



MFS CAPITAL PARTNERS

ANNUAL REPORT 2023





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**NOTICE
OF ANNUAL
GENERAL
MEETING**



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of **MFS Capital Partners Limited** will be held as a hybrid meeting (meeting instructions to follow) at the Boardroom of the Liguanea Club, and online using the Zoom platform on a **date to be announced** to consider and, if thought fit, to pass the following resolutions:

1. Audited Accounts:

Resolution No. 1 – Audited Financial Statements, Directors and Auditors Reports

THAT the Audited Financial Statements of the Company for the year ended June 30, 2023 and the Reports of the Directors and Auditors be and are hereby adopted.

2. Rotation of Directors:

The Directors retiring by rotation pursuant to Article 97 of the Company's Articles of Incorporation are Mr Clide Leopold Nesbeth and Mrs Anika Jengelley, who, being eligible, have offered themselves for re-election.

Resolution No. 2 – Re-election of Retiring Directors

THAT being eligible, Mr Clide Leopold Nesbeth be re-elected a Director of the Company
THAT being eligible, Mrs Anika Jengelley be re-elected a Director of the Company

3. Appointment of auditors:

Resolution No. 3 – Re-appointment of Auditors

THAT Baker Tilly Strachan Lafayette, Chartered Accountants of 9 Cargill Avenue, Kingston 10, having signified their willingness to serve, will continue in office as Auditors of the Company until the conclusion of the next Annual General Meeting, and that their remuneration be agreed with the Directors.

4. Remuneration of the Directors:

Resolution No. 4 – Directors' Remuneration

THAT the total remuneration of all the Directors combined, other than the Executive Director, as shown in the Company's Audited Financial Statements for the year ended June 30, 2023, be and is hereby approved.

BY ORDER OF THE BOARD



PER: ASPIRESEC LIMITED, SECRETARY
Dated OCTOBER 28, 2023

Note: Any member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A proxy is prohibited to speak at the meeting unless he or she is also a member of the Company.

The attached proxy form must be completed, impressed with stamp duty of \$100 (cancelled by the person signing the proxy for) and lodged at the offices of the Company's Registrar and Transfer Agents, the Jamaica Central Securities Depository Limited, 40 Harbour Street, Kingston, not less than forty-eight (48) hours before the time appointed for holding the meeting.

OUR VISION

To become a dominant player in our main markets while expanding our capital base, building brand recognition and brand equity by seizing opportunities that continuously enhance stakeholders' satisfaction with sustained growth and profitability

To provide our local and international portfolio companies with not only financial funding but the knowledge, expertise and strategy to grow their asset base and achieve profitability, which will deliver above average returns to our internal and external stakeholders.

OUR MISSION

MILESTONES

On May 9, 2022, the shareholders of MFS Acquisition Limited embarked on a rescue plan to acquire the majority shareholding in SSL Venture Capital Jamaica Limited (SSL VC), in an effort to defend the Company from financial failure. The rescue of SSL VC resulted in the constitution of MFS Capital Partners Limited and a new business strategy. MFS Acquisition assumed formal ownership of the Company on May 25, 2022, following the closure of its Takeover Bid Circular. At an Extraordinary General Meeting (EGM) held on May 27, 2022, the new Board of Directors was appointed, and a Notice given for the company to undergo a name change, which was subsequently approved. The revised Company name took effect on August 3, 2022.

The first Annual General Meeting (AGM) for MFS Capital Partners was held on November 10, 2022. The meeting was virtual, as COVID-19

protocols were largely still in effect. At the AGM, the Company announced that it had executed a Memorandum of Understanding (MoU) with the shareholders of Micro-Financing Solutions Limited to acquire a 100% of the shares of that company.

Micro Financing Solutions Limited is a Kingston-based private company licensed by the Bank of Jamaica (BOJ). The company began operations in 2014 as a microlender and licensed cambio, and since then, has expanded its operations into other areas including remittances, bill payment services and large credit. It has also gone on to take equity positions in several other entities. The company is a sub-agent of Lasco Moneygram and Western Union.

MFS Capital Partners has completed its due diligence and is awaiting regulatory approval to conclude this acquisition.

BOARD OF DIRECTORS REPORT CHAIRMAN'S MESSAGE



Clide Leopold Nesbeth
Chairman



CHAIRMAN'S MESSAGE

On behalf of the Board of Directors, management, and staff of MFS Capital Partners Limited, let me first say thank you to you, our valued shareholders, for your continued support and confidence.

The re-naming of our Company to MFS Capital Partners in August 2022 marked the beginning of a bevy of activities in this, its first full year of operation under the guidance of the new Board of Directors (Board) and management team. Whilst the company was actively participating in private credit transactions, including receivables financing and consulting services, the primary focus remained on working to complete its first major transaction, which is acquiring a well-positioned financial entity. The projected outcome of this first major acquisition will see a significant improvement to the Company's financial position, thus making it easier to access the capital markets for further funding. I am excited at the future prospects of our Company and am looking forward to an improved performance in the near future. The Board is pleased with the approach of our management team thus far, and we believe that the Company is heading in the right direction.

The Board continued to exercise its oversight by way of strict corporate governance principles and practices, emphasising transparency, accountability, and ethical conduct.

We have recognised the heightened interest in our Company and the growing number of shareholders that now have a vested interest in our performance. We welcome and appreciate the increase trading in the company's shares and look forward to returning material value to all our stakeholders. This, we believe, is a sign of renewed confidence in our Company.

MFS Capital Partners will continue to explore opportunities in the private equity space and already has a strong pipeline of potential candidates for investments. The Company remains committed to its mandate of acquiring significant if not controlling equity positions in various private entities with predeterminate exit strategies in mind. The Board will continue to advocate for the strengthening of our capital base and for the improvement in the Company's financial health, while we pursue all avenues to achieve sustainable growth and enhance shareholder value.

As our level of activity increases, the Board will ensure that we operate within a robust corporate governance framework, supported by all the relevant prudent risk management measures. All members of the Board have completed new or additional training in corporate governance best practices by recognised and respected trainers and institutes.

CHAIRMAN'S MESSAGE

Additionally, several new policies and procedures were effected throughout the year, to properly guide the Company's operations. One key move was bolstering the functionality of our Board by appointing a Jamaica Stock Exchange (JSE) mentor, Herbert Hall, who has already had a meaningful impact on our decision-making. The various sub-committees of the board met on a regular basis and executed their mandates as directed by the board.

I take this opportunity to reiterate the Company's commitment to sustainability, environmental responsibility, and contributions to the community, and by extension, our society. As a Board, we recommit to adhering to our Core Values, Mission, and Vision, as we look forward to our next Annual General Meeting (AGM), where we will expound further on our strategies and the results of our efforts thus far.

Again, this new Board thanks you, our valued shareholders, for your confidence, and look forward to working with you and all our stakeholders, while holding your best interest at heart. We also thank our management and staff for their dedication to our growth and success.

I remain honoured to continue to serve as your Chairman.

Sincerely,
Clide Leopold Nesbeth
Chairman



CEO'S REPORT

The year 2022 was one filled with significant challenges across the globe. Almost all markets suffered the effects of global economic uncertainty, resulting in increased energy and food costs, high inflationary conditions leading to a rise in interest rates, and volatility within the financial markets. This, while still recovering from the impact of the COVID-19 pandemic. The impact was evident even in our local stock market, which performed poorly for the period.

Despite these unsettling economic conditions, MFS Capital Partners had a commendable performance for the year, as the company was to generate income from new revenue lines. For the year we generated revenues totalling \$32.9 million. The main contributors were receivables financing, fee income and interest income. Revenues therefore were generated from real economic activities unlike the previous year, when income reported was earned from inter-company write offs.

Operating cost fell by 46.5% totalling \$23.1 million, resulting in net profits of \$8.7 million. Earnings per share totalled \$0.02. Our balance sheet saw significant improvement with total asset moving from \$14.2 million to \$65.6 million. Accumulated deficit also trended positive, increasing from \$147.5 million to \$138.7 million.

Outlook

Though we were not able to complete our first acquisition before the end of the financial year, we are proud to share with our stakeholders that we have made significant strides in advancing on the transaction. We remain positive that this acquisition will have a significant positive impact on our balance sheet and the earnings of our company going forward. As a team with over 100 years of combined experience in business both locally and internationally, we are committed to creating shareholder value and maximising the growth potential of our company. We look

forward to sharing our pipeline of expanded product offerings soon, as we continue to build what will become a strong, impactful regional brand.

I take this opportunity to thank our Board of Directors, our management team, our staff, and all stakeholders for their hard work and dedication to the growth of our company, and to you, our valued shareholders, for your unwavering support in our endeavours.

Sincerely,
Dino Hinds
CEO





MFS CAPITAL
PARTNERS

**CORPORATE
GOVERNANCE**

CORPORATE GOVERNANCE

The Board of Directors recognises the significance of practicing effective corporate governance in achieving the Company's objectives and long-term sustainability, building trust, and improving value to shareholders, as well as other stakeholders. The Board provides leadership and guidance to the Company's senior management team and maintains oversight of the Company's overall operations to ensure that the highest standards of governance are practised and maintained.

To this end, the Board has taken a number of steps in furthering its continued commitment to effect a robust corporate governance programme. These include:

- Commissioning an updated, more extensive Corporate Governance Policy, which was implemented on April 28, 2023. This Policy is based on the standards set out by the Financial Services Commission (FSC) and Bank of Jamaica (BOJ). Though this is not a regulatory requirement, the Board is committed to adhering to a strong policy that satisfies all regulatory and corporate governance principles.
- Approving corporate governance training for all members of the current Board.
- Approving an in-depth training for the two independent directors on the Corporate Governance Committee, including the Committee Chair. They successfully completed the Director's Strategic Guide to Corporate Governance and Leadership Programme facilitated by the Jamaica Stock Exchange (JSE) e-Campus

in partnership with the Private Sector Organisation of Jamaica (PSOJ) and were awarded Post-Graduate Diplomas in Corporate Governance in June 2023.

- Approving supplemental corporate governance training for the Chairman, CEO, and COO facilitated by Errol Gallimore in June 2023. Mr Gallimore is the current Registrar of Cooperative & Friendly Societies in Jamaica, and his portfolio responsibilities involve the registration and regulation of a number of entities. Corporate governance is paramount in ensuring the safety, soundness, and sustainability in these entities overseen by Mr Gallimore, and as a result, over the years, he has had to conduct extensive training on the topic and provide guidance, thereby ensuring the protection of the entities' brand, image, and members' interest.
- Appointing a Company Mentor, Herbert Hall, in compliance with the regulatory requirement of the JSE Junior Market Rule. Mr Hall was officially engaged by the Board on March 10, 2023. His duties include, though are not limited to, advising the Board on the establishment of adequate procedures, systems, and controls for the purposes of its compliance with good standards of corporate governance.
- Endorsing the company's Code of Conduct, Business Ethics, and Whistleblower Policies.

CORPORATE GOVERNANCE

MFS Capital Partners Limited was established under the Companies Act of Jamaica and is regulated by the Jamaica Stock Exchange (JSE) in accordance with the Junior Market Rules. Furthermore, the directors and officers of the Company are required to comply with section 51 of the Securities Act and the Supplemental Rules established by the JSE Model Code (which they have).



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CORPORATE GOVERNANCE

Board Diversity

Our directors have diverse skill sets, experiences and backgrounds, which include local and international expertise in general management, finance, risk management, and marketing.

DIRECTORS	GENERAL MANAGEMENT	RISK MANAGEMENT	LEGAL	STRATEGY	FINANCE	SALES & MARKETING	CORPORATE GOVERNANCE
Clide Leopold Nesbeth	✓			✓	✓	✓	
Dino Hinds	✓			✓	✓		
Robert Barnes	✓	✓		✓	✓		✓
Christine E Johnson Spence	✓		✓				✓
Anika N Jengelly	✓			✓	✓	✓	✓

The Board currently (as at 30th June 2023) comprises five directors, the majority of whom are independent, non-executive directors.

In keeping with the Company's governance policies, which are based on local and international best practices, a director is not considered independent if he or she:

- (a) has been an employee of the Company within the last five years;
- (b) has been an employee or executive officer of the Company within the last three years;
- (c) receives or has received additional remuneration from the Company outside of directors' fees or participates in the Company's share option plan or performance related pay scheme or is a member of the Company's pension scheme;
- (d) has close family ties with any of the Company's advisors, directors, or senior employees;
- (e) represents a significant shareholder.

