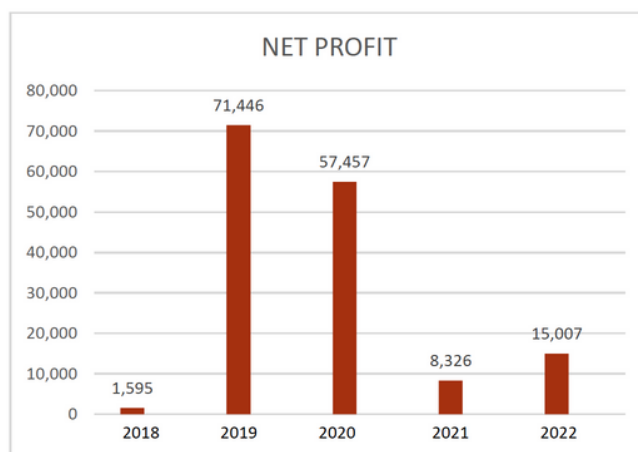
Gross Profit

The gross profit increased by 126% or \$132.1M over the corresponding period to close at \$236.8M.



Net Profit

Net profit grew by 80% relative to the prior year to close at \$15M.



Balance Sheet

JFP's strong financial position is evident in our balance sheet.

JFP's total assets increased by \$164M, up from \$358M in 2021 to close at \$521M in 2022. This growth was primarily driven by increases in inventory, trade receivables and cash and cash equivalents.

Cash and cash equivalents increased by \$33.7M, closing at \$42.5M. This is attributable to funds generated from the IPO.

Trade receivables grew by \$130M to close at \$151M. Whilst this may seem alarming, it is the nature of our contract type business and a direct reflection of our increased sales in design build contracts that tend to have longer payment cycles. However, the companies that owe us are blue-chip companies in Jamaica and we are confident that the amounts will be paid in full. The executive team has been made aware of the need to implement tighter controls on accounts receivable to mitigate risks.

Inventory increased by \$47M, closing at \$92.8M. Inventories more than doubled due to management's decision to stock up on raw materials to enable us to fulfil our customers' needs without delay. The global logistics issues that have plagued the world influenced our decision given production timelines.

JFP's total liabilities also increased by \$28M, up from \$301M in 2021 to close at \$328.9 in 2022. This is primarily due to an increase in trade payables. However, we have implemented tighter controls to safeguard against potential risks associated with accounts receivable.

Accounts Payables increased by over 67%, but for understandable reasons. Our inventory increased significantly while Accounts Receivables collections remained slow, causing a delay with Accounts Payables.

Future Plans

JFP has embarked on a significant initiative to upgrade machinery, equipment, and software to stay at the forefront of technological advancements in our industry. We are also in the process of implementing an Enterprise Resource Planning (ERP) system that will integrate various processes across different systems which will streamline our operations and enhance efficiency. To support these strategic initiatives, we are in discussions with EXIM Bank for financing of the total project cost of \$500,000.00 USD, and we anticipate having all facets of the upgrade and system implementation in-house by the third quarter of 2023. These investments will not only expand our product line but also improve our overall operational efficiency, product quality, and mitigate concentration risks in our product offerings and customer base.

FIVE YEAR FINANCIAL HIGHLIGHT'S

	Year Ended '000				
	Dec 2018	Dec 2019	Dec 2020	Dec 2021	Dec 2022
Income Statement					
Sales	244,425	503,747	442,760	233,800	476,393
Cost of Sales	(92,486)	(269,584)	(210,092)	(129,097)	(239,601)
Gross Profits	151,939	234,164	232,668	104,638	236,793
Other Income	9,241	7,455	8,342	77308	11753
Revenues, net of COGS	161,180	241,618	241,011	181,947	248,546
Admin, Selling & Distribution Expenses	(148,231)	(161,934)	(147,653)	(155,974)	(211,870)
Operating Profits	12,949	79,684	93,358	25,972	36,676
Finance Costs, net	(14,953)	(10,683)	(10,312)	(17,700)	(20,540)
Profit Before Taxation	(2,004)	69,002	83,046	8,326	16,136
Taxation	929	(11,544)	(11,600)		(1,129)
Net Profit	(1,075)	57,458	71,446	8,326	15,007
Balance Sheet					
Total Assets	396,327	308,608	410,844	357,555	521,348
Current Assets	214,768	138,115	229,469	104,856	317,021
Non-Current Assets	181,559	170,493	181,375	252,699	204,327
Total Liabilities	323,482	176,744	207,535	301,451	328,964
Current Liabilities	230,371	95,500	153,106	157,865	200,254
Non-Current Liabilities	93,111	81,244	54,429	143,586	128,711
Shareholders' Equity	72,845	131,863	203,310	56,103	192,383
Total Liabilities and Shareholders' Equity	396,327	308,608	410,844	357,555	521,348



Starbucks, Drax Hall

Senior Management Team



Metry Seaga

Metry Seaga, studied at Florida International University, graduated with a bachelors in business administration in 1984. He returned home to run the family business, Compact Car Rental. He became involved in the JUDA and served on the board first as a director then as a VP to Mike Campbell and then ultimately became the youngest president of the esteemed Association.

Metry became the President of the Jamaica Manufacturers Association and oversaw the merger of the JMA and the Jamaica Exporters Association to form the JMEA where he served as the first President for 4 years.



Stephen Sirgany

Stephen Sirgany is a seasoned and accomplished business leader with over 40 years of experience in the fiberglass and manufacturing industry. As the founder and Director of Operations, Production, and Finance of JFP Ltd, Mr. Sirgany has been instrumental in driving the company's success and growth.

With a strong history of devising precise and targeted business operations plans, Mr. Sirgany has successfully managed and led factory activities, overseeing all aspects of operations, including production, personnel, and finance. His forward-thinking leadership style has been pivotal in setting goals, defining quality standards, and implementing effective marketing initiatives, resulting in the quick and efficient attainment of objectives.

Senior Management Team



Lisa Sirgany General Manager

Lisa Sirgany is an accomplished Operations Manager with over 35 years of experience and a proven track record of success in administration, quality assurance, and leadership. As the General Manager of JFP Ltd. since 2021, Lisa has played a pivotal role in driving the company's growth and success. With a keen focus on streamlining operations and improving efficiency through continuous process improvement and cross-functional collaboration, Lisa has successfully optimized JFP's organizational operations, resulting in increased efficiency and responsiveness to demands. She has implemented best business practices throughout the organization, ensuring compliance with regulatory requirements and fostering good manufacturing practices.



Steve Peart Sales Manager

He is a dynamic and results-driven Sales Manager at JFP Ltd, leading the charge in the sales division. With over twenty years of experience in sales management and planning, Steve has a proven track record of delivering outstanding results in commercial business/sales activities. His ability to build and maintain strong relationships with key accounts, identify lucrative business opportunities, and optimize accounts for growth and profitability sets him apart. He instills a culture of operational excellence and fosters a proactive and self-motivated team, ensuring strict adherence to company policies and procedures.



Maria Harvey-Edwards Chief Accountant

Maria holds a Bachelor of Science Degree in accounting from the University of the West Indies along with a Master of Business Administration from Florida International University. She is also a member of the Association of Chartered Certified Accountants. She is a highly skilled and accomplished Chief Accountant with JFP Ltd, where she plays a critical role in maintaining the company's financial stability and driving its strategic objectives. With expertise in financial reporting, tax compliance, budgeting, inventory analysis, and team management, Maria has consistently delivered outstanding results. Maria's meticulous attention to detail and deep understanding of local and international standards have ensured that our financial statements are prepared with utmost accuracy and transparency. Her presentations of quarterly financial statements to our Board of Directors provide crucial insights and analysis, empowering them to make informed decisions.



Maureen Hassan Human Resources Officer

Maureen holds a Bachelor of Business Administration Degree from the University College of the Caribbean. She comes with experience in recruitment, payroll administration, and policy management. Her contributions to JFP Ltd.'s HR team are focused on fulfilling basic HR functions within the company's policies and procedures.



Rushell Milton (Purchasing and Stores Manager) B.Sc.

