



# 2023 Q1 Unaudited Financial Report

**Three months ending  
September 30, 2023**

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# CEO'S REPORT TO OUR STOCKHOLDERS

## QUARTER 1 HIGHLIGHT

For the first quarter of the new financial year ending September 30, 2023, the company's focus was on completing the acquisition in process and is only awaiting regulatory approval to be finalised. Revenue generation from private credit/private equity has been less than robust for want of further capital to invest.

The company has committed to divesting its interest in its two dormant subsidiaries (Bar Central Ltd and Muse 360).

The team continues striving to exceed expectations and sustained growth in shareholder value. With that in mind, the drive for a greater performance will follow.



Dino Hinds (CEO/Director)

## Upcoming Project

- Announcement date and venue of our next Annual General Meeting (AGM)
- Company updates related to the acquisition of a well-established money services company.

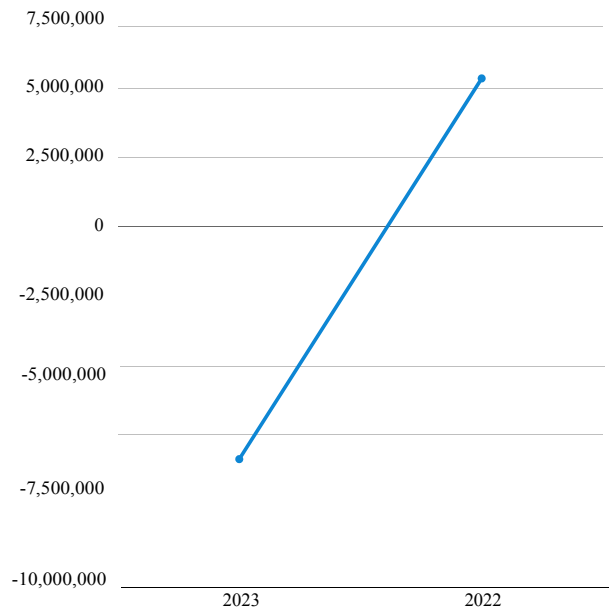
# MANAGEMENT DISCUSSION & ANALYSIS

MFS Capital Partners Limited reported a net loss of \$8.40 million for the quarter ended September 30, 2023. The core revenues for the period were \$297,000. For the corresponding period ended September 30, 2022, the company reported revenues of \$12.60 million and nil for the year ended June 30, 2023.

For the period ended September 30, 2023, the company's earnings per share (EPS) fell to \$0.019 from \$0.02 for the financial year ended June 30, 2023. Earnings per share for the period ended September 30, 2022, was \$0.013.

## INCOME PERFORMANCE

For the quarter ended September 30, 2022, the company reported a profit of \$5.40 million which is a decline of 256% or \$13.70 million.



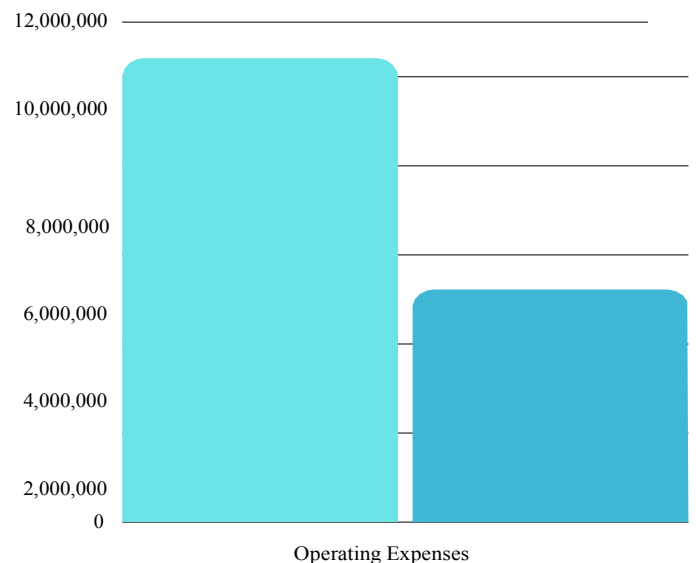
The primary reason for this loss was a decline in core revenues, which was affected by the absence of an operating subsidiary during the period and a general increase in operating expenses, incurred mostly at the year-end).