The members of the Board, combined, represent a wealth of knowledge and experience acquired through their involvement (past and current) in the local and international business environments. The directors also possess a diverse skill set, which contributes to the fulfilment of their collective and individual responsibilities to the Company. The Board ensures that:

- (i) the necessary resources are in place to enable the Company to meet its objectives and to measure its performance;
- (ii) prudent and effective controls are in force to assess and manage risks; and
- (iii) workforce policies and practices are consistent with the Company's values and that they drive the Company's success.

Board Responsibility

While the management of the Company undertakes the day-to-day functions of its operations, it is the Board of Directors that are ultimately accountable to the Company's stakeholders for its performance and adherence to applicable laws and sound business practices.

CORPORATE GOVERNANCE



The primary responsibilities of the Board include oversight for company and its portfolio companies by :

- approving and monitoring strategic plans;
- reviewing and approving annual performance targets, annual budget, quarterly financial statements, and audited financial statements;
- approving acquisitions and major capital expenditure;
- providing oversight of parent and portfolio companies' operations;
- evaluating company performance against set financial targets;
- monitoring the performance of the CEO and senior management relative to agreed performance metrics;
- determining the remuneration of senior management;
- reviewing and monitoring risk management, adequacy of internal controls, compliance of management with the Codes of Conduct and regulatory compliance;
- reviewing and approving company disclosures to external parties;
- selecting and appointing suitably qualified directors to the Board.

The Board of Directors have access to independent professional advice at the Company's expense where it is deemed necessary to effectively execute its functions and responsibilities. This includes the appointment of attorney(s) to provide representation and advice.

Board Meetings Attendance Register

Board Member	15-NOV-22	18-JAN-23	22-MAR-23	17-MAY-23
Clide Leopold Nesbeth	X	X	X	X
Christine Johnson Spence	X	X	X	X
Anika Jengelley	X	X	X	X
Dino Hinds	X	X	X	X
Robert Barnes	X	X	X	X

Annual General Meeting (AGM) Attendance

Board Member	29-NOV-22
Clide Leopold Nesbeth	X
Christine Johnson Spence	X
Anika Jengelley	X
Dino Hinds	X
Robert Barnes	X

CORPORATE GOVERNANCE

Board Performance Evaluation

An evaluation of the performance of the Board, its committees, the Chairman, and individual directors is done every two years to consider the composition, diversity, contribution of each director, and the work done collectively to effectively achieve the Company's objectives. This evaluation is facilitated externally, and the results are used to strengthen any weaknesses identified.

Board Committees

The Board has constituted three (3) standing committees to which specific responsibilities of the Board have been delegated. The Chairperson for each sub-committee is selected by the Board. These committees are:

- Audit and Finance Committee
- Corporate Governance Committee
- Remuneration Committee

All three sub committees met once quarterly during the period ended June 2023.

1. Audit and Finance Committee

Chaired by Anika Jengelly

The main role and responsibilities of the Audit Committee include:

- (1) monitoring the integrity of the Company's financial statements and any formal announcements relating to the Company's financial performance; reviewing significant financial reporting judgements contained in these statements;
- (2) providing advice (where requested by the Board) on whether the annual report and accounts, taken as a whole, is fair, balanced, and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- (3) reviewing the Company's internal financial controls and risk management systems; monitoring and reviewing the effectiveness of the Company's internal audit function or, where there is not one, considering annually whether there is a need for one and put forward a recommendation to the Board;
- (4) conducting the tender process and making recommendations to the Board, about the appointment, reappointment, and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor; reviewing and monitoring the external auditor's independence and objectivity;

CORPORATE GOVERNANCE

- (5) developing and implementing a policy on the engagement of the external auditor to supply non-audit services, ensuring there is prior approval of non-audit services, weighing the impact this may have on independence and considering the relevant regulations and ethical guidance in this regard; and
- (6) reporting to the Board on the discharge of its responsibilities.

The Committee met three (3) times during the period ended June 30 2023. Highlights from its deliberations include:

1. approving the appointment of a new Chief Financial Officer
2. approving the remuneration of Executive Management
3. approving the remuneration of the Directors
4. providing an opinion on an ongoing transaction

The members of the Audit and Finance Committee are:

- Anika Jengelley – independent director
- Clide Leopold Nesbeth – independent director
- Robert Barnes – executive director

Audit and Finance Committee Attendance Register

Audit and Finance Committee	03-NOV-22	03-FEB-23	05-MAY-23
Anika Jengelley - Chairperson	X	X	X
Clide Leopold Nesbeth	X	X	X
Robert Barnes	X	X	X

2. Corporate Governance Committee Chaired by Christine Johnson Spence

The Corporate Governance Committee is primarily tasked with:

- Overseeing the Company's Corporate Governance Framework, including the assessment of the effectiveness of corporate governance policies and practices.
- Monitoring the Board's compliance with legal and ethical requirements, regulations, and laws.
- Reviewing and updating by-laws and policies to ensure effectiveness and compliance.
- Organising training for Board members, onboarding, and orientation of new directors.
- Contracting relevant personnel in compliance with regulatory requirements.
- Overseeing Board and Committee practices, including evaluations for improvement.
- Proposing recommendations for Committee and Board structural changes to ensure that the Company is always compliant with corporate governance best practices.
- Assisting in the creation of Committee charters to best serve the Company.

CORPORATE GOVERNANCE

- Initiating legal counsel on governance challenges and conflicts of interest.
- Creating Board recruitment and nomination strategies and improving appointment processes.
- Identifying and presenting qualified candidates for nomination to the Board and Committees of the Board.
- Reviewing proposals for appointment to senior management.

The Committee met three (3) times during the period ended June 30 2023.

The members of the Corporate Governance Committee are:

- Christine Johnson Spence - independent director
- Anika Jengelley - independent director
- Robert Barnes - executive director

Corporate Governance Committee Meeting Attendance

Corporate Governance Committee	15-NOV-22	18-JAN-23	17-MAY-23
Christine Johnson Spence Chairperson	X	X	X
Anika Jengelley	X	X	X
Robert Barnes	X	X	X

3. Remuneration Committee

Chaired by Christine Johnson Spence

This Remuneration Committee is responsible for setting the Company's remuneration policy and to determine the individual remuneration of each executive director and other key management personnel. It ensures that an appropriate reward policy is in force to attract and motivate executives to achieve the long-term interests of shareholders.

The Committee met three (3) times during the period ended June 30 2023.

The members of the Remuneration Committee are:

- Christine Johnson Spence - independent director
- Anika Jengelley - independent director
- Dino Hinds - executive director

Remuneration Committee Meeting Attendance

Remuneration Committee	15-NOV-22	18-JAN-23	17-MAY-23
Christine Johnson Spence Chairperson	X	X	X
Anika Jengelley	X	X	X
Robert Barnes	X	X	X

The Corporate Governance Policy can be viewed on the Company's website at www.mfscaplttd.com or that of the Jamaica Stock Exchange.

CORPORATE DATA

The Members of the Board of Directors as at June 30, 2023 are:

Clide Leopold Nesbeth	Chairman & Independent Director
Dino Hinds	Chief Executive Officer
Robert Barnes	Chief Operating Officer
Anika Jengolley	Independent Director
Christine Johnson Spence	Independent Director
Aspiresec Limited	Company Secretary

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CORPORATE PROFILE



MFS Capital Partners is a Kingston-based private equity Firm, focusing on investments in entities that are mature in their lifecycle and have shown a track record for strong performance, as well as companies that have demonstrated the potential for sustained growth and development for the medium to long term.

The Company's goal is to become a key player in the regional financial markets, leading in the investment banking and money services sectors, while being significant players in others. The Company is continually seeking opportunities to create a lasting impact for clients, investors, teams, businesses, and the communities in which we live.

MFS Capital Partners is closely associated with the MFS Group, which began operations since 2010, when its flagship company, Micro Financing

Solutions Limited, was launched. Its operations have grown significantly and has shown considerable increases in revenues, profits, and asset base.

The Company has adopted the fundamental principles adhered to by MFS Group, which have thus far proven successful. These are:

1. To be prudent in the management of our business
2. To make sound investment decisions and optimise the deployment of capital.
3. To remain strictly committed to cost control measures.

The Company is currently lead by a leadership team that boasts more than 100 years combined experience in the areas of banking and finance and management.

RESPONSIBILITY TO STAKEHOLDERS

Innovation

We endeavour to execute our mandate seamlessly and efficiently whilst being solutions-driven and responsive to the needs of our shareholders, subsidiaries, and other stakeholders by implementing customised solutions in response to the needs of our clients.

Performance

The team will strive to exceed expectations and return sustained growth in shareholder value. We are guided by a commitment to annual self and independent evaluations to ensure that a high level of performance is maintained. We will

approach potential risks in an intentional, calculated manner, to ensure that our business functions effectively and efficiently.

Accountability

Our fiduciary duties are of the utmost importance to us. We will employ and engage independent advice where and when necessary to remain unbiased and to avoid any potential conflicts.

Commitment

We commit to remaining responsive, collaborative, prudent, efficient, responsible, unbiased, and consistent.





INTRODUCING OUR
BOARD OF DIRECTORS



INTRODUCING OUR BOARD OF DIRECTORS



CLIDE LEOPOLD NESBETH

CHAIRMAN &
INDEPENDENT
DIRECTOR

Leopold is a management professional with over thirty years' experience in the areas of administration, sales, and marketing management, twenty-five of which have been at the senior and general management level. He is also a trained teacher, with over four years' experience in training students in these disciplines.

Among his academic and professional qualifications, Leopold holds the Chartered Institute of Marketing Diploma in Marketing Management, the Post Graduate Diploma in Education, and the Master of Commerce degree in Marketing from the University of Strathclyde, Scotland.

Leopold is a member of the Audit and Finance Committee.



DINO HINDS

CHIEF EXECUTIVE
OFFICER AND
EXECUTIVE DIRECTOR

Dino has over 25 years of experience in investment and commercial banking. He has held several senior roles in the local financial sector including Senior VP for Treasury Trading and Asset Management at Mayberry Investments and Acting Head of Treasury and Investments at First Global Bank. Dino has extensive expertise in the areas of foreign exchange trading, bond trading, asset and liability management, stock trading and pension fund management.

He has served on various committees such as the asset and liability and the revenue committees. His expertise spans both back-office operations and revenue generating departments. Over the last two years, he has led the team that grew revenues at MFS Group from \$5 million to currently over \$220 million annually.

Dino currently sits on the board of several entities, including Micro-Financing Solutions, Liquid Chem 2014 Limited, and Kidzblock Limited.

He holds an MBA in Business Administration from the University College of the Caribbean and a Certificate in Management Studies from the University of the West Indies.

Dino is a member of the Remuneration Committee.

INTRODUCING OUR BOARD OF DIRECTORS



ROBERT A BARNES

CHIEF OPERATING
OFFICER AND
EXECUTIVE DIRECTOR

Robert is a banking and finance professional with over 30 years of experience managing, developing and assessing enterprise operations risk across multiple sectors, including banking and finance, investments, renewable energy, real estate, hospitality and tourism. His experience spans multiple markets including Jamaica, United States, Canada, Guyana, and Grenada.

Robert has expertise in practice of banking, banking law, lending, banking operations, statistical methods, corporate governance training for directors of financial institutions trained by USAID, risk management, and operational risk management audit. He also brings extensive Anti-Money Laundering Training, Financial Institutions Directors Training, Corporate Governance in Public Bodies, CrestCom – Bullet-Proof Leadership Training, Skills of Smart Supervision, Conflict Resolution, Team Building, PMP Training – Project Management for Project Teams, Learning for Project Teams and Real Estate Construction Management. Additionally, Robert has completed several Euromoney courses spanning Risk, Audit, and Operations Management.

Robert is a former Director of ReMax Elite Jamaica and UCC Real Estate and Investment Development Limited. He currently sits on the board of Stratosphere Developers Limited.

Robert is a member of the Audit and Finance and Corporate Governance Committees



CHRISTINE E JOHNSON SPENCE

INDEPENDENT
DIRECTOR

Christine is an Attorney-at-Law with a reputation for strong integrity, professionalism, and service delivery. She is a dynamic leader who possesses strong administrative skills and has a passion for mentoring, coaching, team building, and service excellence.

Christine has extensive experience in company and contract law, litigation, conveyancing, financial crimes, intellectual property, probate, family law, company law, administration, research, office management, customer relations, service audits, legal policy management, human rights, labour relations and industrial dispute matters.

She is a gazetted Parish Court Mediator and possesses a Post-Graduate Diploma in Corporate Governance and a Professional Certificate in Industrial Relations.

Christine serves as Chairman for the Remuneration and Corporate Governance Committees.