Rushell holds a Bachelor of Business Administration Degree from the University of Technology. She has played a pivotal role in optimizing procurement processes, inventory management, and logistics coordination. Her contributions include implementing comprehensive Inventory Reports that have streamlined purchasing and logistics and expanding the supplier database to ensure favorable credit terms.

HUMAN RESOURCES

JFP Limited, formerly known as Jamaica Fibreglass Products Limited, is deeply committed to our employees and their wellbeing, as reflected in our Mission Statement. We consider our teams as family and strive to create a positive working environment that fosters teamwork, teambuilding, and a culture of mutual support. We understand the importance of employee engagement and satisfaction, and to promote a positive work culture, we organize staff socials, retreats, and an annual Christmas function to provide opportunities for our employees to unwind, relax, and build meaningful connections with their peers.

In recognition of the challenges posed by rising inflation, we have implemented a subsidized canteen that provides cooked meals for our staff, a benefit that they appreciate and look forward to. Moreover, we place great importance on staff appraisals as a pivotal aspect of our human resource management. To this end, we have recently introduced a staff evaluation program that will be conducted quarterly, providing valuable feedback to our employees and assisting with staff promotions and various incentive programs that we have in place.

As a forward-thinking organization, we understand the importance of continuous learning and development. Training is an ongoing process at JFP Limited, given the diverse forms of manufacturing, machinery, equipment, and techniques that we work with. We recognize that technology, processes, and materials are constantly evolving, and we invest in retooling and training from professionals to upgrade the skill levels of our staff, ensuring that they are equipped with the latest knowledge and expertise to excel in their roles.

At JFP Limited, we are proud of our unwavering commitment to our employees' growth, development, and wellbeing. We believe that our human resources are our most valuable asset, and we will continue to prioritize creating a supportive and engaging work environment that fosters their professional growth and contributes to our overall success as an organization.



Daniel Bailey

Fibreglass Fabricator/Supervisor

“ I started working with JFP in 1985 and enjoy working here because it is a friendly environment and we get along well. It’s a proud feeling whenever I go out and see what we do; it just marvels me. We get along well with management and can always speak to them about anything. The door is never closed to an employee and they’re always willing to assist in whatever way they can, so I feel comfortable working here with management and my peers. ”

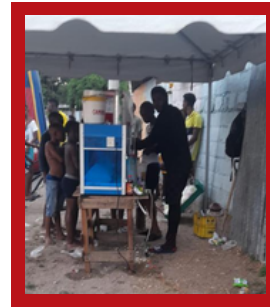
JFP Corporate Social Responsibility (CSR) Report

JFP recognizes the importance of incorporating corporate citizenship initiatives to enhance our environment, employees, communities, and to create a positive working environment. In 2022, JFP completed several initiatives towards our CSR goals and propose new goals for 2023.

2022 Initiatives:

In 2022, JFP completed the following initiatives:

1. Rose Town Christmas Treat: On December 19, 2022, JFP provided gifts to the children of Rose Town to spread Christmas cheer.



2. Lodge St. John Charity Golf Tournament: On June 24, 2022, JFP contributed to a charity golf tournament to raise funds for scholarships and charity programs.
3. National Robotics Planning Committee: On August 16, 2022, JFP sponsored Tequan Williams of St. Andrew Technical High to participate in the First Global Robotics Competition in Geneva, Switzerland.
4. Donation to Buccaneers Memorial Golf Tournament: On November 17, 2022, JFP made a donation to the Buccaneers Memorial Golf Tournament to support the Laws Street Trade Training Centre.
5. JFP manufactured donation gift boxes for the Jamaica Kidney Kids Foundation.
6. JFP provide work experience for students of Institute of International Recognized Qualifications (IIRQ) under their Work Experience Program for the period February 21 - March 4, 2022.
7. JFP provided work experience for students of Dunoon Technical High School under their work experience program for the period October 31- November 11, 2022.

2023 Proposed Goals:

In 2023, JFP proposes the following goals towards its CSR initiatives:

1. Supporting Local Communities: JFP aims to support local non-profit organizations that focus on education, healthcare, or economic development through monetary donations, volunteer work, and partnerships.
2. Implementing Environmentally Friendly Practices: JFP aims to reduce waste, conserve energy, and use sustainable materials in its operations to reduce its environmental impact.
3. Promoting Employee Well-being and Development: JFP aims to provide training opportunities, health and wellness programs, and diversity and inclusion initiatives to foster a positive working environment for its employees.
4. Fostering Ethical Business Practices: JFP aims to implement policies and procedures to ensure ethical and transparent business practices, fair labor practices, and promote human rights.

Conclusion:

JFP is committed to its CSR initiatives to enhance its environment, employees, and communities. We are proud of the initiatives we completed in 2022 and are committed to achieving our proposed goals for 2023. We believe that incorporating CSR initiatives will not only benefit our stakeholders but also contribute to the sustainable development of Jamaica.

ENVIRONMENTAL SUSTAINABILITY INITIATIVES

JFP Limited is committed to being a responsible corporate citizen, recognizing the urgent need to address global warming and its environmental impacts. We have taken decisive actions to enhance our environmental sustainability initiatives, starting with a comprehensive review of our raw materials, processes, and energy outputs. This review led to the implementation of solar energy, energy-efficient lighting, and upgraded machinery and equipment throughout our facility, driven by the results of an Energy Audit. Moreover, we are constantly striving to upgrade our materials to environmentally friendly alternatives and actively participate in recycling efforts, including our recent partnership with the Recycling Partners of Jamaica program. These initiatives reflect our unwavering dedication to reducing our environmental footprint and fostering a greener future for generations to come.



SHAREHOLDINGS

JFP Limited
Director's Shareholding and top ten shareholders
For the twelve (12) months ended December 31, 2022

JFP Limited

INFORMATION REGARDING SHAREHOLDERS

AS AT December 31, 2022

TEN LARGEST SHAREHOLDERS

	NO. of Stock Units
JKZ Limited	280,560,000
Eurobian Limited	279,720,000
Mr. Richard Sirgany (Mrs. Nicola Sirgany)	230,961,892
GK Investment	60,930,070
Metry Seaga	25,000,000
JKZ Limited	23,770,000
JFP Property Investment Ltd	9,539,000
PAM-Pooled Equity Fund	7,537,737
Claudine Murphy (Jade Speer, Chanel Grainger)	5,480,166
Jamaica Properties Limited	5,000,000

SHAREHOLDINGS OF DIRECTORS

Ian Kent Levy	3,000,000
JKZ Limited (Owned by Stephen Sirgany)	304,330,000
Richard Sirgany (Mrs. Nicola Sirgany)	230,961,892
Eurobian Limited (Owned by Metry Seaga)	279,720,000
Metry Seaga	25,000,000
Stephen Sirgany (Mrs Lisa Sirgany)	250,000
Adrian Mitchell	30,000

SHAREHOLDING OF SENIOR OFFICERS

JKZ Limited (Owned by Stephen Sirgany)	304,330,000
Metry Seaga	25,000,000
Eurobian Limited (Owned by Metry Seaga)	279,720,000
Stephen Sirgany (Mrs Lisa Sirgany)	250,000

JFP LIMITED
(FORMERLY JAMAICA FIBREGLASS PRODUCTS)
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022



"WE LIVE IN A WORLD
THAT IS FULL OF
BEAUTY, CHARM AND
ADVENTURE.
THERE IS NO END TO THE
ADVENTURES WE CAN
HAVE IF ONLY WE
SEEK THEM WITH OUR
EYES OPEN."
-JAWAHARLAL NEHRU



JFP Limited
(Formerly Jamaica Fibreglass Products Limited)
Index
31 December 2022

Independent Auditor's Report to the Members

Financial Statements	Page
Statement of Comprehensive Income	1
Statement of Financial Position	2
Statement of Cash Flows	3
Statement of Changes in Equity	4
Notes to the Financial Statements	5-33

To the Members of
JFP Limited (formerly Jamaica Fibreglass Products Limited)

Independent Auditor's Report

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the financial statements give a true and fair view of the financial position of JFP Limited (formerly Jamaica Fibreglass Products Limited) as at 31 December 2022, 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.