## OPERATIONAL EXPENSES

The company, however, earned some interest income (other income) from private credits and intercompany-related loans.

September expenses increased by \$5.21 million, or 83%, when compared to the similar quarter last year.

The increase was driven primarily due to increased audit fees, the cost for auditing subsidiaries and which mostly one-off expenses.



# MANAGEMENT DISCUSSION & ANALYSIS

## FINANCIAL POSITION

MSF's total assets decreased by \$11.7million to \$59.12 million at the end of September 2023, compared to the corresponding period ended September 2022. This represented a decline of 18%. However, in comparison to the financial year ended June 30, 2023, the decline in assets was \$5.32 million, which represented an 8% decline.

Total liabilities as at September 30, 2023, was \$65.38 million versus \$44.75 million for the corresponding period ended September 30, 2022, representing an increase of \$20.63 million.

### Shareholders' Equity

Total shareholders' equity declined from a positive equity of \$2.12 million at the end of the financial year ended June 30, 2023 to a negative equity of \$6.26 million. This represented a decline of \$5.27 million.

## STRATEGIC OUTLOOK

Moving forward, the company's strategic approach will centre around prioritising private equity and private credit across both local and global markets. This direction will be supported by the Group's reliable governance and robust financial management, which will drive heightened growth and profitability for the organisation.

Under the guidance of new ownership and management, the primary objective is to secure capital to facilitate worthwhile acquisitions and bolster working capital. Additionally, the company may explore investment opportunities in the investment banking and real estate sectors.

The Board of Directors extends its gratitude to shareholders, management and staff, for their unwavering commitment and support.

	Notes	Unaudited Quarter 30-Sep-23	Unaudited Quarter 30-Sep-22	Audited YTD 30-Jun-23
<b><u>NON-CURRENT ASSETS</u></b>				
		\$	\$	\$
Property, Plant & Equipment	4	1,795,295	2,538,269	1,825,687
		<u>1,795,295</u>	<u>2,538,269</u>	<u>1,825,687</u>
<b><u>Current assets</u></b>				
Inventory		-	26,146	-
Tax Recoverable		5,479,145	4,755,175	3,932,005
Due to/from Related Parties		38,261,582	24,000,000	26,443,900
Receivables- Private Credit		5,000,000	-	-
Receivables		946,091	1,726,630	31,305,241
Cash and Bank Balances		8,835,738	39,619,887	2,135,291
	5	<u>58,522,556</u>	<u>70,127,839</u>	<u>63,816,437</u>
<b>TOTAL ASSETS</b>		<b><u>60,317,852</u></b>	<b><u>72,666,108</u></b>	<b><u>65,642,124</u></b>
<b><u>EQUITY AND LIABILITIES</u></b>				
<b><u>Equity</u></b>				
Ordinary share capital	6	111,880,297	111,880,297	111,880,297
Retained earnings/(deficit)		(147,086,140)	(142,132,458)	(138,699,712)
<b>Total Equity</b>		<b>(35,205,843)</b>	<b>(30,252,161)</b>	<b>(26,819,415)</b>
<b>Non-Controlling Interest</b>	7	<b>(13,092,576)</b>	<b>(13,043,433)</b>	<b>(13,092,576)</b>
		<b>(48,298,419)</b>	<b>(43,295,594)</b>	<b>(39,911,991)</b>
<b><u>Non-current Liabilities</u></b>				
Long-Term Debt		-	27,072,380	-
<b>Total Non-current Liabilities</b>		<b>-</b>	<b>27,072,380</b>	<b>-</b>
<b><u>Current liabilities</u></b>				
Payables		59,157,280	56,605,956	56,095,124
Related Party		47,072,380	30,150,000	47,072,380
Current portion of long-term loan		1,113,192	1,557,057	1,113,192
Director's account		697,110	-	697,110
Taxation		576,309	576,309	576,309
		<u>108,616,271</u>	<u>88,889,322</u>	<u>105,554,115</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>60,317,852</u></b>	<b><u>72,666,108</u></b>	<b><u>65,642,124</u></b>