INTRODUCING OUR BOARD OF DIRECTORS



ANIKA N JENGELLEY

INDEPENDENT
DIRECTOR

Anika has been the Member Relations Manager of the Private Sector Organisation of Jamaica (PSOJ) since November 2020. With over two decades as a communications and marketing leader, Anika has held senior marketing and communications management and consulting positions both locally and internationally, in markets such as New York City, Mexico City, and Paris. As a consultant, Anika has developed brand management, corporate communications, and marketing strategies for companies in various sectors including finance, energy, edtech, and fintech.

Anika has a Master's degree in French Studies and International Business from the University of Wisconsin-Madison and a Bachelor's degree in French Language and Literature from the University of the West Indies, Mona. Additionally, she has a certificate in Project Management and a Post-Graduate Diploma in Corporate Governance.

Anika serves as Chairman of the Audit and Finance Committee and is a member of the Corporate Governance and Remuneration Committees.

Private equity helps produce strong companies, promotes innovation and spurs job growth

N. Robert Hammer

SENIOR MANAGEMENT



WELCOME OUR INCOMING CHIEF FINANCIAL OFFICER

DR. KESHA CHRISTIE PhD, MBA, ACCA, FCCA, CPA

Chief
Financial
Officer

Kesha was appointed Chief Financial Officer of MFS Capital Partners effective in June 1, 2023. A fellow of the International Institute of Finance and Accounting, she is also the managing director of KCLH Full Business Solutions, a business solutions consultancy based in Kingston, Jamaica.

Her wealth of experience spans over 24 years, in the areas of accounting, auditing, business development and taxation services. Kesha areas of expertise include taxation, fraud, financial and forensic auditing, and risk management. She is known as an adept executive leader with strong financial principles and ethics.

SPECIAL THANKS TO OUR OUTGOING EXECUTIVE MEMBER

Kamille Martin served as Vice President of Finance at MFS Capital Partners Limited. She has over fifteen (15) years of Auditing and Accounting experience with over twelve (12) years at the supervisory and management levels. Previously, she has worked in the insurance industry within the GraceKennedy Group.

She played a pivotal role in the transition from the former to the current management and we sincerely thank her for making that a successful process. We wish her all the best in her future undertakings.

MFS CAPITAL PARTNERS

Our Services

- Private Equity
- Private Credit
- Receivables Financing
- Portfolio Companies

For more information on our services
Call us at (876)906-5558 or
visit our website at www.mfscaplttd.com

MANAGEMENT DISCUSSION & ANALYSIS

The following Management Discussion and Analysis (MD&A) is provided as a supplement to and should be read in conjunction with MFS Capital Partners Limited's 2023 audited financial statements and their accompanying notes. The MD&A was prepared by management to provide shareholders with additional insights into the operations and financial performance of the Company.

Overview

The Group, for the period under review, had no active operating subsidiary entities. As a result, the Group relied heavily on its parent company for funding and other revenue generation from receivables financing and consulting. The Group continued to maintain good governance and strong financial management to align with opportunities for future investment opportunities.

The Group's primary initiative going forward, is to complete the acquisition of a well-established money services business. This will significantly advance the Company's financial position.

	2023 \$	2022 \$
Revenue	-	-
Other income	32,901,138	66,028,130
Operating and administrative expenses	(23,096,813)	(43,229,625)
Impairment losses on financial assets	-	(3,498,232)
Operating profit	9,804,325	19,300,273
Finance costs, net	(238,215)	(1,131,160)
Profit before taxation	9,566,110	18,169,113
Taxation	(823,170)	-
Profit after taxation, being total comprehensive income	8,742,940	18,169,113
Net profit attributable to:		
Stockholders of the Company	8,792,083	12,838,525
Non-controlling interest	(49,143)	5,330,588
	8,742,940	18,169,113
Earnings per ordinary stock unit attributable to shareholders of the Company	0.02	0.03

MANAGEMENT DISCUSSION & ANALYSIS

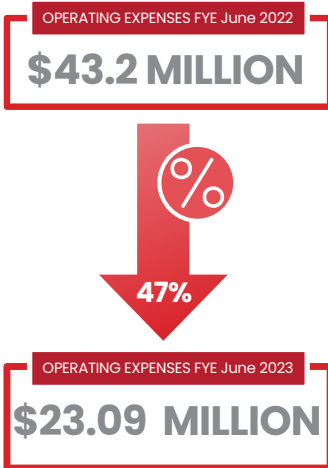
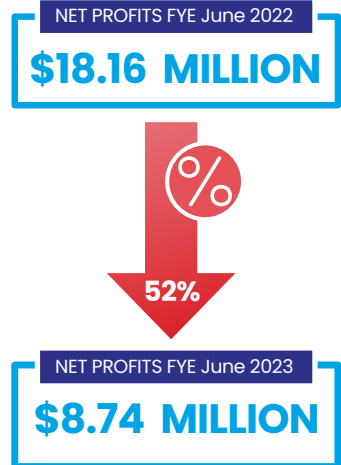
Operating Results

MFS Capital Partners' core revenues for the financial year ending 2023 (FYE June 2023) was nil. While core revenues were impacted by the dormancy of the subsidiaries, the Company was able to diversify its revenue stream in order to gain operating income and book a profit for the period.

The Company recorded net profits attributable to shareholders of \$8.74 million for FYE June 2023, which resulted from consulting fees and receivables purchased and sold at a profit. Profits for FYE June 2023 showed a decline of 52% when compared to that for FYE June 2022, moving down from \$18.16 million to \$9.24 million year over year.

Earnings per share

Earnings per share (EPS) showed a decline for the FY June 2023, falling to \$0.02 from \$0.03 in the prior year.



Total Operating Expenses

Total operating expenses decreased by \$20.1 million, or 47%, to \$23.09 million for FYE June 2023, compared to \$43.2 million for FYE June 2022. This decrease was driven primarily by lower operational expenses, attributable to lower staff costs, rent, travelling and meeting expenses. This decrease resulted from management's intentional, efficient cost-containment strategies.



LET'S TALK MONEY

For more information visit our website at www.mfscapltd.com



MANAGEMENT DISCUSSION & ANALYSIS

	2023 \$	2022 \$
ASSETS		
Non-current assets		
Property, plant and equipment	1,825,687	2,672,088
	<u>1,825,687</u>	<u>2,672,088</u>
Current assets		
Inventories	-	26,146
Receivables	31,305,241	2,290,315
Due from related party	26,443,900	-
Taxation recoverable	3,932,005	4,755,175
Cash and short-term deposits	2,135,291	4,481,282
	<u>63,816,437</u>	<u>11,552,918</u>
TOTAL ASSETS	<u>65,642,124</u>	<u>14,225,006</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	111,880,297	111,880,297
Accumulated deficit	-138,699,712	-147,491,795
	<u>-26,819,415</u>	<u>-35,611,498</u>
Non-controlling interest	<u>-13,092,576</u>	<u>-13,043,433</u>
	<u>-39,911,991</u>	<u>-48,654,931</u>
Current liabilities		
Payables	56,095,124	55,746,571
Current portion of long-term loan	1,113,192	1,557,057
Due to related parties	47,072,380	5,000,000
Directors' account	697,110	-
Taxation payable	576,309	576,309
	<u>105,554,115</u>	<u>62,879,937</u>
TOTAL EQUITY AND LIABILITIES	65,642,124	14,225,006

MANAGEMENT DISCUSSION & ANALYSIS

Statement of Financial Position

The team at MFS Capital Partners is working assiduously on maintaining a positive trending equity position as opposed to the previous period. The Company's equity improved by 67% compared to that of the previous year, reporting a positive equity of \$2.1 million. This was primarily due to an operating profit of \$8.7 million for FYE June 2023, whereas for FYE June 2022 a net negative equity of \$6.3 million was recorded. The consolidation of the Group's two dormant subsidiaries resulted in a net negative position of \$26.8 million for FYE June 2023, down from \$35.6 million booked in FYE June 2022.

For the FYE June 2023, the Company had \$65.6 million in total assets, showing an increase of \$51.4 million. This represents a more than 400% increase over that of FYE June 2022.

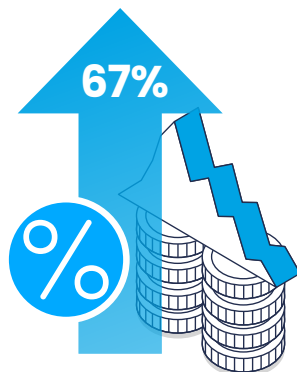
Total Liabilities

For the FYE June 2023, total liabilities amounted to \$105.5 million compared to \$62.8 million booked for FYE June 2022.

Shareholders' Equity

Total shareholders' equity improved to a negative \$26.8 million at the FYE June 2023, representing a 25% improvement over a net negative \$35.6 million booked for FYE June 2022.

COMPANY EQUITY IMPROVED BY

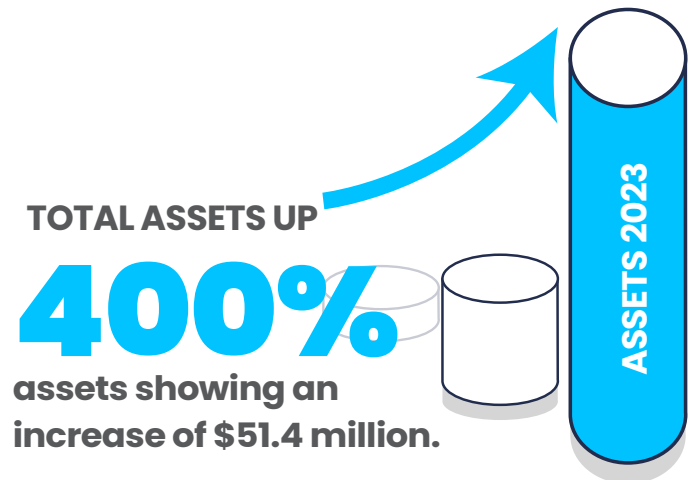


Strategy & Outlook

The strategy of MFS Capital Partners will shift to focus primarily on private equity and private credit deals in both local and international markets. The Group has sound governance and strong financial management expertise, which will underpin an improvement in the growth and profitability of the company.

The new ownership and management will target an initial capital raise of \$300 million to fund acquisitions and working capital. Furthermore, the company will assess viability of expanding its business into the investment banking and real estate sectors.

The Board of Directors of MFS Capital Partners, thanks you, our valued shareholders, our management and staff for the continued support and dedication.





MFS CAPITAL
PARTNERS

**RISK
MANAGEMENT
FRAMEWORK**



RISK MANAGEMENT POLICY

The goal of MFS Capital Partners in risk management is to ensure that it identifies, measures, and monitors the various risks that may arise in running the business operations. Moreover, management adheres strictly to the policies and procedures that are established to regulate these potential risks.

The Company has developed a risk management framework that will identify the major risks which may threaten the existence of its operations. Risk mitigation processes have been formulated and they clearly outline the policies and procedures to follow in all instances. Furthermore, the Company's Risk Management Policy (RMP) adopts best-practice measures to address any perceived or real conflicts of interest that may arise in the management and operation of the business.

Audit and Finance Committee

The Company's RMP is governed by the Audit and Finance Committee, which is a sub-committee of the Board. The RMP has been implemented alongside the Investment and Credit Policy. The Audit Committee will therefore be responsible for the overall investment and credit risk management of the Company (to

include risk assessment and monitoring). This Committee comprises three members, two of whom are independent directors, one being the Chairman of the Board. The Committee reviews and approves all major investment recommendations and decisions, as well as determines the terms and conditions that govern each investment.

Private Credit Risk Management

The Company will continue to be engaged in significant private credit investment activities in addition to its mergers and acquisitions activities. As such, the Company may be faced with a number of different risks associated with these investment activities, including credit risk, market risk, and liquidity risk.

1. Credit Risk:

Credit risk is one of a financial loss arising from a counter-party to a financial contract failing to discharge its obligations. The Company's credit risk is concentrated primarily in private credit investments, cash at bank balances, securities purchased under resale agreements, and other receivables. To mitigate credit risk, the Company will utilise several mechanisms/tools such as:

RISK MANAGEMENT POLICY

- (a) **Approval Process:** the Company only invests in Portfolio Companies, which the Investment Committee would have previously concluded to be a financially sound investment. Each investment goes through a due diligence and approval process to determine if it meets the Company's investment criteria.
- (b) **Concentration Limits:** The Company limits its investment exposure per position or individual Portfolio Company and per sector/industry, to help mitigate credit risk. Additionally, the Company limits the size of each individual transaction to reduce concentration risks.
- (c) **Decision-Making Process:** The company endeavours to separate investment decisions from deal origination. Investment decisions are ratified by the Audit and Finance Committee, which reviews each private credit transaction on its own merit or as a strategic transaction.
- (d) **Monitoring:** The company endeavours to separate investment decisions from deal origination. Investment decisions are ratified

by the Audit and Finance Committee, which reviews each private credit transaction on its own merit or as a strategic transaction.