What we have audited:

The Company's financial statements comprise:

- The statement of financial position as at 31 December 2022
- The statement of comprehensive income for the year then ended
- The statement of cash flows for the year then ended
- The statement of changes in equity for the year then ended
- The notes to the financial statements, which include a summary of significant accounting policies

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatements in the financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud or error.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. Key audit matters are selected from the matters communicated with the Audit Committee members (those charged with Governance) but are not intended to represent all matters that were discussed with them. These matters are addressed in the context of our audit of the financial statements as a whole and informing our opinion thereon. We do not provide a separate opinion on these matters. During our work, we encountered no key audit matter that required disclosure.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, 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 cease operations or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's 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 International Standards on Auditing (ISA) 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.

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 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 to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Auditor's Responsibility for the Audit of the Financial Statements (continued)

- 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 a fair presentation.
- We are not responsible for the direction, supervision, and performance of the Company. We remain solely responsible for our audit opinion.
- 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors of the Company 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 the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 auditor's report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Information

Management is responsible for the other information. The other information comprises the Annual Report inclusive of the Director's, Chairman of the Board and the Chief Executive Officer Reports but does not include the financial statements and the Auditor's Report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance 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 appear 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.



Report on Other Legal and Regulatory Requirements

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 our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

The engagement partner on the audit resulting in this independent auditor's report is Wilfred McKenley.

**Chartered Accountants
Kingston Jamaica
March 23, 2023**

JFP Limited
(Formerly Jamaica Fibreglass Products Limited)
Statement of Comprehensive Income
Year Ended 31 December 2022

	Note	<u>2022</u> \$	<u>2021</u> \$
Revenue	3	476,393,146	233,736,393
Cost of sales: direct expenses		(239,600,604)	(129,097,818)
Gross Profit		236,792,543	104,638,575
Other income	4	11,753,106	77,308,514
		248,545,649	181,947,088
Administrative expenses	5	194,562,789	148,536,864
Selling and distribution expenses	5	17,306,982	7,437,262
		211,869,771	155,974,126
Operating profit		36,675,878	25,972,962
Finance income	5	49,479	53,713
Finance costs	5	(20,589,532)	(17,700,234)
		(20,540,053)	(17,646,521)
Operating profit before taxation		16,135,824	8,326,441
Taxation	8	(1,128,709)	-
Net profit, being total comprehensive income for the year		15,007,115	8,326,441
Earnings per stock unit	22	0.013	0.054

JFP Limited
(Formerly Jamaica Fibreglass Products Limited)
Statement of Financial Position
31 December 2022

	Note	<u>2022</u> \$	<u>2021</u> \$
Non-current assets:			
Property, plant and equipment	9	46,405,187	50,940,655
Right-of-use assets	10	135,282,240	150,454,080
Investments	11	10,400,000	39,065,267
Deferred tax asset	12	12,239,125	12,239,125
Current assets:			
Inventories	13	92,800,610	45,772,845
Receivables	14	166,070,787	36,300,480
Taxation recoverable		1,950,183	1,950,183
Related party balances		2,189,539	-
Directors' current accounts	15	11,535,546	8,439,317
Cash and cash equivalents	16	42,474,685	12,393,722
		317,021,350	104,856,447
Current liabilities:			
Payables	17	172,954,033	103,312,308
Related party			31,464,620
Taxation		1,128,709	1,048,006
Current portion of finance lease obligations	18	3,163,713	7,796,601
Current portion - rights of use assets	10	23,007,338	10,663,788
Bank overdraft	19	-	3,579,745
		200,253,793	157,865,068
Net current assets		116,767,557	(53,008,621)
		321,094,109	199,690,506
Shareholders' equity:			
Share capital	20	121,274,271	1,980
Retained earnings		71,108,776	56,101,659
		192,383,047	56,103,639
Non-current liabilities			
Finance lease obligations	18	-	2,532,255
Lease liability	10	128,711,062	141,054,611
		321,094,109	199,690,506

Approved and signed on behalf of the Board of Directors on March 23, 2023 by:



Director



Director

JFP Limited
(Formerly Jamaica Fibreglass Products Limited)
Statement of Cash Flows
Year Ended 31 December 2022

	<u>2022</u>	<u>2021</u>
	\$	\$
Cash flows from operating activities:		
Net profit	15,007,116	8,326,441
Items not affecting cash resources:		
Depreciation	9,418,556	15,877,579
Amortization of leases	15,171,840	1,264,320
Interest income	(49,479)	(53,713)
Loss/ (gain) on disposal of assets	53,408	(57,259,518)
Prior year adjustments	-	(333,330)
Non-cash adjustment	-	287,452
Interest expense	14,927,728	9,069,055
	<u>54,529,169</u>	<u>(22,821,714)</u>
Changes in operating assets and liabilities:		
Inventories	(47,027,765)	(8,256,835)
Receivables	(129,770,307)	17,275,801
Payables	69,641,725	(11,604,709)
Related party balances	(33,654,159)	31,464,620
Directors current accounts	(3,096,328)	34,540,275
Taxation recoverable	-	(1,950,183)
Taxation payable	80,703	(10,400,977)
	<u>(143,826,131)</u>	<u>51,067,992</u>
Cash used in operating activities	<u>(89,296,962)</u>	<u>28,246,278</u>
Cash flows from investing activities		
Purchase of property, plant, and equipment	(4,936,596)	(1,418,301)
Finance Lease- rights of use asset	-	(151,718,400)
Proceeds from sale of fixed assets	-	130,782,609
Investments, proceeds / (purchase)	28,665,267	(9,139,566)
Interest received	49,479	53,713
Cash provided by / (used in) investing activities	<u>23,778,150</u>	<u>(31,439,945)</u>
Cash flows from financing activities		
Interest paid	(14,927,728)	(9,069,055)
Proceeds from share issue	121,272,291	980
Finance Lease (payment) / proceeds	(7,165,043)	151,718,400
Dividend paid	-	(155,200,000)
Loans, net (repayments)	-	(70,839,843)
Cash provided by financing activities	<u>99,179,520</u>	<u>(83,389,518)</u>
Net increase / (decrease) in cash and cash equivalents	<u>33,660,708</u>	<u>(86,583,185)</u>
Net cash and cash equivalents at beginning of year	8,813,977	95,397,162
Net cash and cash equivalents at end of the year	<u>42,474,686</u>	<u>8,813,977</u>
Represented by:		
Cash and cash equivalents	42,474,685	12,393,722
Bank overdraft	-	(3,579,745)
	<u>42,474,685</u>	<u>8,813,977</u>

JFP Limited
(Formerly Jamaica Fibreglass Products Limited)
Statement of Changes in Equity
Year ended 31 December 2022

	<u>Number of Shares</u>	<u>Share Capital</u> \$	<u>Retained Earnings</u> \$	<u>Total</u> \$
Balance at 31 December 2020	1,000	1,000	203,308,548	203,309,548
Total comprehensive income	-	-	8,326,441	8,326,441
Movement during the year	979,999,000	980	-	980
Dividends declared			(155,200,000)	(155,200,000)
Prior year adjustment	-	-	(333,330)	(333,330)
Balance at 31 December 2021	980,000,000	1,980	56,101,659	56,103,639
Total comprehensive income	-	-	15,007,116	15,007,116
Issue of shares during the year	140,000,000	140,000,000	-	140,000,000
Transaction costs		(18,727,709)	-	(18,727,709)
Balance at 31 December 2022	1,120,000,000	121,274,271	71,108,776	192,383,047

JFP Limited
(Formerly Jamaica Fibreglass Products Limited)
Notes to the Financial Statements
31 December 2022

1. IDENTIFICATION AND PRINCIPAL ACTIVITY

Jamaica Fibreglass Products 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.

By special resolution, dated 28th October 2021, in preparation for the Company going public, the shareholders passed the necessary resolutions to effect the following:

- (i) amendment of articles of incorporations
- (ii) re-registration as a public entity as a preparatory step to offer ordinary shares to the public by means of an Initial Public Offering (IPO)
- (iii) appointment of additional directors to the Board.