Clide Leopold Nesbeth  
Chairman



Dino Hinds  
Director

	Notes	Unaudited Quarter 30-Sept-23 \$	Unaudited Quarter 30-Sept-22 \$	Audited YTD Jun-23 \$
Revenue/ Sales	8	297,000	12,560,000	
Less Cost of Sales/Adjustment		-	-	-
<b>Gross Profit</b>		<b>297,000</b>	<b>12,560,000</b>	-
Add Other Income	9	2,772,958	3,066	32,901,138
Less General & Administration Expenses	10	(11,456,386)	(6,243,433)	(23,096,813)
<b>Loss/Profit before Finance Costs</b>		<b>(8,386,428)</b>	<b>6,319,633</b>	<b>9,804,325</b>
Less Finance Costs		-	(150,000)	(238,215)
<b>Loss/Profit before taxes</b>		<b>(8,386,428)</b>	<b>6,169,633</b>	<b>9,566,110</b>
Taxation			(810,295)	(823,170)
<b>Loss/Profit after taxation</b>		<b>(8,386,428)</b>	<b>5,359,338</b>	<b>8,742,940</b>
<b>Loss/Net Profit Attributable to:</b>				
Stockholders of the Company		(8,067,633)	5,359,338	8,792,083
Non-Controlling interest		-	-	(49,143)
		<b>(8,067,633)</b>	<b>5,359,338</b>	<b>8,742,940</b>
<b>Earnings per ordinary stock unit attributable to shareholders of the company</b>	11	<b>(0.020)</b>	<b>0.013</b>	<b>0.022</b>

	Number of Shares	Share Capital	Accumulated Profits/(Deficit)	Total	Non- Controlling Interest	Total Equity
		\$	\$	\$	\$	\$
<b>Audited Balances as at 30 Jun 2022</b>	400,000,000	111,880,297	(147,491,795)	(35,611,498)	(13,043,433)	(48,654,931)
Total Comprehensive profits/(losses)	-	-	5,359,337	5,359,337		5,359,337
<b>Unaudited Balances as at 30 Sep 2022</b>	<b>400,000,000</b>	<b>111,880,297</b>	<b>(142,132,458)</b>	<b>(30,252,161)</b>	<b>(13,043,433)</b>	<b>(43,295,594)</b>
<b>Audited Balances as at 30 Jun 2023</b>	<b>400,000,000</b>	<b>111,880,297</b>	<b>(138,699,712)</b>	<b>(26,819,415)</b>	<b>(13,092,576)</b>	<b>(39,911,991)</b>
Total Comprehensive losses			(8,386,428)	(8,386,428)		(8,386,428)
<b>Unaudited Balances as at 30 Sep 2023</b>	<b>400,000,000</b>	<b>111,880,297</b>	<b>(147,086,140)</b>	<b>(35,205,843)</b>	<b>(13,092,576)</b>	<b>(48,298,419)</b>