- (e) **Delinquency and Recoveries Management:** Through its compliance unit, the Company has in place policies and procedures that guide recoveries management, some of which may be outsourced to third party contractors on a case-by-case basis.

2. Market Risk:

Market risk relates to the risk that the value or cash flows of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security or its issuer, or factors affecting all securities traded in the market.

Such risks arise from open positions in interest rates and currency products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices, such as foreign exchange and interest rates. The market risk arising from investment activities is reviewed and assessed by the Investment Committee.

RISK MANAGEMENT POLICY

The elements of market risk that affect the Company are as follows:

- (a) **Foreign Currency Risk:** Foreign currency risk relates to the fair value of, or future cash flows from, financial instruments that vary because of exchange rate fluctuations. The Company incurs foreign currency risk on transactions that are denominated in currencies other than the US dollar. The main currency giving rise to this risk is the Jamaican dollar.

To mitigate foreign currency risk, the Company:

- i. utilises a value-at-risk tool to monitor the impact of foreign exchange on its portfolio on an ongoing basis;
- ii. provide for a depreciation buffer into its non-US dollar investments with an annual return target threshold. This buffer may take the form of higher interest income or additional upside that is realised upon successfully exiting the investment, and
- iii. limits the amount of non-USD investment in Portfolio Companies.

- (b) **Interest Rate Risk:** Interest rate risk is the risk that the value or cash flows of a financial instrument will fluctuate due to changes in market interest rates. The

Company takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

To mitigate interest rate risk, the Company:

- i. monitors interest rates daily. Even though there are no formally predetermined gap limits, to the extent judged appropriate, the maturity profile of the financial assets is matched with that of the financial liabilities. Where gaps occur, management expects that its monitoring will, on a timely basis, identify the need to take quick action to close a gap, if it becomes necessary
- ii. invests primarily in instruments whose value is carried at amortised cost, thus minimising the impact of any movement in market interest rates on its portfolio; and
- iii. maintains an appropriate mix of investment instruments, as determined by market conditions.

3. Operational Risk:

Operational risk is the risk arising from the execution of the Company's business functions, particularly the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events such as:

- (a) Internal Fraud - misappropriation of assets, tax evasion, intentional mismarking of positions, and bribery;

RISK MANAGEMENT POLICY

- (b) External Fraud - theft of information, hacking damage, third-party theft, and forgery;
- (c) Business Practice - market manipulation, antitrust, fiduciary breaches;
- (d) Business Disruption and Systems Failures - utility disruptions, software failures, and hardware failures; and
- (e) Execution, Delivery, and Process Management - data entry errors, accounting errors, failed mandatory reporting, and negligent loss of client assets. Operational risk is mitigated by delegation of authority and operational procedures at different levels via the Investment Manager, and advisors or consultants, as necessary.

4. Liquidity Risk:

Liquidity risk may result from an inability to sell an asset quickly at, or close to, its fair value. The Company generally makes investments in private companies and financial instruments issued by private companies, which are otherwise less liquid than publicly traded securities. The illiquidity of these investments may make it difficult for the Company to sell or dispose of such investments in a timely manner

at, or close to, fair value, if the need arises. Furthermore, the Company faces liquidity risk in the form of funding risk. This risk also applies to the Company finding difficulty in raising funds to meet commitments associated with its operations. The Company will seek to mitigate liquidity risk primarily by:

- (a) not being subject to any externally imposed liquidity requirements; and
- (b) maintaining an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments.

The Board of Directors of the Company is ultimately responsible for the risk management policies of the Company.





MFS CAPITAL
PARTNERS

MFS CAPITAL PARTNERS LIMITED

WHISTLEBLOWER POLICY 2023



MFS CAPITAL PARTNERS LIMITED

WHISTLEBLOWER POLICY 2023



The Board of Directors of MFS Capital Partners endorses and has approved a **Whistleblower Policy**.

This policy is intended to encourage members of the Board, staff, and other stakeholders to report suspected or actual occurrence(s) of illegal, unethical, or inappropriate events (behaviours or practices) without retribution.

A whistleblower, as defined by this policy, is an employee of MFS Capital Partners who reports an activity that he/she considers to be illegal, unethical, or dishonest to one or more of the parties specified in this Policy. The whistleblower is not responsible for investigating the activity or for determining fault or corrective measures, but rather, appropriate management officials are charged with these responsibilities.

1. The whistleblower should promptly report the suspected or actual event to his or her compliance officer.
2. If the whistleblower is uncomfortable with this line of reporting, he/she may report the event to the Chief Executive Officer or the Company's General Counsel.
3. The whistleblower can report the event with his or her identity or anonymously.
4. The whistleblower shall receive no retaliation or retribution for a report that was provided in good faith; one that was not done primarily with malice to damage another person or the organisation.
5. The whistleblower must exercise sound judgment to avoid baseless allegations. An employee who intentionally files a false report of wrongdoing will be subject to discipline up to and including termination.

6. Anyone who retaliates against the whistleblower (who reported in good faith) will be subject to discipline, including termination of Board or employee status.
7. Crimes against person or property, such as assault, rape burglary etc. should be reported immediately to local law enforcement personnel.
8. Supervisors, managers and/or Board members who receive the reports must promptly act to investigate and/or resolve the issue.
9. The whistleblower shall receive a report within five business days of the initial report, regarding the investigation, deposition or resolution of the issue.
10. If the investigation of a report, that was done in good faith and investigated by internal personnel, is not to the whistleblower's satisfaction, then he/she has the right to report the event to the appropriate legal or investigative agency.
11. The identity of the Whistleblower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issues requires investigation by law enforcement, in which case members of the organization are subject to subpoena.

IN THE COMMUNITY

MFS Capital Partners values its role in the development of the communities within which we live and work. The Company continues to make an impact by engaging in targeted social development and outreach initiatives, including providing back to school support to students at the Tower Hill Basic School and donating cleaning and sanitising chemicals to the Sandhurst Early Childhood Centre. Additionally, the Company contributes to the infrastructure maintenance as well as various other student-centred activities throughout the school year.



Sandhurst Basic School Principal, Mrs Reid stands alongside MFS Capital Partners' COO, Robert Barnes as he donates a supply of cleaning and sanitising chemicals to the school. Sandhurst Basic School is located in Barbican, St Andrew.

Tower Hill Basic School



Left: MFS Capital Partners' CEO, Dino Hinds, engages with students at the Tower Hill Basic School during a give-back visit to the school in 2023.

Right: Students at the Tower Hill Basic School look on as they await an engagement activity with MFS Capital Partners' CEO, Dino Hinds



MFS CAPITAL
PARTNERS

(FORMERLY SSL VENTURE CAPITAL LIMITED)

**CONSOLIDATED FINANCIAL
STATEMENTS 30 JUNE 2023**

INDEPENDENT AUDITORS' REPORT

To the Members of
MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)

Report on the Audit of the Consolidated and Stand-Alone Financial Statements*Qualified Opinion*

We have audited the stand-alone financial statements of MFS Capital Partners Limited (formerly SSL Venture Capital Jamaica Limited) ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group") set out on pages 1 – 55 which comprise the separate and consolidated statement of financial position as at 30 June 2023, and the separate and consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the possible effects of matters described in the Basis for Qualified Opinion, the accompanying stand-alone and consolidated financial statements give a true and fair view of the financial position of the Company and the Group as at 30 June 2023 and its consolidated and stand-alone financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with the requirements of the Jamaican Companies Act.

Basis for Qualified Opinion

We draw attention to Note 2(c) in the financial statements which indicates that the Group and the Company as at 30 June 2023 has accumulated deficit of \$138,699,712 (2022: \$147,491,795) and \$109,757,038 (2022: \$118,230,325) respectively. Further, as at 30 June 2023, the Group's current liabilities exceeded its current assets by \$41,737,678 (2022: \$51,327,019). Continuation as a going concern, therefore, may be in doubt and is dependent on obtaining continued financial support. No adjustments have been made in the financial statements for any effects this might have on the carrying values of assets and liabilities as at the reporting date.

The Group and the Company remain dependent on their parent (MFS Acquisition Limited) for continued financial support.

ADVISORY • ASSURANCE • TAX

PARTNERS: Wayne Strachan; FCA; FCCA; MBA Emile Lafayette; FCA; FCCA; MBA Roxiana Malcolm-Tyrell; FCA; FCCA; MBA

Baker Tilly Strachan Lafayette trading as BakerTilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)
Page 2

Report on the Audit of the Consolidated and Stand-Alone Financial Statements (continued)*Basis for Qualified Opinion (continued)*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We 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 and the Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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 of the current period. Key audit matters are selected from the matters communicated with those charged with governance but are not intended to represent all matters that were discussed with them. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the *Basis for Qualified Opinion* section, we encountered no additional key audit matter for disclosure.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated and stand-alone financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated and stand-alone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and stand-alone 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 consolidated and stand-alone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)
Page 3

Report on the Audit of the Consolidated and Stand-Alone Financial Statements (continued)

Responsibilities of Management and the Board of Directors for the Consolidated and Stand- Alone Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act, and for such internal controls management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's and 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 Group and the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is responsible for overseeing the Group's and the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated and Stand-Alone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ❖ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)
Page 4

Report on the Audit of the Consolidated and Stand-Alone Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Consolidated and Stand-Alone Financial Statements (continued)

- ❖ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ❖ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- ❖ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.
- ❖ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)
Page 5

Report on the Audit of the Consolidated and Stand-Alone Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Consolidated and Stand-Alone Financial Statements (continued)

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the 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.

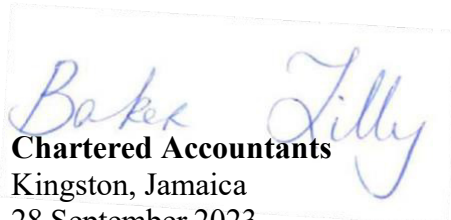
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstance, 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.

Report on other legal and other 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 the purpose of our audit.

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

The engagement partner on the audit resulting in this independent auditors' opinion is Emile Lafayette.




Chartered Accountants
Kingston, Jamaica
28 September 2023

MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)

Consolidated Statement of Financial Position
As at 30 June 2023

	Note	<u>2023</u>	<u>2022</u>
		\$	\$
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,825,687	2,672,088
Intangible assets	6	-	-
Goodwill	8	-	-
		<u>1,825,687</u>	<u>2,672,088</u>
Current assets			
Inventories	9	-	26,146
Receivables	10	31,305,241	2,290,315
Due from related party	11	26,443,900	-
Taxation recoverable		3,932,005	4,755,175
Cash and short-term deposits	12	2,135,291	4,481,282
		<u>63,816,437</u>	<u>11,552,918</u>
TOTAL ASSETS		<u>65,642,124</u>	<u>14,225,006</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	13	111,880,297	111,880,297
Accumulated deficit		<u>(138,699,712)</u>	<u>(147,491,795)</u>
		(26,819,415)	(35,611,498)
Non-controlling interest	14	<u>(13,092,576)</u>	<u>(13,043,433)</u>
		<u>(39,911,991)</u>	<u>(48,654,931)</u>
Current liabilities			
Payables	15	56,095,124	55,746,571
Current portion of long-term loan	16	1,113,192	1,557,057
Due to related parties	11	47,072,380	5,000,000
Directors' account	17	697,110	-
Taxation payable		576,309	576,309
		<u>105,554,115</u>	<u>62,879,937</u>
TOTAL EQUITY AND LIABILITIES		<u>65,642,124</u>	<u>14,225,006</u>

Approved for issue by the Board of Directors on 28 September 2023 and signed on its behalf by:



Clide Leopold Nesbeth Director



Dino Hinds Director

MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)

Consolidated Statement of Comprehensive Income
Year ended 30 June 2023

	Note	<u>2023</u>	<u>2022</u>
		\$	\$
Revenue	18	-	-
Other income	19	32,901,138	66,028,130
Operating and administrative expenses	20	(23,096,813)	(43,229,625)
Impairment losses on financial assets	3(a)	-	(3,498,232)
Operating profit	21	9,804,325	19,300,273
Finance costs, net	23	(238,215)	(1,131,160)
Profit before taxation		9,566,110	18,169,113
Taxation	24	(823,170)	-
Profit after taxation, being total comprehensive income		8,742,940	18,169,113
Net profit attributable to:			
Stockholders of the Company		8,792,083	12,838,525
Non-controlling interest		(49,143)	5,330,588
		8,742,940	18,169,113
Earnings per ordinary stock unit attributable to shareholders of the Company	25	0.02	0.03

MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)

Consolidated Statement of Changes in Equity
Year ended 30 June 2023

	Equity Attributable to Stockholders of the Company						Non-controlling Interest	Total Equity
	Number of Shares	Share Capital	Capital Reserves	Accumulated Deficit	Total			
		\$	\$	\$	\$	\$		
Balance at 1 July 2021	400,000,000	111,880,297	294,881	(160,625,201)	(48,450,023)	(18,374,021)	(66,824,044)	
Total comprehensive income	-	-	-	12,838,525	12,838,525	5,330,588	18,169,113	
Transfer from capital reserves	-	-	(294,881)	294,881	-	-	-	
Balance at 30 June 2022	400,000,000	111,880,297	-	(147,491,795)	(35,611,498)	(13,043,433)	(48,654,931)	
Total comprehensive income	-	-	-	8,792,083	8,792,083	(49,143)	8,742,940	
Balance at 30 June 2023	400,000,000	111,880,297	-	(138,699,712)	(26,819,415)	(13,092,576)	<u>(39,911,991)</u>	

MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)

Consolidated Statement of Cash Flows
Year ended 30 June 2023

	<u>2023</u>	<u>2022</u>
	\$	\$
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
Operating Activities		
Profit before taxation	9,566,110	18,169,113
Adjustments for:		
Amortisation	-	28,856
Impairment losses on financial assets	-	3,498,232
Depreciation	753,034	1,823,088
Foreign exchange losses	2,675	-
Losses on disposal of property, plant and equipment	340,102	2,056,894
Interest expense	253,245	1,132,523
Interest income	(17,705)	(1,363)
	<u>10,897,461</u>	<u>26,707,343</u>
Changes in operating assets and liabilities:		
Increase in receivables	(29,014,926)	(1,139,970)
Increase/(decrease) in payables	348,553	(5,374,858)
Decrease in inventories	26,146	71,007
Related party balances, net	15,628,480	10,120,500
Directors' accounts, net	697,110	750,000
Cash (used in)/provided by operating activities	<u>(1,417,176)</u>	<u>31,134,022</u>
Taxes recovered	-	66,688
Interest paid	(253,245)	(1,132,523)
Interest received	<u>17,705</u>	<u>1,363</u>
Net cash (used in)/provided by operating activities	<u>(1,652,716)</u>	<u>30,069,550</u>
Investing Activities		
Proceeds from disposal of property, plant and equipment	20,000	-
Purchase of property, plant and equipment	(266,735)	(200,390)
Net cash used in investing activities	<u>(246,735)</u>	<u>(200,390)</u>
Financing Activities		
Long term loans, net	(443,865)	(784,482)
Short term loans, net	-	(21,397,393)
Net cash used in financing activities	<u>(443,865)</u>	<u>(22,181,875)</u>

MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)

Consolidated Statement of Cash Flows
Year ended 30 June 2023

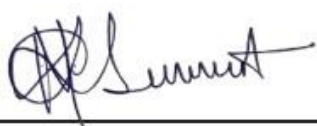
	<u>2023</u>	<u>2022</u>
	\$	\$
Net (decrease)/increase in cash and cash equivalents	(2,343,316)	7,687,285
Effect of exchange gains on cash and cash equivalents	(2,675)	-
Cash and cash equivalents at beginning of year	<u>4,481,282</u>	<u>(3,206,003)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>2,135,291</u></u>	<u><u>4,481,282</u></u>
Represented by:		
Cash and short-term deposits	<u><u>2,135,291</u></u>	<u><u>4,481,282</u></u>

MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)


Company Statement of Financial Position
As at 30 June 2023

	Note	<u>2023</u>	<u>2022</u>
		\$	\$
ASSETS			
Non-current assets			
Property, plant and equipment	5	628,718	864,472
Intangible assets	6	-	-
Investment in subsidiaries	7	-	-
		<u>628,718</u>	<u>864,472</u>
Current assets			
Receivables	10	31,305,241	2,290,314
Due from related party	11	26,443,900	-
Taxation recoverable		3,932,005	4,755,175
Cash and short-term deposits	12	2,135,291	4,481,282
		<u>63,816,437</u>	<u>11,526,771</u>
TOTAL ASSETS		<u><u>64,445,155</u></u>	<u><u>12,391,243</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	13	111,880,297	111,880,297
Accumulated deficit		<u>(109,757,038)</u>	<u>(118,230,325)</u>
		<u>2,123,259</u>	<u>(6,350,028)</u>
Current liabilities			
Payables	15	15,249,516	13,741,271
Due to related parties	11	47,072,380	5,000,000
		<u>62,321,896</u>	<u>18,741,271</u>
TOTAL EQUITY AND LIABILITIES		<u><u>64,445,155</u></u>	<u><u>12,391,243</u></u>

Approved for issue by the Board of Directors on 28 September 2023 and signed on its behalf by:



Clide Leopold Nesbeth Director



Dino Hinds Director

MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)

Company Statement of Comprehensive Income
Year ended 30 June 2023

	Note	<u>2023</u>	<u>2022</u>
		\$	\$
Revenue	18	-	-
Other income	19	30,265,796	40,990,218
Operating and administrative expenses	20	(20,984,369)	(32,265,539)
Impairment losses on financial assets	3(a)	-	(3,498,232)
Operating profit	21	<u>9,281,427</u>	<u>5,226,447</u>
Finance income, net	23	<u>15,030</u>	<u>1,363</u>
Profit before taxation		9,296,457	5,227,810
Taxation	24	<u>(823,170)</u>	<u>-</u>
Profit after taxation, being total comprehensive income		<u><u>8,473,287</u></u>	<u><u>5,227,810</u></u>

MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)

Company Statement of Changes in Equity
Year ended 30 June 2023

	Share Capital	Accumulated Deficit	Total
	\$	\$	\$
Balance at 1 July 2021	111,880,297	(123,458,135)	(11,577,838)
Total comprehensive income	-	5,227,810	5,227,810
Balance at 30 June 2022	111,880,297	(118,230,325)	(6,350,028)
Total comprehensive income	-	8,473,287	8,473,287
Balance at 30 June 2023	111,880,297	(109,757,038)	2,123,259

MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)

Company Statement of Cash Flows
Year ended 30 June 2023

	<u>2023</u>	<u>2022</u>
	\$	\$
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
Operating Activities		
Profit before taxation	9,296,457	5,227,810
Adjustments for:		
Amortisation and depreciation	142,387	154,922
Loss on disposal of property, plant and equipment	340,102	773,705
Foreign exchange losses	2,675	-
Impairment losses on financial assets	-	3,498,232
Interest income	<u>(17,705)</u>	<u>(1,363)</u>
	9,763,916	9,653,306
Changes in operating assets and liabilities:		
Increase in receivables	(29,014,927)	(3,513,930)
Increase in payables	1,508,245	7,130,308
Related parties, net	<u>15,628,480</u>	<u>10,120,500</u>
Cash (used in)/provided by operating activities	(2,114,286)	23,390,184
Interest received	<u>17,705</u>	<u>1,363</u>
Net cash (used in)/provided by operating activities	<u>(2,096,581)</u>	<u>23,391,547</u>
Investing Activities		
Proceeds from disposal of property, plant and equipment	20,000	-
Purchase of property, plant and equipment	<u>(266,735)</u>	<u>(200,386)</u>
Net cash used in investing activities	<u>(246,735)</u>	<u>(200,386)</u>
Financing Activity		
Short-term loans, net	<u>-</u>	<u>(19,258,328)</u>
Net cash used in financing activity	<u>-</u>	<u>(19,258,328)</u>
Net (decrease)/increase in cash and cash equivalents	(2,343,316)	3,932,833
Effect of exchange losses on cash and cash equivalents	(2,675)	-
Cash and cash equivalents at beginning of year	<u>4,481,282</u>	<u>548,449</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>2,135,291</u></u>	<u><u>4,481,282</u></u>
Represented by:		
Cash and cash equivalents	<u>2,135,291</u>	<u>4,481,282</u>

MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)

Notes to the Financial Statements
30 June 2023

1. Identification and principal activities

MFS Capital Partners Limited (“the Company”), is a limited liability company that was incorporated under the Companies Act of Jamaica on 24 November 2011. The Company is a subsidiary of MFS Acquisition Limited, which is also incorporated and domiciled in Jamaica, and which currently owns 53.52% of the issued shares of the Company. The registered office and principal place of business is located at Suite 2, 14 Canberra Crescent, Kingston 6. The Company has been listed on the Junior Market of the Jamaica Stock Exchange (JSE) since 29 May 2012.

In the prior year, the company was a subsidiary of Stock and Securities Limited, which held 79.08% of the Company’s issued shares. On 25 May 2022, MFS Acquisition Limited acquired the 79.08% stake previously held by Stock and Securities Limited. On 13 June 2022 an Extraordinary General Meeting was held whereby shareholders approved a name change for the Company, from SSL Venture Capital Jamaica Limited, to MFS Capital Partners Limited. This became effective on 3 August 2022.

The business model of the Company has changed somewhat. Whereas they used to specialise in investing in equity of start-ups, the company will now focus on more mature companies, that show great potential for significant growth and profits.

The Company’s subsidiaries, together with the Company are referred to as “the Group”; the subsidiaries are as follows:

<u>Date of Acquisition</u>	<u>Subsidiaries</u>	<u>Principal Activities</u>	<u>Proportion of issued share capital held by Company</u>
July 2, 2018	Bar Central Limited	Distribution and provision of branding services	75% (2022:75%)
July 20, 2018	Muse 360 Integrated Limited	Marketing and commercial solutions	51% (2022:51%)

All of the Company’s subsidiaries are incorporated and domiciled in Jamaica.

Bar Central Limited ceased operational activities as of December 31, 2019. Muse 360 Integrated Limited ceased operational activities as of August 31, 2019. Management has yet to decide on the future operation of Muse 360 Integrated Limited and Bar Central Limited.

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

MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)

Notes to the Financial Statements
30 June 2023

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for all the years presented. Where necessary, prior year comparatives have been restated and reclassified to conform to current year presentation.

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and their interpretations adopted by the International Accounting Standards Board and have been prepared under the historical cost convention, as modified by the valuation of certain items. They are also prepared in accordance with the provisions of the Jamaican Companies Act.

The financial statements comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes.

The preparation of financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the end of the reporting period and the total comprehensive income during the reporting period. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known. The areas involving a higher degree of judgement in complexity or areas where assumptions or estimates are significant to the financial statements are discussed in note 4.

MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)

Notes to the Financial Statements
30 June 2023

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards effective in the current year that are relevant to the Group's operations

New standards impacting the company that have been adopted in the annual financial statements for the year ended 30 June 2023, and which have given rise to changes in the company's accounting policies are:

Reference to the Conceptual Framework – Amendments to IFRS 3 (effective for annual periods beginning on or after 1 January 2022). In March 2018, the IASB issued the 2018 Conceptual Framework and most references to the Framework included in IFRS were updated to the 2018 Framework at that time. However, paragraph 11 of IFRS 3 Business Combinations, which continued to refer to the 1989 Framework, was not updated as this could have caused conflicts for entities applying IFRS 3. IASB identified three possible amendments to IFRS 3 that would update IFRS 3 without significantly changing its requirements. The changes in Reference to the Conceptual Framework (Amendments to IFRS 3):

- update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework;
- add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and
- add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)

Notes to the Financial Statements
30 June 2023

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards effective in the current year that are relevant to the Group's operations (continued)

Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16) (effective for annual periods beginning on or after 1 January 2022) amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Annual Improvements to IFRS Standards 2018–2020 are effective for annual reporting periods beginning on or after 1 January 2022. The amendments include minor changes to the following applicable standards: -

- IFRS 9 'Financial Instruments' - Fees in the '10 per cent' test for derecognition of financial liabilities. The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

Adoption of these revised standards did not have any effect on the financial performance or position of the Group.

MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)

Notes to the Financial Statements
30 June 2023

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards that are not yet effective and have not been early adopted by the Group

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 Group has not early adopted. The Group has assessed the relevance of all such new standards, interpretations and amendments and has determined that the following may be relevant to its operations. Unless stated otherwise, the impact of the changes is still being assessed by management.

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.

Amendments to IAS 1, Presentation of financial statements on classification of liabilities, (effective for annual periods beginning on or after 1 January 2023). 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 amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a material impact on the operations of the Group.

MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)

Notes to the Financial Statements
30 June 2023

2. Summary of significant accounting policies (continued)

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2023. A subsidiary is an entity controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee, if and only if, the Group has:

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

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

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

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)

Notes to the Financial Statements
30 June 2023

2. Summary of significant accounting policies (continued)

(c) Going concern

The preparation of the financial statements in accordance with IFRS assumes that the Group will continue in business for the foreseeable future. This means, in part, that the statement of financial position and the statement of comprehensive income assume no intention or necessity to liquidate or curtail the scale of operations. This is commonly referred to as the going concern basis.

The Group and the Company as at 30 June 2023 has accumulated deficit of \$138,699,712 (2022: \$147,491,795) and \$109,757,038 (2022: \$118,230,325) respectively. Further, as at 30 June 2023, the Group's current liabilities exceeded its current assets by \$41,737,678 (2022: \$51,327,019). This indicates the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

The parent Company - MFS Acquisition Limited has demonstrated its intent to continue to provide financial support to the Group and the Company for the foreseeable future.

(d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)

Notes to the Financial Statements
30 June 2023

2. Summary of significant accounting policies (continued)

(e) Property, plant and equipment

(i) Owned assets:

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

The cost of replacing part of an item of plant and equipment is recognized in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the business and its cost can be measured reliably. The costs of day-to-day servicing of plant and equipment are recognized in profit or loss as incurred.

(ii) Depreciation

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

Computer equipment	25%
Furniture and fixtures	10%
Leasehold improvements	10%
Motor vehicles	20%
Office equipment	10%

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the statement of comprehensive income.

Repairs and maintenances are charged to the statement of comprehensive income during the financial period in which they are incurred.

MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)

Notes to the Financial Statements
30 June 2023

2. Summary of significant accounting policies (continued)

(f) Financial Instruments

Classification

The Group and Company classify its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in OCI or in profit or loss. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group and Company reclassify debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and Company commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group and Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)

Notes to the Financial Statements
30 June 2023

2. Summary of significant accounting policies (continued)

(f) Financial Instruments (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and Company classify its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Impairment

The Group and Company assess on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)

Notes to the Financial Statements
30 June 2023

2. Summary of significant accounting policies (continued)

(g) Intangible assets

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

(h) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash flows (cash-generating units).

(i) Inventories

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

(j) Receivables

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

Under the simplified approach within IFRS 9, the impairment provision is assessed using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within operating profit in the consolidated and stand-alone statement of comprehensive income. On confirmation that the trade receivables will not be collectable, the gross carrying value of the asset is written off against the associated provision.

MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)

Notes to the Financial Statements
30 June 2023

2. Summary of significant accounting policies (continued)

(k) Cash and cash equivalents

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

(l) Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(m) Interest bearing loans and borrowings

Borrowings are stated initially at cost, being the fair value of the consideration received, net of issue costs associated with the borrowings. Borrowings are subsequently stated at amortised cost using the effective yield method. Any difference between proceeds and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings.

(n) Payables

Payables, including provisions, are stated at their nominal value. A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money, and where appropriate, the risk specific to the liability.

MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)

Notes to the Financial Statements
30 June 2023

2. Summary of significant accounting policies (continued)

(o) Fair value of financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. Financial assets carried on the statement of financial position include cash and cash equivalents, due from related parties, directors' accounts and receivables. Financial liabilities consist of payables, long term loans, directors' accounts, and short term loans due to related parties.

Generally financial instruments are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments. The particular recognition methods adopted are disclosed in the respective accounting policies associated with each item.

The fair values of the financial instruments are discussed in Note 3(d).

(p) Related party transactions

Related parties:

A party is related to the Group, if:

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

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

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30 June 2023

2. Summary of significant accounting policies (continued)

(q) Revenue recognition

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

i) Sales of goods

Sales of goods are recognised upon the delivery of goods and acceptance or performance of services.

ii) Interest income

Interest income is recognised in the statement of comprehensive income for all interest-bearing instruments on an accrual basis using the effective yield method based on the actual purchase price.

(r) Taxation

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

(i) Current taxation

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

(ii) Deferred income taxes

Deferred tax liabilities are recognised 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 recognised 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 utilised.

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

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

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Notes to the Financial Statements
30 June 2023

2. Summary of significant accounting policies (continued)

(s) Foreign currency translation

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

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Notes to the Financial Statements
30 June 2023

3. Financial risk management

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

The Group's risk management policies are designed to identify and analyse 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 Group regularly reviews its risk management policies and systems to reflect changes in markets, products, and emerging best practice.

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

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as outstanding receivables from credit sales.

Risk management

Management has established a credit policy under which each new customer is analysed individually for credit worthiness before the Group's standard payment and delivery terms and conditions are offered.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by management.

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Notes to the Financial Statements
30 June 2023

3. Financial risk management (continued)

(a) Credit risk (continued)

Risk management (continued)

Management determines concentrations of credit risk by monitoring the credit-worthiness rating of existing customers and through a monthly review of the trade receivables ageing analysis. In monitoring the customers' credit risk, customers are Grouped according to their credit characteristics. Customers that are graded as "high risk" are placed on a restricted customer list, and future credit sales are made only with approval.

Security

The Group does not hold any collateral as security.

Impairment of financial assets

The Group has two types of financial assets that are subject to the expected credit loss model:

- trade receivables
- other receivables

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure expected credit losses on a collective basis, trade receivables are Grouped based on similar credit risk and ageing.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2023 or 30 June 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group and Company have identified the GDP, inflation, and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

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Notes to the Financial Statements
30 June 2023

3. Financial risk management (continued)

(a) Credit risk (continued)

On that basis, the loss allowance as at 30 June 2023 and 30 June 2022 was determined as follows for trade receivables:

The Group:

30 June 2023	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	0%	0%	0%	100%	100%
Gross carrying amount – trade receivables	-	-	-	3,542,726	3,542,726
Loss allowance	-	-	-	3,542,726	3,542,726

30 June 2022	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	0%	0%	0%	100%	100%
Gross carrying amount – trade receivables	-	-	-	3,542,726	3,542,726
Loss allowance	-	-	-	3,542,726	3,542,726

The closing loss allowances for trade receivables as at 30 June 2023 and 30 June 2022 reconcile to the opening loss allowances as follows:

	<u>Trade receivables</u>	<u>Trade receivables</u>
	2023	2022
	\$	\$
Balance at beginning and end of year	<u>3,542,726</u>	<u>3,542,726</u>

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and Company, and a failure to make contractual payments for a period of greater than 90 days past due.

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Notes to the Financial Statements
30 June 2023

3. Financial risk management (continued)

(a) Credit risk (continued)

The closing loss allowances for other receivables as at 30 June 2023 and 30 June 2022 reconcile to the opening loss allowances as follows:

	<u>Other receivables</u> 2023 \$	<u>Other receivables</u> 2022 \$
Opening loss allowance as at 1 July	22,173,644	18,675,412
Increase in loss allowance recognised in profit or loss during the year	-	<u>3,498,232</u>
Closing balance at end of year	<u>22,173,644</u>	<u>22,173,644</u>

As at 30 June 2023 other receivables had lifetime expected credit losses of \$22,173,644 (2022: \$22,173,644).

The Group:

The closing loss allowances for trade and other receivables as at 30 June 2023 and 30 June 2022 are as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u> \$	<u>2022</u> \$	<u>2023</u> \$	<u>2022</u> \$
Closing balance at end of year				
Trade receivables	3,542,726	3,542,726	-	-
Other receivables	<u>22,173,644</u>	<u>22,173,644</u>	<u>22,173,644</u>	<u>22,173,644</u>
Total loss allowances on financial assets	<u>25,716,370</u>	<u>25,716,370</u>	<u>22,173,644</u>	<u>22,173,644</u>

Net impairment losses on financial assets recognised in profit or loss

During the year, the following reversal/(losses) were recognised in profit or loss in relation to impaired financial assets:

	<u>2023</u> \$	<u>2022</u> \$
Impairment losses		
Movement in loss allowance for other receivables	-	<u>(3,498,232)</u>
Net impairment losses on financial assets	<u>-</u>	<u>(3,498,232)</u>

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Notes to the Financial Statements
30 June 2023

3. Financial risk management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Group 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 at, or close to, their fair value.

Liquidity risk management process

The Group's liquidity management process includes:

- (i) Monitoring future cash flows and liquidity on a daily basis;
- (ii) Maintaining marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- (iii) Maintaining a committed line of credit;
- (iv) Optimising cash returns on investment.

Undiscounted cash flows of financial liabilities

The maturity profile of the Group's financial liabilities at year end on contractual undiscounted payments was as follows:

The Group:	1 to 3 months	3 to 12 months	1 to 5 Years 2023	Contractual cashflows	Carrying amount
	\$	\$	\$	\$	\$
Long term loan	197,194	1,049,581	-	1,246,775	1,113,192
Payables	56,095,124	-	-	56,095,124	56,095,124
Directors' account	697,110	-	-	697,110	697,110
Due to related parties	-	47,072,380	-	47,072,380	47,072,380
	56,989,428	48,121,961		105,111,389	104,977,806
	2022				
Long term loan	197,194	1,574,515	-	1,771,709	1,557,057
Payables	55,746,571	-	-	55,746,571	55,746,571
Due to related parties	-	5,000,000	-	5,000,000	5,000,000
	55,943,765	6,574,515		62,518,280	62,303,628

Assets available to meet all of the liabilities and to cover financial liabilities include cash at bank and in hand and guarantee from the parent Company.

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Notes to the Financial Statements
30 June 2023

3. Financial risk management (continued)p

(b) Liquidity risk (continued)

Undiscounted cash flows of financial liabilities (continued)

The maturity profile of the Company's financial liabilities at year end on contractual undiscounted payments was as follows:

The Company:	1 to 3 months	3 to 12 months	1 to 5 Years 2023	Contractual cashflows	Carrying amount
	\$	\$	\$	\$	\$
Payables	15,249,516	-	-	15,249,516	15,249,516
Due to related parties	-	47,072,380	-	47,072,380	47,072,380
	<u>15,826,658</u>	<u>47,072,380</u>	<u>-</u>	<u>62,321,896</u>	<u>62,321,896</u>
	2022				
	\$	\$	\$	\$	\$
Payables	13,741,271	-	-	13,741,271	13,741,271
Due to related parties	-	5,000,000	-	5,000,000	5,000,000
	<u>13,741,271</u>	<u>5,000,000</u>	<u>-</u>	<u>18,741,271</u>	<u>18,741,271</u>

Assets available to meet all of the liabilities and to cover financial liabilities include cash at bank and in hand and guarantee from the parent Company.

(c) Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in interest rates (see 3(c)(ii)) and foreign currency exchange rates (see 3(c)(i)). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Market risk exposures are measured using sensitivity analysis. There has been no significant change in exposure to market risks or the manner in which the Group manages and measures the risk.

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Notes to the Financial Statements
30 June 2023

3. Financial risk management (continued)

(c) Market risk (continued)

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign exchange risk arising from currency exposure primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The Group is primarily exposed to such risks arising from foreign currency translation in relation to cash at bank and in hand, payables, and short-term loans.

The statement of financial position at 30 June 2023 includes net foreign assets of approximately \$410,668 (2022: \$691,055) for the Group and net foreign assets of \$410,668 (2022: liabilities - \$634,822) for the Company, in respect of transactions arising in the ordinary course of business.

The following tables indicate the currency to which the Group and the Company had significant exposure on its monetary assets and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in the foreign exchange rate. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for changes in foreign currency rates as indicated in the table below. The sensitivity of the surplus was as a result of foreign exchange gains/losses on translation of US dollar denominated financial instruments. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in each variable, variables had to be on an individual basis. It should be noted that movements in these variables are non-linear.

	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
	\$	\$	\$	\$
	Effect on Profit and loss and equity			
	Revaluation	Devaluation	Revaluation	Devaluation
	1%	4%	1%	4%
The Group				
Currency:				
JMD	(4,107)	16,427	(6,911)	27,642
The Company				
Currency:				
JMD	(4,107)	16,427	6,348	(25,393)

MFS Capital Partners Limited
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Notes to the Financial Statements
30 June 2023

3. Financial risk management (continued)

(c) Market risk (continued)

(ii) 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 Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The Group's interest rate risk mainly arises from cash and cash equivalents and long-term loans. This risk is managed by analysing the economic environment and obtaining fixed rate loans when interest rates are expected to rise and floating rate loans when interest rates are expected to fall. It also manages the maturities of interest-bearing financial assets and interest-bearing financial liabilities. At 30 June 2023, the Group had no significant exposure to variable rate interest rate risk.

(d) Fair value estimates

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognised stock exchange) exists as it is the best evidence of the fair value of a financial instrument.