Effective 14 March 2022, the Company was listed on the Junior Market of the Jamaica Stock Exchange (JS) and under that regime is subject to 100 % tax remission for the next five (5) years as long as the Company remains listed.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain buildings and financial assets.

b) Basis of measurement and functional currency

The financial statements is reported in Jamaican dollars which is the functional currency of the company.

c) Accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are noted below:

2. STATEMENT OF COMPLIANCES AND BASIS OF PREPARATION (CONTINUED)

c) Accounting estimates and judgments (continued)

- The application of accounting policies;
- The reported amounts of assets and liabilities;
- Disclosures of contingent assets and liabilities; and
- The reported amounts of revenue and expenses during the reporting periods.

Actual results may differ from estimates made in the financial statements.

Judgments are made in the selection and assessment of the Company's accounting policies. Estimates are used mainly in determining the measurement of recognized transactions and balances. Estimates are based on historical experience, and other factors, including expectations of future events, believed to be reasonable under the circumstances. Judgments and estimates are interrelated. The Management's judgments and estimates are continually re-evaluated to ensure they remain appropriate. Revision to accounting estimates is recognized in the period in which the estimates are revised and in the future periods affected. The use of estimates is an essential part of the preparation of financial statements and does not undermine their reliability.

The following are the accounting policies that are subject to judgments and estimates that the Management believes could have the most significant impact on the amounts recognized in the financial statements.

Financial assets

Judgment – financial assets are classified and subsequently measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss on the basis of (i) the company's business model for managing the financial assets and (ii) the contractual cash flow characteristic of the financial assets. Judgment is required in determining the business model and its objective.

Revenue from contract with customers

Judgment - is required in (i) identifying performance obligations and determining the timing of the satisfaction of the performance obligations and (ii) the transaction price and the amount allocated to the performance obligations.

Estimation – if the consideration promised in a contract includes a variable amount, the company is required to estimate the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to the customer.

Impairment of assets

Judgment has been used, at each reporting date, in determining whether there has been an indication of impairment in the carrying amounts of the Company's tangible and intangible assets, which would require impairment testing to determine whether there is any indication that those assets have suffered impairment losses.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount of an asset is the greater of an asset's fair value less costs to sell or its value in use. Value in use refers to the present value of future cash flows expected to be derived from an asset.

2. STATEMENT OF COMPLIANCES AND BASIS OF PREPARATION (CONTINUED)

c) Accounting estimates and judgments (continued)

Inventories

Estimation – Inventories are carried at the lower of cost and net realizable value. The estimation of net realizable value is based on the most reliable evidence available, at the time the estimates are made, of the amount the inventories are expected to realize. Additionally, estimation is required for inventory provision due to shrinkage, slow-moving, and obsolescence.

Income and other taxes

Judgment – Income and other taxes are subject to Government policies. In calculating current and recoverable income and other taxes, Management uses judgment when interpreting the tax rules and in determining the tax position. There are some transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business

Estimation – Income and other taxes are subject to Government policies, and estimates are required in determining the provision. Management recognizes liabilities for possible tax issues based on estimates of whether additional taxes may be due.

Receivables

Estimation – Management's estimate of allowance on accounts receivable is based on analysis of the Expected Credit Loss (ECL) model according to IFRS 9, which takes into account aging of receivables, historical experience with delinquency and default, and forward-looking assumptions. Default rates and the allowance amount are regularly reviewed against the actual outcomes to ensure that they remain appropriate. The company applied a basic expected credit loss model (ECL) based on some of the requirements of IFRS 9 to determine the allowance for doubtful receivables. Management continues to review the model with the intention to fully adopt it in January 2021.

Estimation – Other estimates include determining the useful lives of PPE for depreciation; accounting for and measuring payables and accruals and measuring fair values of financial instruments.

3. REVENUE

- (i) Revenue represents the invoiced value of manufactured custom-built commercial furnishings, inclusive of other direct cost and allied services and is recorded net of General Consumption Tax. Jobs in progress and are not billed until completion.
- (ii) Interest income

This income represents interest earned on financial instruments and other investments during the year.

JFP Limited
(Formerly Jamaica Fibreglass Products Limited)
Notes to the Financial Statements
31 December 2022

4. OTHER OPERATING INCOME

	<u>2022</u>	<u>2021</u>
	\$	\$
Other income	11,806,515	20,048,996
(Loss) / profit on sale of assets	(53,408)	57,259,518
	<u>11,753,106</u>	<u>77,308,514</u>

5. ADMINISTRATIVE, SELLING & DISTRIBUTION AND FINANCE COSTS

	<u>2022</u>	<u>2021</u>
	\$	\$
Staff costs	96,600,068	61,234,262
Directors' remuneration	28,752,516	23,766,221
Audit' remuneration	3,100,000	2,500,000
Depreciation (Note 9)	9,418,629	15,877,579
Depreciation- right of use	15,171,840	1,264,320
Insurance expense	4,695,847	9,282,280
Legal and professional fees	3,291,741	3,362,406
Motor vehicle expenses	4,918,101	3,722,923
Penalty on taxes	133,906	191,528
Repairs and maintenance	10,269,848	8,109,210
Office and general expenses	2,631,778	958,267
Cleaning and sanitation	619,568	713,966
Property tax	217,990	2,616,890
Printing, postage, and stationery	870,484	548,346
Utilities, rates, and taxes	10,279,585	7,737,913
Registration and membership	88,000	2,863
Dues and subscription	3,129,355	450,246
Bad debt expense	-	5,717,390
Security	373,532	480,254
	<u>194,562,789</u>	<u>148,536,864</u>

Selling & distribution:

Advertisement and promotion	4,667,071	3,042,691
Travelling and accommodation	5,745,792	2,309,346
Commission	6,799,200	2,085,225
	<u>17,306,982</u>	<u>7,437,262</u>

Finance cost:

Bank charges	897,812	780,889
Loan interest	14,927,728	9,069,055
Foreign exchange loss	4,763,992	7,850,290
	<u>20,589,532</u>	<u>17,700,234</u>

JFP Limited
(Formerly Jamaica Fibreglass Products Limited)
Notes to the Financial Statements
31 December 2022

5. ADMINISTRATIVE, SELLING & DISTRIBUTION AND FINANCE COSTS (CONTINUED)

	<u>2022</u> \$	<u>2021</u> \$
Finance Income:		
Interest income	49,479	53,713

6. STAFF COSTS

	<u>2022</u> \$	<u>2021</u> \$
Salaries (excluding management remuneration)	69,479,207	44,403,512
Employers' payroll taxes	14,662,843	8,693,206
Staff welfare	12,458,018	8,137,544
	<u>96,600,068</u>	<u>61,234,262</u>

7. OPERATING PROFIT

	<u>2022</u> \$	<u>2021</u> \$
<i>Operating profit is shown after charging:</i>		
Directors' remuneration	28,752,516	23,766,221
Auditors' remuneration	3,100,000	2,500,000
Depreciation	9,418,629	15,877,579
Depreciation- right of use	15,171,840	1,264,320
Staff cost	96,600,068	61,234,262

8. TAXATION

a) Taxation is computed on the profit for the year adjusted for taxation purposes and comprises:

	<u>2022</u> \$	<u>2021</u> \$
Current income tax @25% (2020:25%)	1,128,709	-
Deferred taxation (Note 12)	-	-
	<u>1,128,709</u>	<u>-</u>

b) The income tax on the Company's profit differs from the theoretical amount that would arise using the applicable tax rate as follows:

	<u>2022</u> \$	<u>2021</u> \$
Profit before taxation	16,135,824	8,326,442
Income tax @ 25 % (2021-25%)	4,033,956	2,081,611
Adjusted for difference in treatment of:		
Depreciation and capital allowance	2,663,759	727,648
Expenses not deducted for tax purposes	(600,263)	(11,951,593)
Other net disallowed charges	(4,608,894)	9,142,334
Employment Tax Credit	(359,849)	-
	<u>1,128,709</u>	<u>-</u>

8. TAXATION (CONTINUED)

The brought forward losses of \$36 Million was utilized against the taxable profits for the year, as the Company is now subject to 100% tax remission under the Junior Market tax regime.

c) The company's shares were listed on the Junior Market (JM) of the Jamaica Stock Exchange (JSE) on 14 March 2022. Consequently, the company is eligible for remission of income taxes for a period of ten years, provided the following conditions are met:

- The company's shares remain listed for at least 15 years and is not suspended from the JSE for any breaches of its rules.
- The subscribed participating voting share capital of the company does not exceed \$500 million.