	Unaudited Quarter 30-Sep-23 \$	Unaudited Quarter 30-Sep-22 \$	Audited YTD 30-Jun-23 \$
<b>Cash flow from operating activities:</b>			
Loss/Profit before taxation for the period/year	(8,386,428)	6,169,633	9,296,457
Adjustment for:			
Depreciation and amortization	30,390	42,260	142,387
Loss on Disposal of assets	-	358,293	340,102
Foreign Exchange losses			2,675
Interest expense	253,246	150,000	
Interest income	(8,943)	(3,066)	(17,705)
<b>Operating cash flows before movements in working capital</b>	<b>(8,111,735)</b>	<b>6,717,120</b>	<b>9,763,916</b>
<b>Changes in working capital:</b>			
(Increase)/decrease in Accounts receivable	6,590,900	563,685	(29,014,927)
(Increase)/decrease in Receivables Private Credit	5,383,429		
Related Parties net		28,222,380	15,628,480
Increase/(Decrease) in Accounts Payables	3,062,156	49,088	1,508,245
<b>Cash provided/(used) by operations</b>	<b>6,924,750</b>	<b>35,552,273</b>	<b>(2,114,286)</b>
Taxes paid	-	-	
Interest paid	(253,246)	(150,000)	
Interest received	8,943	3,066	17,705
Net cash provided/(used) by operating activities	<b>6,680,447</b>	<b>35,405,339</b>	<b>(2,096,581)</b>
<b>Investing Activities</b>			
Acquisition of subsidiaries- adjustment	-	-	
Proceeds on disposal	20,000	-	20,000
Purchase of Equipment		(266,734)	(266,735)
	20,000	(266,734)	(246,735)
<b>Financing Activities</b>			
Loans repayment			
Due to Related companies, net			
Loans payables, net	-	-	
	-	-	-
<b>NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES</b>	<b>6,700,447</b>	<b>35,138,605</b>	<b>(2,343,316)</b>
Effects of changes in exchange rates on cash and cash equivalents			(2,675)
CASH AND BANK BALANCES AT BEGINNING OF PERIOD	2,135,291	4,481,282	4,481,282
<b>CASH AND BANK BALANCES AT THE END OF PERIOD</b>	<b>8,835,738</b>	<b>39,619,887</b>	<b>2,135,291</b>
Represented by Cash & Bank	8,835,738	39,619,887	2,135,291

	Notes	Unaudited Quarter 30-Sep-23 \$	Unaudited Quarter 30-Sep-22 \$	Audited YTD 30-Jun-23 \$
<b><u>NON-CURRENT ASSETS</u></b>				
Property, Plant & Equipment	4	598,328	730,654	628,718
		<u>598,328</u>	<u>730,654</u>	<u>628,718</u>
<b><u>Current assets</u></b>				
Tax Recoverable		5,479,145	4,755,175	3,932,005
Due to/from Related Parties		38,261,582	24,000,000	26,443,900
Receivables- Private Credit		5,000,000	-	
Receivables		946,091	1,726,629	31,305,241
Cash and Bank Balances		8,835,738	39,619,887	2,135,291
	5	<u>58,522,556</u>	<u>70,101,692</u>	<u>63,816,437</u>
<b>TOTAL ASSETS</b>		<b><u>59,120,884</u></b>	<b><u>70,832,346</u></b>	<b><u>64,445,155</u></b>
<b><u>EQUITY AND LIABILITIES</u></b>				
<b><u>Equity</u></b>				
Ordinary share capital	6	111,880,297	111,880,297	111,880,297
Retained earnings/(deficit)		(118,143,466)	(112,870,988)	(109,757,038)
		<u>(6,263,169)</u>	<u>(990,691)</u>	<u>2,123,259</u>
<b><u>Non-current Liabilities</u></b>				
Long-Term Debt		-	27,072,380	-
Total Non-current Liabilities		<u>-</u>	<u>27,072,380</u>	<u>-</u>
<b><u>Current liabilities</u></b>				
Trade payables		2,260,905	45,000	193,950
Related Party		47,072,380	30,150,000	47,072,380
Other payables and accruals		7,700,876	5,923,994	6,751,120
Payroll liabilities		8,349,892	8,631,663	8,304,446
		<u>65,384,052</u>	<u>44,750,657</u>	<u>62,321,896</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>59,120,884</u></b>	<b><u>70,832,346</u></b>	<b><u>64,445,155</u></b>