The amount included in the financial statements for cash and short-term deposits, receivables, and payables reflects their approximate fair values because of the short-term maturity of these instruments.

The fair value of long-term loans approximates amortised costs.

The fair values of directors' account and due from/(to) related companies could not be reasonably assessed as there are no set repayment terms.

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Notes to the Financial Statements
30 June 2023

4. Critical accounting estimates and judgments in applying accounting policies

The Group and Company make estimates, assumptions, and judgements that affect the reported amounts of, and disclosures relating to, assets, liabilities, income, and expenses reported in these financial statements. Amounts and disclosures based on these estimates, assumptions, and judgements may be different from actual outcomes, and these differences may be reported in the financial statements of the next financial year. Estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and are continually evaluated.

(i) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and Company's history, existing market conditions, as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the Credit risk note.

(ii) Income taxes

Estimates and judgements are required in determining the provision for income taxes. The tax liability or asset arising from certain transactions or events may be uncertain in the ordinary course of business. In cases of such uncertainty, the Group and Company recognise liabilities for possible additional taxes based on its judgement. Where, on the basis of a subsequent determination, the final tax outcome in relation to such matters is different from the amount that was initially recognised, the difference will impact the current and deferred income tax provisions in the period in which such determination is made.

(iii) Depreciable assets

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Group and Company apply a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

(iv) Recognition and measurement of intangible assets

The recognition and measurement of intangible assets, other than goodwill, in a business combination, involve the utilisation of valuation techniques. These intangibles may be market related, consumer related, contract based, or technology based. For significant amounts of intangibles arising from a business combination, the Group and Company have utilised independent professional advisors to assist management in determining the recognition and measurement of these assets.

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Notes to the Financial Statements
30 June 2023

4. Critical accounting estimates and judgments in applying accounting policies (continued)

(v) Valuation of financial instruments

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group and Company determine fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premium used in estimating discount rates.

Considerable judgment is required in interpreting market data to arrive at estimates of fair values. Consequently, the estimates arrived at may be significantly different from the actual price of the instrument in an arm's length transaction.

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Notes to the Financial Statements
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5. Property, plant and equipment

The Group:

	Leasehold Improvements	Computer Equipment	Furniture & Fixtures	Office Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
Cost -						
1 July 2021	266,960	4,470,145	2,520,085	1,475,866	2,023,852	10,756,908
Additions	-	168,893	-	31,497	-	200,390
Disposals	-	(1,870,164)	(1,073,505)	(693,268)	(1,000,000)	(4,636,937)
30 June 2022	266,960	2,768,874	1,446,580	814,095	1,023,852	6,320,361
Additions	-	171,735	-	95,000	-	266,735
Disposals	(188,960)	-	-	(270,309)	-	(459,269)
30 June 2023	78,000	2,940,609	1,446,580	638,786	1,023,852	6,127,827
Depreciation -						
1 July 2021	52,648	2,291,205	554,889	341,444	1,165,042	4,405,228
Charge for the year	26,696	842,016	160,733	77,980	715,663	1,823,088
Relieved on disposals	-	(1,058,011)	(413,115)	(252,064)	(856,853)	(2,580,043)
30 June 2022	79,344	2,075,210	302,507	167,360	1,023,852	3,648,273
Charge for the year	12,524	510,662	160,731	69,117	-	753,034
Relieved on disposals	(60,667)	-	-	(38,500)	-	(99,167)
30 June 2023	31,201	2,585,872	463,238	197,977	1,023,852	4,302,140
Net book value -						
30 June 2023	46,799	354,737	983,342	440,809	-	1,825,687
30 June 2022	187,616	693,664	1,144,073	646,735	-	2,672,088

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Notes to the Financial Statements
30 June 2023

5. Property, plant and equipment (continued)

The Company:

	Computer Equipment	Office Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$
Cost -				
1 July 2021	865,581	1,057,733	266,960	2,190,274
Additions	168,889	31,497	-	200,386
Disposals	(948,911)	(275,136)	-	(1,224,047)
30 June 2022	85,559	814,094	266,960	1,166,613
Additions	171,735	95,000	-	266,735
Disposals	-	(270,309)	(188,960)	(459,269)
30 June 2023	257,294	638,785	78,000	974,079
Depreciation -				
1 July 2021	289,644	284,125	52,648	626,417
Charge for the year	21,390	77,980	26,696	126,066
Relieved on disposals	(255,597)	(194,745)	-	(450,342)
30 June 2022	55,437	167,360	79,344	302,141
Charge for the year	60,746	69,117	12,524	142,387
Relieved on disposals	-	(38,500)	(60,667)	(99,167)
30 June 2023	116,183	197,977	31,201	345,361
Net book value -				
30 June 2023	141,111	440,808	46,799	628,718
30 June 2022	30,122	646,734	187,616	864,472

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Notes to the Financial Statements
30 June 2023

6. Intangible assets

The Group:

	Computer Software	Total
	\$	\$
Cost -		
1 July 2021	2,219,403	2,219,403
Additions	-	-
30 June 2022 and 2023	<u>2,219,403</u>	<u>2,219,403</u>
Amortisation -		
1 July 2021	2,190,547	2,190,547
Charge for year	<u>28,856</u>	<u>28,856</u>
30 June 2022 and 2023	<u>2,219,403</u>	<u>2,219,403</u>
Net book value		
30 June 2023	<u>-</u>	<u>-</u>
30 June 2022	<u>-</u>	<u>-</u>

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Notes to the Financial Statements
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6. Intangible assets (continued)

The Company:

	Computer Software	Total
	\$	\$
Cost -		
1 July 2021	2,404,184	2,404,184
Additions	-	-
30 June 2022 and 2023	<u>2,404,184</u>	<u>2,404,184</u>
Amortisation -		
1 July 2021	2,375,328	2,375,328
Charge for the year	28,856	28,856
30 June 2022 and 2023	<u>2,404,184</u>	<u>2,404,184</u>
Net book value -		
30 June 2023	<u>-</u>	<u>-</u>
30 June 2022	<u>-</u>	<u>-</u>

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Notes to the Financial Statements
30 June 2023

7. Investments in subsidiaries

The Company

		<u>2023</u>	<u>2022</u>
		\$	\$
Investments at cost:			
Muse 360 Integrated Limited	(a)	26,368,577	26,368,577
Bar Central Limited	(b)	<u>5,997,000</u>	<u>5,997,000</u>
		32,365,577	32,365,577
Less: Impairment of investment in subsidiaries		<u>(32,365,577)</u>	<u>(32,365,577)</u>
		<u>=====</u>	<u>=====</u>

- (a) Effective 20 July 2018, the Company acquired 51% of the issued share capital of Muse 360 Integrated Limited (MUSE). The principal activities of MUSE are marketing and commercial solutions.
- (b) Effective 2 July 2018, the Company acquired 75% of the issued share capital of Bar Central Limited. The principal activities of Bar Central Limited are distribution and provision of branding services.

During the year 2021, investments in subsidiaries were tested for impairment. It was assessed by management that the investments were impaired and as a result a provision has been made. As indicated in Note 1, both subsidiaries have ceased operational activities since 2019 and management has yet to decide on their future operations.

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Notes to the Financial Statements
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8. Goodwill

The Group

	Muse 360	Bar	
	Integrated Limited	Central Limited	Total
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Goodwill:			
Balance as at 1 July 2021, 30 June 2022 and 2023	24,106,398	29,706,259	53,812,657
Less: Impairment provision as at 1 July 2021, 30 June 2022 and 2023	<u>(24,106,398)</u>	<u>(29,706,259)</u>	<u>(53,812,657)</u>
Closing balance as at 30 June 2022 and 2023	<u>-</u>	<u>-</u>	<u>-</u>

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Notes to the Financial Statements
30 June 2023

9. Inventories

	<u>The Group</u>	
	<u>2023</u>	<u>2022</u>
	\$	\$
Liquor	-	-
Beverages	-	<u>26,146</u>
	<u>-</u>	<u>26,146</u>

For the years ended 30 June 2023 and 2022 there were no provisions for obsolescence.

10. Receivables

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$	\$	\$	\$
Trade	3,542,726	3,542,726	-	-
Other	<u>53,478,885</u>	<u>24,463,959</u>	<u>53,478,885</u>	<u>24,463,958</u>
	57,021,611	28,006,685	53,478,885	24,463,958
Less: Impairment losses on financial assets (Note 3(a))	<u>(25,716,370)</u>	<u>(25,716,370)</u>	<u>(22,173,644)</u>	<u>(22,173,644)</u>
	<u>31,305,241</u>	<u>2,290,315</u>	<u>31,305,241</u>	<u>2,290,314</u>

MFS Capital Partners Limited
(formerly SSL Venture Capital Jamaica Limited)

Notes to the Financial Statements
30 June 2023

11. Due from/(to) related parties

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$	\$	\$	\$
Due from:-				
Micro-Finance Solution Limited	24,240,000	-	2,240,000	-
MFS Acquisition Limited	<u>2,203,900</u>	<u>-</u>	<u>2,203,900</u>	<u>-</u>
	<u>26,443,900</u>	<u>-</u>	<u>26,443,900</u>	<u>-</u>
Due to:-				
MFS Group Limited	<u>47,072,380</u>	<u>5,000,000</u>	<u>47,072,380</u>	<u>5,000,000</u>
	<u>(20,628,480)</u>	<u>(5,000,000)</u>	<u>(20,628,480)</u>	<u>(5,000,000)</u>

These companies are related by common shareholders and directors. The balances are unsecured and have no fixed payment/repayment terms.

12. Cash and short-term deposit

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$	\$	\$	\$
Cash at bank	2,135,291	4,461,282	2,135,291	4,461,282
Cash in hand	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
	<u>2,135,291</u>	<u>4,481,282</u>	<u>2,135,291</u>	<u>4,481,282</u>

Cash at bank substantially comprises savings and operating accounts at licensed commercial banks in Jamaica. The rate of interest earned on the Group's and Company's savings accounts range from 0.05% - 0.07% for accounts that are denominated in US dollars, and 0.35% for those denominated in Jamaican dollars.

MFS Capital Partners Limited
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Notes to the Financial Statements
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13. Share capital

	<u>2023</u>	<u>2022</u>
	No. of shares	No. of shares
Authorised-		
Ordinary shares of no-par value	1,000,000,000	1,000,000,000
	<u>2023</u>	<u>2022</u>
	\$	\$
Issued and fully paid:		
400,000,000 Ordinary shares of no par value	111,880,297	111,880,297

14. Non-controlling interest

	<u>The Group</u>	
	<u>2023</u>	<u>2022</u>
	\$	\$
Balance at beginning of year	(13,043,433)	(18,374,021)
Share of (loss)/profit for the year	(49,143)	5,330,588
Balance at end of year	(13,092,576)	(13,043,433)

MFS Capital Partners Limited
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Notes to the Financial Statements
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15. Payables

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$	\$	\$	\$
Trade payables	7,796,523	7,602,573	193,950	-
Accrued charges	16,572,952	15,547,068	6,751,120	4,552,228
Payroll liabilities	21,101,298	21,295,413	8,304,446	8,498,561
Other	<u>10,624,351</u>	<u>11,301,517</u>	<u>-</u>	<u>690,482</u>
	<u>56,095,124</u>	<u>55,746,571</u>	<u>15,249,516</u>	<u>13,741,271</u>

16. Long-term loan

	<u>The Group</u>	
	<u>2023</u>	<u>2022</u>
	\$	\$
Simpson Finance Jamaica Limited	1,113,192	1,557,057
Less: Current portion	<u>(1,113,192)</u>	<u>(1,557,057)</u>
	<u>-</u>	<u>-</u>

This loan, which was received in November 2017, restructured in May 2020, attracts interest at 8.98% per annum and is repayable in 60 monthly instalments.

The loan is substantially secured by a Bill of Sale over a 2014 Suzuki APV motor van.

17. Directors' account

This balance, which relates to amounts owed the Directors, is unsecured, interest free and has no fixed repayment terms.

MFS Capital Partners Limited
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Notes to the Financial Statements
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18. Revenue

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

During the year ended 30 June 2023, no revenue was generated by the Group.