The remission will apply in the following proportions:

- Years 1 to 5 (14 March 2022 – 13 March 2027) – 100%
- Years 6 to 10 (14 March 2027 – 13 March 2032) – 50%

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 Financial Statements
31 December 2022

9. FIXED ASSETS

	2022							
	<u>Land</u>	<u>Motor Vehicles</u>	<u>Molds & Modules</u>	<u>Furniture & Fixtures</u>	<u>Plant, Tools and Equipment</u>	<u>Solar, Light bulbs, and AC</u>	<u>Computer & software equipment</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$	\$	\$
At cost-								
At 1 January 2022	12,820,095	37,620,748	41,670,112	1,955,299	70,220,563	25,607,865	13,306,341	203,201,022
Additions	-	-	-	112,696	1,191,491	-	3,632,410	4,936,596
Disposals	-	-	-	-	-	-	(183,114)	(183,114)
31 December 2022	12,820,095	37,620,748	41,670,112	2,067,994	71,412,054	25,607,865	16,755,637	207,954,505
Depreciation:								
At 1 January 2022	-	34,959,000	25,349,318	1,685,787	68,830,923	10,243,147	11,192,224	152,260,396
Charge for the year	-	2,651,072	4,167,012	46,800	126,865	1,920,590	506,218	9,418,628
Disposal	-	-	-	-	-	-	(129,706)	(129,706)
31 December 2022	-	37,610,072	29,516,330	1,732,587	68,957,857	12,163,736	11,568,736	161,549,319
Net book value								
31 December 2022	12,820,095	10,676	12,153,782	335,407	2,454,197	13,444,129	5,186,901	46,405,187

JFP Limited
(Formerly Jamaica Fibreglass Products Limited)
Notes to the Financial Statements
31 December 2022

9. FIXED ASSETS (CONTINUED)

	<u>2021</u>									
	<u>Land</u>	<u>Building and improvements</u>	<u>Work In Progress</u>	<u>Motor Vehicles</u>	<u>Molds & Modules</u>	<u>Furniture & Fixtures</u>	<u>Plant, Tools and Equipment</u>	<u>Solar, Light bulbs & AC</u>	<u>Computer & software equipment</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
At cost-										
At 1 January 2020	-	107,895,609	1,530,893	46,430,563	41,670,112	1,761,012	69,183,522	25,607,865	11,934,941	306,014,517
Transfers	12,820,095	(12,820,095)	(1,530,893)	-	-	-	649,119	-	881,773	-
Additions	-	-	-	-	-	55,287	773,527	-	589,487	1,418,301
Adjustment	-	-	-	-	-	139,000	(385,607)	-	(99,860)	(346,467)
Disposals	-	(95,075,514)	-	(8,870,815)	-	-	-	-	-	(103,946,329)
31December 2021	12,820,095	-	-	37,559,748	41,670,112	1,955,299	70,220,561	25,607,865	13,306,341	203,140,021
Depreciation:										
At 1 January 2020	-	21,840,049	-	35,194,719	19,793,304	1,760,961	68,880,469	9,602,950	9,731,595	166,804,041
Charge for the year	-	1,542,666	-	10,223,501	5,556,015	-	47,412	1,920,590	1,460,628	20,750,812
Adjustment	-	-	-	(3,479,698)	-	(75,172)	(96,958)	(1,280,393)	-	(4,932,221)
Disposal	-	(23,382,715)	-	(7,040,552)	-	-	-	-	-	(30,423,267)
31December 2021	-	-	-	34,897,970	25,349,319	1,685,789	68,830,923	10,243,147	11,192,223	152,199,371
Net book value										
31 December 2021	12,820,095	-	-	2,661,748	16,320,794	161,485	1,001,718	15,860,666	2,114,149	50,940,655

JFP Limited
(Formerly Jamaica Fibreglass Products Limited)
Notes to the Financial Statements
31 December 2022

10. RIGHT-OF- USE ASSETS

The Company leased property to conduct its operations over a term of ten (10) years. The arrangement was previously classified as an operating lease under IAS 17, however, under IFRS 16, the transaction was adjusted and treated as a finance lease. The lease rental payments over the next ten years have been computed based on changes in local price indices.

i. Right-of-use assets

	<u>2022</u>	<u>2021</u>
	\$	\$
i. Right-of-use assets:		
Leasehold property [right-to-use upon adoption]	150,454,080	151,718,400
Depreciation charge for the year	(15,171,840)	(1,264,320)
Balance at end of year	<u>135,282,240</u>	<u>150,454,080</u>
ii. Lease liabilities		
Lease liability [upon initiation]	151,718,400	151,718,400
Recognized in the year	-	-
Amount recognized in the statement of financial position	<u>151,718,400</u>	<u>151,718,400</u>
Maturity analysis- contractual undiscounted cash flows:		
Due within one year	23,007,338	10,663,788
Due over one year	128,711,062	141,054,612
	<u>151,718,400</u>	<u>151,718,400</u>
iii. Amount recognized in the statement	-	-
Interest on lease liability	11,882,975	-
Depreciation charge for right-of-use	15,171,840	1,264,320
iv. Amount recognized in the statement of cash flows:		
Total cash outflows for leases	<u>15,171,840</u>	<u>1,264,320</u>

Right-of-use assets are measured at cost based on the amount of the initial measurement of the lease liability. The asset is subsequently depreciated using the straight-line method from the commencement date of the lease term.

JFP Limited
(Formerly Jamaica Fibreglass Products Limited)
Notes to the Financial Statements
31 December 2022

11. INVESTMENTS

	<u>2022</u>	<u>2021</u>
	\$	\$
Quoted Securities:		
Designated at fair values through profit or loss:		
Grace Kennedy Limited (186,893 ordinary shares)	-	18,478,111
Jamaica Public Service Company Limited (1920 ordinary shares)	5,760,000	-
Lasco Manufacturing Limited (2,315,875 ordinary shares)	-	11,324,629
NCB Financial Group Limited (21,068 ordinary shares)	-	2,527,739
RJR (2,000,000 ordinary shares)	4,640,000	-
Seprod Limited (45,193 ordinary shares)	-	2,863,880
The Limmers and Bardes Limited (1,092,985 ordinary shares)	-	3,870,908
	<u>10,400,000</u>	<u>39,065,267</u>

The net increase in the value of the quoted securities was adjusted through profit or loss account.

12. DEFERRED TAX ASSETS

Management did not consider it prudent to account for deferred tax during the year because the balance will be adjusted in the subsequent year as a result of the Company becoming a public entity under the Junior Market 100% tax remission regime.

	<u>2022</u>	<u>2021</u>
	\$	\$
Balance b/fwd.: as at 1 January	12,239,125	12,239,125
Current charge	-	-
Balance as at 31 December	<u>12,239,125</u>	<u>12,239,125</u>

13. INVENTORIES

	<u>2022</u>	<u>2021</u>
	\$	\$
Raw materials	68,923,817	41,499,632
Work-in-progress	23,258,601	4,224,501
Import costs	618,192	48,712
	<u>92,800,610</u>	<u>45,772,845</u>

14. RECEIVABLES

	<u>2022</u>	<u>2021</u>
	\$	\$
Trade receivables	150,766,734	26,011,291
Provision for bad debt	-	(5,567,680)
	<u>150,766,734</u>	<u>20,443,611</u>
Deposits on equipment	233,150	275,555
Staff loan	9,002,487	10,014,325
Suspense account	96,117	172,164
Contractor's levy	514,185	249,036
Prepayments	4,623,431	933,248
Withholding tax	649,936	1,039,902
Other receivables	16,067	2,805,298
Detention and bid security deposits	168,680	367,341
	<u>166,070,787</u>	<u>36,300,480</u>

JFP Limited
(Formerly Jamaica Fibreglass Products Limited)
Notes to the Financial Statements
31 December 2022