		Unaudited Quarter	Unaudited Quarter	Audited YTD
		30-Sept-23	30-Sept-22	30-Jun-23
	Notes	\$	\$	\$
Revenue/ Sales	8	297,000	12,560,000	
Less Cost of Sales/Adjustment		-	-	-
<b>Gross Profit</b>		<b>297,000</b>	<b>12,560,000</b>	-
Add Other Income		2,772,958	3,066	30,265,796
Less General & Administration Expenses	9	(11,456,386)	(6,243,433)	(20,984,369)
<b>Loss/Profit before Finance Costs</b>		<b>(8,386,428)</b>	<b>6,319,633</b>	<b>9,281,427</b>
Less Finance Costs		-	(150,000)	15,030
<b>Loss/Profit before taxes</b>		<b>(8,386,428)</b>	<b>6,169,633</b>	<b>9,296,457</b>
Taxation			(810,295)	(823,170)
<b>Loss/Profit after taxation</b>		<b>(8,386,428)</b>	<b>5,359,338</b>	<b>8,473,287</b>

	Number of Shares	Share Capital	Accumulated profit/( Loss)	Total
		\$	\$	\$
<b>Audited Balances as at 30 June 2022</b>	111,880,297	111,880,297	(118,230,325)	(6,350,028)
Total Comprehensive Profit			5,359,338	5,359,338
<b>Unaudited Balances as at 30 Sep 2022</b>	<b>111,880,297</b>	<b>111,880,297</b>	<b>(112,870,987)</b>	<b>(990,690)</b>
<b>Audited Balances as at 30 June 2023</b>	111,880,297	111,880,297	(109,757,038)	2,123,259
Total Comprehensive Loss Period July-Sept- 2023			(8,386,428)	(8,386,428)
<b>Unaudited Balances as at 30 Sep 2023</b>	<b>111,880,297</b>	<b>111,880,297</b>	<b>(118,143,466)</b>	<b>(6,263,169)</b>

	Unaudited Quarter 30-Sep-23	Unaudited Quarter 30-Sep-22	Audited YTD 30-Jun-23
<b>Cash flow from operating activities:</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Profit before taxation for the period/year	(8,386,428)	6,169,633	9,296,457
Adjustment for:			
Depreciation and amortization	30,390	42,260	142,387
Loss on Disposal of assets	-	358,293	340,102
Foreign Exchange losses			2,675
Interest expense		150,000	
Interest income	(8,943)	(3,066)	(17,705)
<b>Operating cash flows before movements in working capital</b>	<b>(8,364,981)</b>	<b>6,717,120</b>	<b>9,763,916</b>
<b>Changes in working capital:</b>			
(Increase)/decrease in Accounts receivable	6,590,900	563,685	(29,014,927)
(Increase)/decrease in Receivables Private Credit	5,383,429		
Related Parties net		28,222,380	15,628,480
Increase/(Decrease) in Accounts Payables	3,062,156	49,088	1,508,245
<b>Cash provided/(used) by operations</b>	<b>6,671,504</b>	<b>35,552,273</b>	<b>(2,114,286)</b>
Taxes paid	-	-	
Interest paid	-	(150,000)	
Interest received	8,943	3,066	17,705
Net cash provided/(used) by operating activities	<u>6,680,447</u>	<u>35,405,339</u>	<u>(2,096,581)</u>
<b>Investing Activities</b>			
Acquisition of subsidiaries- adjustment	-	-	
Proceeds on disposal	20,000	-	20,000
Purchase of Equipment		(266,734)	(266,735)
	<u>20,000</u>	<u>(266,734)</u>	<u>(246,735)</u>
<b>Financing Activities</b>			
Loans repayment			
Due to Related companies, net			
Loans payables, net	-	-	
	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES</b>	<b>6,700,447</b>	<b>35,138,605</b>	<b>(2,343,316)</b>
Effects of changes in exchange rates on cash and cash equivalents			(2,675)
<b>CASH AND BANK BALANCES AT BEGINNING OF PERIOD</b>	<b>2,135,291</b>	<b>4,481,282</b>	<b>4,481,282</b>
<b>CASH AND BANK BALANCES AT THE END OF PERIOD</b>	<b><u>8,835,738</u></b>	<b><u>39,619,887</u></b>	<b><u>2,135,291</u></b>
Represented by Cash & Bank	<u>8,835,738</u>	<u>39,619,887</u>	<u>2,135,291</u>