19. Other income

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$	\$	\$	\$
Gain on financing of receivables	16,310,000	-	16,310,000	-
Consulting fees	6,000,000	-	6,000,000	-
Loans and borrowings write-offs	-	14,137,828	-	14,137,828
Related party balances write-offs	5,000,000	-	5,000,000	-
Payables write-offs	2,635,342	51,890,302	-	26,852,390
Other	<u>2,955,796</u>	<u>-</u>	<u>2,955,796</u>	<u>-</u>
	<u>32,901,138</u>	<u>66,028,130</u>	<u>30,265,796</u>	<u>40,990,218</u>

MFS Capital Partners Limited
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Notes to the Financial Statements
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20. Expenses by nature

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$	\$	\$	\$
Advertising and promotions	428,230	-	428,230	-
Accounting fee	1,060,000	-	1,060,000	-
Audit fee	3,280,998	3,049,245	1,805,348	1,707,745
Bank charges	52,512	484,456	52,512	109,805
Company secretary	320,010	305,000	320,010	305,000
Depreciation and amortisation	753,034	1,851,944	142,387	154,922
Directors' fees	2,095,000	75,000	2,095,000	75,000
Donations	-	17,603	-	17,603
Dues and subscriptions	224,223	502,967	224,223	502,967
Legal and professional fees	50,000	2,419,198	50,000	2,419,198
Loss on disposal of property, plant and equipment	340,102	2,056,894	340,102	773,705
Management remuneration	1,100,000	-	1,100,000	-
Motor vehicle expenses	-	762,674	-	762,674
Office expenses	1,169,550	436,270	1,169,550	352,720
Other expense	3,672,479	7,346,827	3,646,332	2,800,928
Printing and reproduction	27,817	105,118	27,817	105,118
Staff costs (Note 22)	4,621,404	14,984,228	4,621,404	14,925,829
Rent	962,685	3,869,591	962,685	2,309,591
Registration fees	2,151,237	1,941,223	2,151,237	1,941,223
Repairs and maintenance	28,000	122,742	28,000	122,741
Travelling and meetings	643,478	2,400,000	643,478	2,400,000
Utilities	116,054	498,645	116,054	478,770
	<u>23,096,813</u>	<u>43,229,625</u>	<u>20,984,369</u>	<u>32,265,539</u>
Impairment losses on financial assets	-	3,498,232	-	3,498,232
Finance costs/(income), net (Note 23)	<u>238,215</u>	<u>1,131,160</u>	<u>(15,030)</u>	<u>(1,363)</u>
	<u><u>23,335,028</u></u>	<u><u>47,859,017</u></u>	<u><u>20,969,340</u></u>	<u><u>35,762,408</u></u>

MFS Capital Partners Limited
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Notes to the Financial Statements
30 June 2023

21. Operating profit

In arriving at the operating profit, the following have been charged/(credited): -

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$	\$	\$	\$
Auditors' remuneration	3,280,998	3,049,245	1,805,348	1,707,745
Impairment losses on financial assets	-	3,498,232	-	3,498,232
Losses on disposal of property, plant and equipment	340,102	2,056,894	340,102	773,705
Depreciation and amortization	753,034	1,851,944	142,387	154,922
Directors' emoluments:				
- Fee	2,095,000	75,000	2,095,000	75,000
- Management remuneration	1,100,000	-	1,100,000	-
Staff costs (Note 22)	<u>4,621,404</u>	<u>14,984,228</u>	<u>4,621,404</u>	<u>14,925,829</u>

22. Staff costs

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$	\$	\$	\$
Wages and salaries	4,167,048	13,583,783	4,167,048	13,525,384
Statutory contributions	<u>454,356</u>	<u>1,400,445</u>	<u>454,356</u>	<u>1,400,445</u>
	<u>4,621,404</u>	<u>14,984,228</u>	<u>4,621,404</u>	<u>14,925,829</u>

MFS Capital Partners Limited
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Notes to the Financial Statements
30 June 2023

23. Finance costs/(income), net

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$	\$	\$	\$
Interest income	<u>(17,705)</u>	<u>(1,363)</u>	<u>(17,705)</u>	<u>(1,363)</u>
	<u>(17,705)</u>	<u>(1,363)</u>	<u>(17,705)</u>	<u>(1,363)</u>
Interest expense	253,245	1,132,523	-	-
Foreign exchange losses	<u>2,675</u>	<u>-</u>	<u>2,675</u>	<u>-</u>
	<u>255,920</u>	<u>1,132,523</u>	<u>2,675</u>	<u>-</u>
	<u>238,215</u>	<u>1,131,160</u>	<u>(15,030)</u>	<u>(1,363)</u>

MFS Capital Partners Limited
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Notes to the Financial Statements
30 June 2023

24. Taxation

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

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$	\$	\$	\$
Income tax at 25%	<u>823,170</u>	—	<u>823,170</u>	—
	<u>823,170</u>	—	<u>823,170</u>	—

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

Subject to agreement with the Commissioner General, Tax Administration Jamaica, the Group and the Company have tax losses of approximately \$282,431,814 (2022: \$282,266,701) and \$163,994,572 (2022: 167,287,250) respectively that can be carried forward indefinitely; however, the amount that can be utilised in any one year is restricted to 50% of the current year's taxable profits.

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

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$	\$	\$	\$
Profit before taxation	<u>9,566,110</u>	<u>18,169,113</u>	<u>9,296,457</u>	<u>5,227,810</u>
Tax calculated at the appropriate rate	2,391,528	4,542,278	2,324,114	1,306,953
Adjusted for the effects of: -				
Expenses not allowed for tax purposes	585,026	3,308,355	585,026	836,457
Other charges and allowances	<u>(2,153,384)</u>	<u>(7,850,633)</u>	<u>(2,085,970)</u>	<u>(2,143,410)</u>
	<u>823,170</u>	—	<u>823,170</u>	—

Deferred tax asset of approximately \$70,607,954 (2022: \$70,556,675) for the Group and \$40,998,643 (2022: \$41,821,813) for the Company in respect of tax losses has not been recognised in the financial statements, due to the uncertainty that future taxable profits will be generated within the foreseeable future against which the asset can be realised.

MFS Capital Partners Limited
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Notes to the Financial Statements
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25. Earnings per stock unit

Earnings per stock unit (“EPS”) is computed by dividing the earnings attributable to stockholders of the parent of \$8,792,083 (2022: (\$12,838,525)) by the weighted average number of ordinary stock units in issue during the year, numbering 400,000,000 (2022: 400,000,000).

26. Segment financial information

	2023				
	Management Services	Retail and Distribution	Marketing and Advertising	Eliminations	Group
	\$	\$	\$		\$
Gross Revenue	-	-	-	-	-
Inter-segment revenue	-	-	-	-	-
Revenue from external customers	-	-	-	-	-
Profit/(loss) before income tax	9,296,457	755,303	(485,650)	-	9,566,110
Taxation	(823,170)	-	-	-	(823,170)
Profit/(loss) after tax	8,473,287	775,303	(485,650)	-	8,742,940
Total segment assets	64,445,155	1,196,969	-	-	65,642,124
Total segment liabilities	62,321,896	24,150,199	19,082,120	-	105,554,215
Depreciation	142,387	610,647	-	-	753,034

MFS Capital Partners Limited
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Notes to the Financial Statements
30 June 2023

26. Segment financial information (continued)

	2022				
	Management Services	Retail and Distribution	Marketing and Advertising	Eliminations	Group
	\$	\$	\$		\$
Gross Revenue	-	-	-	-	-
Inter-segment revenue	-	-	-	-	-
Revenue from external customers	-	-	-	-	-
Profit before income tax	5,227,810	4,221,044	8,730,259	-	18,169,113
Taxation	-	-	-	-	-
Profit after tax	5,227,810	4,221,044	8,730,259	-	18,169,113
Total segment assets	12,391,243	1,833,761	-	-	14,225,004
Total segment liabilities	18,741,271	25,542,295	18,596,470	-	62,880,036
Depreciation	126,066	1,697,022	-	-	1,823,088

MFS Capital Partners Limited
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Notes to the Financial Statements
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27. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related party transactions and balances are recognised and disclosed below for the following:

- (a) Enterprises over which a substantial interest in the voting power is owned by a key management personnel, including directors and officers and close members of families; or
- (b) Enterprises over which such a person, in (a) above, is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the Group and Company.

The following were (credited)/debited to the statement of comprehensive income:

	The Group		The Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Management fees	1,100,000	-	1,100,000	-
Directors' fees	2,095,000	75,000	2,095,000	75,000
Consulting fees -	6,000,000	-	6,000,000	-

MFS Capital Partners Limited
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Notes to the Financial Statements
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27. Related party transactions (continued)

Related parties' balances written off by the following companies through the statement of comprehensive income (Note 19):

	The Group		The Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Stocks and Securities				
MFS Capital Partners Limited (formerly SSL Venture Capital Jamaica Limited)	-	(26,852,390)	-	(26,852,390)
MFS Group Limited				
MFS Capital Partners Limited (formerly SSL Venture Capital Jamaica Limited)	(5,000,000)	-	(5,000,000)	-
MFS Capital Partners Limited (formerly SSL Venture Capital Jamaica Limited)				
Bar Central Limited	-	(14,925,830)	-	-
Muse Integrated Limited	-	(10,112,082)	-	-
	<u>(5,000,000)</u>	<u>(51,890,302)</u>	<u>(5,000,000)</u>	<u>(26,852,390)</u>

MFS Capital Partners Limited
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Notes to the Financial Statements
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27. Related party transactions (continued)

As at the statement of financial position date the following balances were outstanding:

	The Group		The Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Due from Parent:				
MFS Acquisition Limited	2,203,900	-	2,203,900	-
Due from affiliate:				
Micro-Finance Solution Limited	24,240,000	-	24,240,000	-
	26,443,900	-	26,443,900	-
Due to Directors:				
Directors' account	(697,110)	-	-	-
Due to affiliate:				
MFS Group Limited	(47,072,380)	(5,000,000)	(47,072,380)	(5,000,000)
	(47,769,490)	(5,000,000)	(47,072,380)	(5,000,000)
	(21,325,590)	(5,000,000)	(20,628,480)	(5,000,000)

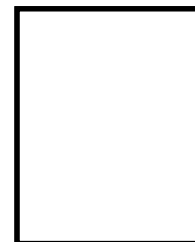
28. Subsequent event

On July 15, 2023, MFS Capital Partners Limited entered into a Memorandum of Understanding with a micro-financing entity to acquire 100% of the Ordinary Shares in the company for a price to be determined.

The micro-financing entity's principal activities include foreign exchange trades, cambio services and remittance operations as a sub-agent of two prominent licensed remittance agents. The company currently has two active locations.

Management anticipates that this transaction will be consummated by 31 December 2023.

Form of Proxy



I/We of being member/members of MFS Capital Partners Limited (“MFS Cap”) hereby appoint of or failing him of as my/our proxy vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on and at any adjournment thereof.

Please indicate with an X in the space provided how you wish your proxy to vote on the Resolution referred to. Unless otherwise indicated, the proxy will vote as he thinks fit.

RESOLUTIONS	FOR	AGAINST
<p>RESOLUTION 1: AUDITED FINANCIAL STATEMENTS, DIRECTORS AND AUDITORS REPORTS THAT the Audited Financial Statements of the Company for the year ended June 30, 2023 and the Reports of the Directors and Auditors be and are hereby adopted.</p>		
<p>RESOLUTION 2: RE-ELECTION OF RETIRING DIRECTORS Resolution 2(a) THAT being eligible, Mr. Clide Leopold Nesbeth be re-elected a Director of the Company.</p>		
<p>Resolution 2(b) THAT being eligible, Mrs. Anika Jengolley be re-elected a Director of the Company.</p>		
<p>RESOLUTION 3: APPOINTMENT OF AUDITORS THAT Baker Tilly Strachan Lafayette, Chartered Accountants of 9 Cargill Avenue, Kingston 10, having signified their willingness to serve, will continue in office as Auditors of the Company until the conclusion of the next Annual General Meeting, and that their remuneration to be agreed with the Directors.</p>		
<p>RESOLUTION 4: DIRECTORS’ REMUNERATION THAT the total remuneration of all the Directors combined, other than the Executive Director, as shown in the Company’s Audited Financial Statements for the year ended June 30, 2023, be and is hereby approved.</p>		

Signed this ____ day of _____ 2023

Signature: _____

Notes:

1. This Form of Proxy must be lodged at the office of the Company’s Registrar and Transfer Agents, the Jamaica Central Securities Depository Limited, 40 Harbour Street, Kingston, not less than forty-eight (48) hours before the time appointed for holding the meeting.
2. Any alterations in this Form of Proxy should be initialled.
3. In the case of joint holders, the signature of one holder will be sufficient but the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint-holders, seniority being determined by the order in which the names stand on the register.
4. If the appointer is a Corporation, this Form of Proxy must be executed under its common seal or under the hand of an Officer or Attorney duly authorized.
5. An adhesive stamp of \$100.00 must be affixed to the Form of Proxy.