15. DIRECTORS' CURRENT ACCOUNTS

	<u>2022</u>	<u>2021</u>
	\$	\$
Balance: 1 January	8,439,311	42,979,492
Increase / (decrease)	3,096,235	(34,540,275)
Balance: 31 December	<u>11,535,546</u>	<u>8,439,217</u>

16. CASH AND CASH EQUIVALENTS

	<u>2022</u>	<u>2021</u>
	\$	\$
Current accounts	8,231,061	12,201,345
Savings accounts	62,147	59,089
Deposits	34,160,187	131,983
Cash balance	21,290	1,305
	<u>42,474,685</u>	<u>12,393,722</u>

17. TRADE AND OTHER PAYABLES

	<u>2022</u>	<u>2021</u>
	\$	\$
Trade payables	36,724,516	19,933,908
Accruals	16,585,786	3,021,248
Stale dated cheques	54,558	418,719
Customer deposits	73,622,606	35,372,314
Environmental levy	133,318	308,553
Credit card liabilities	10,296,670	6,123,555
Dividend taxes payables	-	23,280,000
Statutory liabilities	6,909,989	3,654,988
GCT payable	5,330,036	10,539,525
Other liabilities	23,296,554	659,499
	<u>172,954,033</u>	<u>103,312,308</u>

JFP Limited
(Formerly Jamaica Fibreglass Products Limited)
Notes to the Financial Statements
31 December 2022

18. FINANCE LEASE OBLIGATIONS

	<u>2022</u>	<u>2021</u>
	\$	\$
9.5 % finance lease obligations	3,163,713	10,328,856
Current portion	(3,163,713)	(7,796,601)
	<u>-</u>	<u>2,532,255</u>
	<u>2022</u>	<u>2021</u>
	\$	\$
Due in 2020	-	-
✓ 2021	-	-
✓ 2022	10,328,856	8,760,030
✓ 2023	-	2,852,020
Total minimum lease payments	10,328,856	11,612,050
Less: future finance charges	(7,165,143)	(1,283,194)
Present value of minimum lease payments	3,163,713	10,328,856
Less: current position	(3,163,713)	(7,796,601)
Non-current position	<u>-</u>	<u>2,532,255</u>

19. BANK OVERDRAFT

	<u>2022</u>	<u>2021</u>
	\$	\$
National Commercial Bank: current account	<u>-</u>	<u>3,579,745</u>

20. SHARE CAPITAL

	<u>2022</u>	<u>2021</u>
	\$	\$
Authorized - 10,000,000,000 (2021 - 10,000,000,000) ordinary shares of no-par value		
Issued and fully paid - 1,120,000,000 (2021 - 980,000,000) ordinary shares of no-par value	<u>121,274,271</u>	<u>1,980</u>
<u>Issued and fully paid:</u>		
At the beginning of the year	<u>980,000,000</u>	<u>1,980</u>
Conversion of initial shares	-	980,000,000
Issue of new shares in IPO	140,000,000	-
At end of the year	<u>1,120,000,000</u>	<u>980,000,000</u>

The Company was listed on the Junior Market of the Jamaica Stock Exchange on March 14, 2022 and the proceeds of the fully subscribed ordinary shares amounted to \$140,000,000 net of transaction costs of \$18,725,729.

21. FINANCIAL RISK MANAGEMENT

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk, and price risk), credit risk, and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the company's financial performance.

The company's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The company regularly reviews its risk management policies and systems to reflect changes in markets, products, and emerging best practices.

The Board of Directors is ultimately responsible for the establishment and oversight of the company's risk management framework. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

(a) Credit risk

(i) Trade and other receivables

The company takes on exposure to credit risk, which is the risk that its customers, clients, or counterparties will cause a financial loss for the company by failing to discharge their contractual obligations. Credit risk exposures arise principally from the company's receivables from customers. The company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties along with customers within certain geographical areas and industry segments.

Credit review process -

Management performs ongoing analyses of the ability of borrowers and other counterparties to meet repayment obligations.

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management has established a credit policy under which each customer is analyzed individually for creditworthiness prior to the company offering them a credit facility.

Customers that fail to meet the company's benchmark creditworthiness may transact business with the company on a cash basis.

The company establishes an allowance for impairment of trade and other receivables that represent its estimate of incurred losses coupled with forward-looking assumptions and guidelines. The company addresses impairment assessment in two areas: individual and collective allowances.

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

(i) Trade and other receivables

The company's credit policy requires customers to pay a 30% to 50% deposit prior to the commencement of a job. There is another instalment of 40% required prior to delivery and the other 10% becomes due immediately after installation or delivery.

(ii) Cash

Cash transactions are carried out with high-credit quality financial institutions.

Maximum exposure to credit risk -

The company's maximum exposure to credit risk at year-end equals the carrying amount for the assets which provide such exposure for the Company.

Exposure to credit risk for trade receivables -

Trade receivable represents amounts from customers in Jamaica and the Caribbean. The following table summarizes the company's credit exposure for trade receivables at their carrying amounts, as categorized by the customer sector, as follows:

	<u>2022</u>	<u>2021</u>
	\$	\$
Private companies	135,481,818	22,190,364
Government entities	15,284,916	3,820,928
	<u>150,766,734</u>	<u>26,011,292</u>
Less: provision for bad debts	-	(5,567,680)
	<u>150,766,734</u>	<u>20,443,612</u>

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Exposure to credit risk for trade receivables (continued)

Trade receivables that are less than three months are not considered impaired. As of 31 December 2022, trade receivables of \$37,145,836 (2021 – 13,819,272) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. However, based on the impairment calculation computed during the year, no provision was considered necessary (2021 - (\$ 5,567,680)).

The ageing analysis of these trade receivables, exposed to credit risks was as follows:

	<u>2022</u>	<u>2021</u>
	\$	\$
31 – 60 days	4,007,271	297,536
61 – 90 days	13,075	56,816
Over 90 days	37,145,836	13,819,272
	<u>41,166,182</u>	<u>14,173,624</u>

The movement on the provision for impairment of trade receivables is noted below:

	<u>2022</u>	<u>2021</u>
	\$	\$
Balance at 1 January:		
Opening provision for receivables impairment	5,567,680	3,352,112
Written off during the year	(5,567,680)	(3,501,822)
Additional provision during the year	-	5,717,390
Balance at 31 December	<u>-</u>	<u>5,567,680</u>

The creation and release of provision for impaired receivables have been included in expenses in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

(b) Liquidity risk

Liquidity risk is the risk that the company is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions.

Liquidity risk management process

The company's liquidity management process includes monitoring future cash flows and liquidity on a regular basis. This incorporates an assessment of expected cash flows and the availability of high-grade collateral which could be used to secure funding, if required at short notice.

JFP Limited
(Formerly Jamaica Fibreglass Products Limited)
Notes to the Financial Statements
31 December 2022

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

Liquidity risk management process (continued)

With the exception of finance lease liabilities and loan payable, the carrying amounts of all financial liabilities equal the contractual undiscounted values. These are all due to be settled within 12 months of the year-end. The undiscounted value for finance leases is shown in note 18 as total minimum lease payments of \$10,328,856 (2021 - \$11,612,050). The maturity profile is also shown in that note. The maturity profile for the undiscounted cash flow in relation to the long-term loan is shown in the table below.

		2022				
	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>1 year or less</u>	<u>1-2 yrs</u>	<u>2-5 yrs</u>	
	\$	\$	\$	\$	\$	
Accounts payable	172,954,033	172,954,033	172,954,033	-	-	
Finance lease obligations	3,163,713	3,285,011	3,285,011	-	-	
	176,117,746	176,239,044	176,239,044	-	-	

		2021				
	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>1 year or less</u>	<u>1-2 yrs</u>	<u>2-5 yrs</u>	
	\$	\$	\$	\$	\$	
Accounts payable	103,312,308	103,312,308	103,312,308	-	-	
Finance lease obligations	10,328,856	11,680,040	4,380,015	7,300,025	-	
	113,641,164	114,992,348	107,692,323	7,300,025	-	

(c) Currency risk

The company manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions.