## 1. Identification and principal activities

MFS Capital Partners Limited, referred to as "the Company," is a limited liability entity that was established in accordance with the Companies Act of Jamaica on November 24, 2011. It operates as a subsidiary of MFS Acquisition Limited, which is similarly incorporated and headquartered in Jamaica and presently holds 53.52% of the Company's issued shares. The Company's registered office and primary place of business are situated at Suite 2, 14 Canberra Crescent, Kingston 6. Since May 29, 2012, the Company has been listed on the Junior Market of the Jamaica Stock Exchange (JSE).

On May 25, 2022, MFS Acquisition Limited acquired the 79.08% stake in the Company previously owned by Stock and Securities Limited. On June 13, 2022, an Extraordinary General Meeting (EGM) was convened, where shareholders granted approval for a name change, transitioning from SSL Venture Capital Jamaica Limited to MFS Capital Partners Limited. This change officially took effect on August 3, 2022.

The Company's core business model focuses 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 or long term. The Company's subsidiaries collectively referred to as "the Group," include the following:

- 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 the Company's subsidiaries are incorporated and based in Jamaica. Bar Central Limited ceased its operational activities as of December 31, 2019, while Muse 360 Integrated Limited ceased operations as of August 31, 2019. The management has yet to determine the future operations of Muse 360 Integrated Limited and Bar Central Limited.

The consolidated financial statements comprise the financial reports of the Company and its subsidiaries. These financial statements are presented in Jamaican dollars, which serves as the functional currency.

## **1. Summary of significant accounting policies**

These accounting policies have been consistently utilised for all the years presented. In cases where it was required, comparative figures from previous years have been adjusted and reorganised to align with the current year's presentation.

### **a) Basis of Preparation**

The interim financial report should be analysed in conjunction with the audited financial statements for the year concluding on June 30, 2023. The explanatory notes attached to the interim financial statements offer a detailed account of events and transactions that hold significance in comprehending the alterations in the financial position and performance of the Company since the fiscal year ending on June 30, 2023.

### **b) Basis of Consolidation**

The consolidated financial statements encompass the financial statements of both the company and its subsidiaries as of September 30, 2023. A subsidiary is an entity under the control of the company. Control is realised when the group is exposed to variable returns from its association with the investee or holds rights in that regard and possesses the capability to influence these returns through its authority over the investee.

Precisely, the group exercises control over an investee only when the group has:

- authority over the investee, meaning it possesses existing rights enabling it to direct the pertinent activities of the investee.
- exposure to or rights concerning variable returns stemming from its participation with the investee.
- the capacity to apply its authority over the investee to shape its returns.

The financial statements of the subsidiaries are included in the consolidated financial statements starting from the initiation of control until control concludes.

As necessary, adjustments are implemented to the financial statements of the subsidiaries to align their accounting policies with those of the Group. All intra-group assets, liabilities, equity, income, expenses, and cash flows related to transactions among the members of the group are fully eliminated in the process of consolidation.

**c) Going concern**

The Group for the quarter was non-operating as there is a firm commitment to sell the subsidiaries. The Company however reported a net loss of \$8,386,428 in 2023. The Group and the Company as at September 20, 2023, have accumulated losses of \$147,086,140 (September 2022: \$142,132,458) and \$118,143,466 (September 2022: \$112,870,988) respectively.

Further, as at September 30, 2023, current liabilities for the Group and the Company exceeded their current assets by \$48,298,419 (September 2022: \$43,295,594) and \$6,623,169 (September 2022: \$990,691) respectively. This indicates a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.



## SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### d) Property, Plant and Equipment

Owned Assets: Property, plant and equipment items are reported at their initial cost or deemed cost, reduced by the cumulative depreciation and any impairment losses. The cost comprises expenses that are directly linked to the acquisition of these assets. For self-constructed assets, the cost includes the expenses for materials, direct labour, and related costs necessary to put the asset into operational use. Depreciation is recorded as the cost minus the cumulative depreciation and any impairment losses (as detailed below). Depreciation is computed using a straight-line method, with rates designed to amortise the carrying values of assets over their expected useful life. The annual depreciation rates are as follows:

- Computer equipment: 25%
- Furniture: 10%
- Leasehold improvements: 10%
- Motor vehicles: 20%
- Office equipment: 10%

Gains and losses from asset disposals are determined by comparing the proceeds with the carrying amount and are reported in the statement of comprehensive income. Expenses related to repairs and maintenance are recognised in the statement of comprehensive income in the financial period in which they were incurred.

### e) Intangible Assets

Intangible assets pertain to computer software that is purchased separate from computer hardware and has finite useful lives. These assets are reported at their cost, reduced by the accumulated amortisation and any accumulated impairment losses. Amortisation is recognised using a straight-line method over an estimated useful life of twelve years.

### f) Inventories

Inventories are disclosed at the lower of their cost and net realisable value, with cost determined on a first-in, first-out (FIFO) basis. Net realisable value is the anticipated selling price in the regular course of business, minus any selling expenses.

### g) Cash and Bank Balances

Cash and cash equivalents are presented on the statement of financial position at their cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash held in bank accounts and in hand, short-term deposits, and bank overdrafts.

## **h) Receivables**

Receivables are initially recognised at their fair value and subsequently measured at amortised cost using the effective interest method, minus any loss allowance. When assessing impairment provisions for trade receivables, the group and company apply the simplified approach allowed by IFRS 9. This approach mandates the recognition of expected lifetime losses from the initial recognition of the receivables. To calculate expected credit losses collectively, trade receivables are grouped based on similar credit risk and aging.

## **i) Payables**

Payables, inclusive of provisions, are presented at their nominal value. A provision is reported on the statement of financial position when the group holds a current legal or constructive obligation due to a past event. It must be probable that an outflow of resources representing economic benefits will be necessary to fulfil the obligation, and a dependable estimate of the amount can be made. If the effect is substantial, provisions are determined by discounting the expected future cash flows at a rate that reflects the group's current assessments of the time value of money, and where applicable, the risks associated with the liability.

## **j) Revenue Recognition**

Revenue encompasses the fair value of the consideration received or receivable for goods and the customer acceptance or service performance. Revenue is presented net of General Consumption Tax (GCT), returns, rebates, and discounts. Revenue recognition follows these principles:

- Sales of goods: sales of goods are acknowledged upon the delivery of goods and the acceptance or performance of services.
- 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, which is based on the actual purchase price.

## **k) Related Parties**

A party is considered related to the group if any of the following conditions exist:

1. The party, either directly or indirectly, through intermediaries, has control over the Company, is controlled by the Company, or shares common control with the Company. This includes parents, subsidiaries, and fellow subsidiaries. It also applies if the party has an interest in the entity that provides it with significant influence over the group or has joint control over the group.
2. The party is an associate of the Company.
3. The party is a joint venture in which the Company is a participant.
4. The party is a keymanagement personnel member of the Company or its parent.
5. The party is a close family member of any individual mentioned in 1 or 4.
6. The party is an entity that is controlled, jointly controlled, or significantly influenced by any individual mentioned in (4) or (5), or for which significant voting power in such an entity is held directly or indirectly.
7. The party is a post-employment benefit plan designed for the benefit of employees of the Company or any related party of the Company.

A related party transaction encompasses the exchange of resources, services, or obligations between related parties, regardless of whether a price is involved.

## **l) Foreign Currencies**

Foreign currency transactions are recorded at the prevailing exchange rate at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies are converted into Jamaican dollars using the exchange rate as of the statement of financial position date. This rate corresponds to the weighted average buying and selling rates of the Bank of Jamaica at that specific date. Any gains or losses stemming from currency exchange rate fluctuations are presented in the statement of comprehensive income.