At the end of the financial year, the company had net foreign exchange asset exposure in Jamaican dollars of \$32,579,129 (2021 - \$7,130,499) analyzed as follows:

- US \$219,943 (2021 – \$45,821)
- Conversion rate at 31 December 2021: US\$1 = Ja\$152.3094 (2021 US\$1 = JA\$155.62)

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Currency risk (continued)

Foreign currency sensitivity

The following table indicates the currencies to which the company had significant exposure on its monetary assets and liabilities and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency-denominated monetary items and possible subsequent translation percentage variances after the year-end.

	Change (%) in currency rate	Effect on profit before Taxation	Change (%) in Currency rate	Effect on profit before Taxation
	<u>2022</u>	\$	<u>2021</u>	\$
US\$	2	300,142	2	166,529
US\$	(6)	(968,149)	(4)	(333,058)

(d) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the company to cash flow interest risk, whereas fixed interest rate instruments only expose the company to fair value interest risk changes.

The company has negligible exposure to interest rate risk as the majority of its financial instruments are fixed. The company's finance lease and loan obligations are the company's main financial liabilities which are also at fixed rates.

(e) Capital management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure in order to reduce the cost of capital. The Board of Directors monitors the return on capital, which the Company defines as net operating income divided by total shareholders' equity. The company is not subject to externally imposed capital requirements by any financial institution.

22. EARNINGS PER SHARE

Earnings per stock unit is calculated by dividing the net profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

	<u>2022</u> \$	<u>2021</u> \$
Net profit attributable to stockholders	15,007,116	8,326,441
Weighted average number of ordinary shares in issue	1,092,383,562	153,041,940
Basic earnings per share	<u>0.013</u>	<u>0.054</u>

The weighted average number of shares is based on the issue of new shares to the public, based on its successful Initial Public Offer (IPO) of shares.

23. SUMMARY OF SIGNIFICANT POLICIES

a) Foreign currency transactions and balances

Foreign currency transactions that require settlement in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in currencies other than Jamaican dollars are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary assets and liabilities measured at historical cost denominated in currencies other than Jamaican dollars are translated at the rate of exchange in effect at the date of the transactions or initial recognition. Non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Gains and losses arising from fluctuations in exchange rates are generally included in profit or loss. However, foreign currency differences resulting from the translation of equity investments are recognized in other comprehensive income, except on impairment, in which case the foreign currency differences that have been recognized in other comprehensive income are reclassified to profit or loss.

Exchange rates are determined by the published weighted average rate at which commercial banks trade in foreign currencies.

b) Revenue recognition

(i) Sale of goods

Revenue is recognized when the performance obligation, satisfied at a point-in-time to transfer goods and or services to the customer is complete. Completion is assessed when the customer takes control and or obtains the benefits of the goods and /or services, and the company has a present right to payment as evidenced by an invoice or the right to invoice.

(ii) Finance income

Finance income comprises interest-earned on invested funds. Interest income is recognized in profit or loss as it accrues, taking into account the effective yield on the asset.

(iii) Other operating income

Other operating income includes gains on disposal of assets, recognized when the asset is sold, foreign exchange gains and miscellaneous inflows recognized when received.

23. SUMMARY OF SIGNIFICANT POLICIES (CONTINUED)

c) Income taxes

The income tax expense for the year comprises a current and deferred tax. Income tax expense is recognized in net income, except to the extent that it relates to items recognized either in OCI or directly in equity.

I. Current taxation

The current tax charge is the expected tax payable on the taxable income for the year, using tax rates in effect at the reporting date plus any over or under the provision of tax in respect of previous years.

II. Deferred taxation

Deferred tax liabilities 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 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.

d) Employee benefit costs

Pension obligations

The Company does not participate in a defined contribution pension plan.

Vacation

The Company pays employee vacation pay at the year-end and does not have to carry forward any accrued vacation.

23. SUMMARY OF SIGNIFICANT POLICIES (CONTINUED)

e) Property, plant, and equipment

Property, plant, and equipment are stated at historical cost, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items. The land is carried at cost and is not depreciated.

Depreciation is calculated on a straight-line method at such rates as will write off the carrying value of the assets over the period of their expected useful lives. Current annual rates of depreciation are:

Buildings & building improvements	2.5%
Molds & modules	10 %
Plant, tools, and equipment	10 %
Solar, air condition units & light bulbs	7.5 %
Computer software & equipment	12.5 %
Furniture, fixtures & display units	10 %

The assets' residual values and useful lives are reviewed periodically for impairment. Where the assets' carrying amount is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant, and equipment are determined by comparing the proceeds with the carrying amount and are recognized in other income in the statement of comprehensive income.

Repairs and maintenance expenditure are included in the statement of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that the future economic benefits in excess of the initially assessed standard of performance of the existing asset will flow to the Company.

The cost of self-constructed assets includes the cost of materials, direct labour, and related cost to put the asset into service. Borrowing costs, including but not limited to, interest on borrowings and exchange differences arising on such borrowings, that are directly attributable to the acquisition and/or construction of a qualifying asset are capitalized as part of the cost of that asset.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its use are complete. Thereafter, borrowing costs are recognized in profit or loss when they are incurred.

23. SUMMARY OF SIGNIFICANT POLICIES (CONTINUED)

f) Impairment

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating units' fair value less costs to sell and its value in use. It is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in comprehensive income.

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been

determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. Impairment losses recognized in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

g) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the first in first out basis. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses. Work-in-progress includes all direct costs, relative to the level of completion of the unfinished products at the end of the financial year.

h) Trade and other receivables

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

i) Credit risk and expected loss

The Company is primarily exposed to credit risk on its trade receivables and does not provide for any lifetime expected credit loss (LECL). It applies the practical experience of not adjusting the promised consideration receivable because the credit period is less than 12 months. The Company recognizes a loss allowance based on historical trends and current economic circumstances. The Company continues to incorporate forward-looking assumption to improve its basic expected credit model (ECL) which is principally based on historical information and current market conditions.

23. SUMMARY OF SIGNIFICANT POLICIES (CONTINUED)

j) Cash and cash equivalents

Cash and cash equivalents are carried on the statement of financial position at amortized cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash and bank balances. For the purposes of the statement of cash flows, bank overdraft, if any, that is repayable on demand and form an integral part of cash management activities, is included as part of cash and cash equivalents.

k) Trade and other payables

Trade and other payables are measured at amortized cost.

l) Leases

Leases of property, plant, and equipment where the Company has substantially taken over all the risks and rewards of ownership are classified as finance leases. Finance leases are recognized at the inception of the lease at the lower of the fair value of the leased asset or the present value of minimum lease payments. Each lease payment is allocated between the liability and interest charges to produce a constant rate of charge on the lease obligation. The interest element of the lease payments is charged to comprehensive income over the lease period.

Property, plant, and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Prior to 1 January 2019, assets held under other leases were classified as operating leases and were recognized in the Statement of Financial Position. Payments made under operating leases were recognized in the Statement of Comprehensive Income on a straight-line basis over the term of the respective lease.

From 1 June 2019, the Company has adopted IFRS 16 and will recognize in the Statement of Financial Position right of use assets and lease liabilities, where applicable.

Right-of-use assets are measured at cost comprising the following:

- (1) The amount of initial measurement of the lease liability
- (2) Any lease payments made at or before the commencement date less any lease incentives received.
- (3) Any initial direct cost, and
- (4) Restoration cost

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

23. SUMMARY OF SIGNIFICANT POLICIES (CONTINUED)

m) Debt: borrowings and borrowing costs

Debt is classified as current when the Company expects to settle the liability in its normal operating cycle, it holds the liability primarily for trading, the liability is due to be settled within 12 months after the date of the statement of financial position, or it does not have an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position; Otherwise, it is classified as long-term. After initial recognition, Debt is measured at amortized cost using the effective interest rate method, less any impairment, with gains and losses recognized in net income in the period that the liability is derecognized.

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are capitalized as part of the cost of these assets. Capitalization of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

n) Financial instruments – recognition and measurement

A financial instrument is any contract that gives rise to a receipt or payment in cash or its equivalents and a financial asset of one party and a financial liability or equity instrument of another party. Financial assets and financial liabilities are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of a financial instrument. All financial instruments are measured at fair value on initial recognition. Subsequent measurement of these assets and liabilities is based on fair value or amortized cost using the effective interest method.

Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities, other than financial assets and financial liabilities classified as fair value through profit or loss (FVTPL) are added to or deducted from the fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in net income.

Classification and subsequent measurement -

Financial instruments - assets

The Company classifies financial assets according to its business model for managing the financial assets and the contractual terms of the cash flows. Classification choices for financial assets are:

- Amortized cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL)

Classification choices for financial liabilities are:

- Amortized cost
- FVTPL

23. SUMMARY OF SIGNIFICANT POLICIES (CONTINUED)

n) Financial instruments – recognition and measurement (continued)

Amortized cost

Financial assets are classified as amortized cost because the financial assets are held within a business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding. These assets are measured at amortized cost using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified, or impaired.

Fair value through other comprehensive income (FVTOCI)

Financial assets are classified as FVTOCI because the financial assets are held with a business model with the objective to hold financial assets in order to collect contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are measured at amortized cost using the effective interest method and are subject to impairment. Gains and losses are recognized in other comprehensive income when the asset is modified or impaired and subsequently to profit or loss on derecognition.

Fair value through profit or loss (FVTPL)

Financial assets are classified as FVTPL unless they are classified as amortized cost or fair value through other comprehensive income. Gains and losses are recognized in other comprehensive income when the asset is modified or impaired and subsequently to profit or loss on derecognition.

Derecognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flow from the assets expire or when the Company transfers the financial asset to another party without retaining control or substantially all the risks and rewards of ownership of the asset. Any interest in transferred financial assets created or retained by the Company is recognized as a separate asset or liability.

A financial liability is derecognized when the contractual obligations are discharged, canceled, or expires.

o) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, and 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. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is charged to the statement of comprehensive income net of any reimbursement.

23. SUMMARY OF SIGNIFICANT POLICIES (CONTINUED)

p) Related party disclosure

Related parties are identified and disclosed to allow users of the financial statements to be aware of the possibilities that the financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties.

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the “reporting entity”)

- (a) A person or close member of that person’s family is related to a reporting entity if that person:
- Has control or joint control over the reporting entity;
 - Has significant influence over the reporting entity; or
 - Is a member of the key management personnel of the reporting entity or a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions apply:
- The Company and the reporting entity are members of the same group (which means that each parent, subsidiary, and fellow subsidiary is related to the others).
 - One company is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - Both companies are joint ventures of the same third party.
 - One company is a joint venture of a third entity, and the other entity is an associate of the third entity.
 - The company is a post-employment benefit plan for the benefit of the employees of either the reporting entity or an entity related to the reporting entity.
 - The company is controlled, or jointly controlled by a person identified in (a) above.
 - A person identified in ((a) (i)) above has significant influence over the company or is a member of the key management personnel of the company (or of a parent of the company).

A related party transaction involves the transfer of resources, services, or obligations between a reporting company and a related party, regardless of whether a price is charged.

q) Expenses

- (i) Expenses are recognized on an accrual basis.
- (ii) Finance costs comprise interest incurred on borrowings, calculated using the effective interest method, foreign exchange losses, and bank-related charges.
- (iii) Payments under leases are recognized in profit or loss on a straight-line basis over the term of the lease.

23. SUMMARY OF SIGNIFICANT POLICIES (CONTINUED)

r) Investments

Certificate of Deposits, quoted shares, and other investments are recognized at fair value. Incomes from these investments are accounted for based on the accrual basis.

s) Dividends

Dividends on ordinary shares are recognized in equity in the period in which they are approved. Dividends for the financial year that are declared after the reporting date are dealt with in the subsequent event note.

24. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

- (i) The fair value of trade and other receivables, balances with related parties, cash and bank balances, trade and other payables, and short-term loan reflect their approximate carrying values because of the short-term maturity of these instruments.
- (ii) The finance lease obligation incurs interest at prevailing market rates and reflects the company's contractual obligation.

The carrying value of this liability closely approximates amortized cost and is estimated to be the fair value of such liability as it attracts terms and conditions available in the market for similar transactions.

	Carrying Amounts	Carrying Amounts	Fair Values	Fair Values
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$	\$	\$	\$
National Commercial Bank	-	-	-	-

25. CONTINGENCIES AND COMMITMENTS

- (i) The Company's attorney by letter dated February 10, 2023 regarding the year ended December 31, 2022, reported as follows:
- there are no judgements or settlements of any actual, pending or threatened litigation claims relating to the year ended December 31, 2022, and up to the date of this letter
 - there are no judgments rendered or settlements made during the said period either in favour of or against the Company
 - there are no impending liabilities, direct claims, or contingent liabilities (i.e. matters in which there is a reasonable possibility of an outcome which might materially affect the Company's financial position or reported results of operations)
 - there are no unpaid bills and / or invoices owed by the Company to us, and
 - there is no other relevant information that would require disclosure for these purposes.
- (ii) The Company's senior management team at a meeting dated 7th December 2022, indicated that:
- They have not instructed any attorneys to act on behalf of the Company in respect of any litigation or claim in which the Company was involved.
 - They were not aware of significant judgment rendered for or against the Company during the year ended 31 December 2022.
 - They were not aware of any other information of a similar nature which have come to their attention and which, in their opinion, requires disclosure in the Company's financial statements.

26. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE IN THE CURRENT YEAR.

Certain new accounting standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Company has assessed the relevance of all such new standards, interpretations and amendments and has adopted the following which are relevant to its operations.

Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions (effective for annual periods beginning on or after 1 June 2020). As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

The adoption of these new standards, amendments to existing standards or interpretations to published standards did not have a material impact on the operations of the Company.

26. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED BY THE COMPANY.

At the date of authorisation of these financial statements, certain new accounting standards, amendments and interpretation to existing 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, interpretations and amendments and has determined that the following may be relevant to its operations.

Amendments to IAS 1, 'Presentation of Financial Statements' on classification of liabilities (deferred until accounting periods starting not earlier than 1 January 2024). These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.

Amendments to IFRS 3, IAS 16, IAS 17 and some annual improvements on IFRS 1, IFRS 9, and

IFRS 16, (effective for annual periods beginning on or after 1 January 2022). Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making. Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', and the illustrative examples accompanying IFRS 16, 'Leases'.

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8, (effective for annual periods beginning on or after 1 January 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction, (effective for annual periods beginning on or after 1 January 2023). These amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

Management is assessing the impact that these changes may have on the Company's financial statements. They do not anticipate any material impact to the financial statements.

27. IMPACT OF COVID 19

During the year ended 31 December 2022, the COVID-19 pandemic continued to negatively impact the Jamaican economy, but management considers the effect on the Company's revenue to be marginal. The Company was able to pivot and manufacture innovative products while identifying new customers including large private and government entities. During the year, management was also able to reduce administrative expenditure which led to an increase in profits over the previous periods. Management does not anticipate any going concern challenges as they expect the profitable trend to continue in the foreseeable future.

28. SUBSEQUENT EVENT

Subsequent to the year end, JFP Limited entered into a strategic partnership agreement with Total Office (2006) Limited (TOL) of Laventille, Trinidad. Management sees the commercial agreement with TOL as an opportunity to grow JFP and TOL by building resilience capacity as TOL will provide a platform for quick access to JFP products into Caribbean markets. Management sees the agreement as mutually beneficial, as both companies produce complimentary products.

Except for the uncertainties relating to the possible risks associated with the continued COVID 19 pandemic along with the war by Russia against the people of Ukraine, top management was not aware of any other material matter that require disclosure in the financial statements up to the date of approving and signing these financial statements.

FORM OF PROXY

JFP LIMITED

(‘the Company’)

I/We,

(name of shareholder)

of

(address of shareholder)

being a shareholder / shareholders of the above-names Company, hereby appoint

.....

(name of proxy)

or failing him/her

(name of alternate proxy)

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 the 29th day of May, 2023 and at any adjournment thereof.

.....

(signature of shareholder) (date)