## **m) Financial Instruments**

Financial assets and financial liabilities are acknowledged when an entity becomes party to the contractual terms of the instrument. Initially, financial assets and financial liabilities are measured at their fair value. Transaction costs directly linked to the acquisition or issuance of financial assets and financial liabilities (excluding those categorised as fair value through profit or loss) are either added to or deducted from the fair value of the respective financial assets or financial liabilities upon initial recognition. Transaction costs related to the acquisition of financial assets or financial liabilities at fair value through profit or loss are immediately recognised in the statement of comprehensive income.

## n) Taxation

The tax impact on the year's profit or loss includes both current and deferred taxes. Current and deferred taxes are reported as income tax expense or benefit in the statement of comprehensive income. However, if they pertain to items recorded in shareholders' equity, they are also reflected in shareholders' equity.

- Current taxation: this represents the anticipated tax liability on the taxable income for the year, using the tax rates enacted as of the statement of financial position date, along with adjustments for tax payable and tax losses from previous years.

- Deferred income taxes: these are recognised for temporary differences between the carrying amounts of assets and liabilities and their values as measured for tax purposes, which will result in taxable amounts in future periods. Deferred tax assets are recognized for temporary differences that will result in deductible amounts in future periods, but only to the extent it is likely that sufficient taxable profits will be available to offset these differences. Deferred tax assets and liabilities are measured using the tax rates expected to apply in the period when the asset will be realised or the liability will be settled, based on enacted rates. Current and deferred tax assets and liabilities can be offset when a legal right of offset exists.

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Company's accounting policies, management is required to exercise judgment, make estimates, and formulate assumptions about the carrying amounts of assets and liabilities that are not readily evident from other sources. These estimates and associated assumptions rely on historical experience and other factors deemed relevant, but actual results may vary from these estimates. These estimates and underlying assumptions undergo ongoing review, and any revisions to accounting estimates are recognised in the period in which the estimate is revised, affecting either that period or both the current and future periods.

Critical judgments in the application of the Company's accounting policies:

Management believes that no significant judgments were made during the application of the Company's accounting policies that would materially impact the amounts disclosed in the financial statements. Additionally, management holds the view that no critical assumptions regarding the future pose a significant risk of necessitating substantial adjustments to the carrying amounts of assets and liabilities in the upcoming financial year.

#### 4. PROPERTY, PLANT & EQUIPMENT

##### The Group

	<u>Leasehold</u> <u>Improvements</u>	<u>Computer</u> <u>Equipment</u>	<u>Furniture &amp;</u> <u>Fixtures</u>	<u>Office</u> <u>Equipment</u>	<u>Motor</u> <u>Vehicles</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
<b>Cost</b>						
1-Jul-23	78,000	2,940,609	1,446,580	638,786	1,023,852	6,127,827
Additions						
Disposals						
30-Sep-23	78,000	2,940,609	1,446,580	638,786	1,023,852	6,127,827
Additions						
Disposals						
30-Sep-23	78,000	2,940,609	1,446,580	638,786	1,023,852	6,127,827
<b>Accumulated Depreciation</b>						
1-Jul-23	31,201	2,585,872	463,238	197,977	1,023,852	4,302,140
Charge for the year						
Relieved on disposals						
30-Sep-23	31,201	2,585,872	463,238	197,977	1,023,852	4,302,140
Charge for the year	1,950	12,039		16,401		30,390
Relieved on disposals						
30-Sep-23	33,151	2,597,911	463,238	214,378	1,023,852	4,332,530
<b>Net book value</b>						
30-Sep-23	44,849	342,698	983,342	424,408		1,795,297
30-Jun-23	46,799	354,737	983,342	440,809		1,825,687

## PROPERTY, PLANT & EQUIPMENT

### The Company

	Computer Equipment	Office Equipment	Leasehold	Total
<u>Cost</u>	\$	\$	\$	\$
As at 30/06/23	257,294	638,785	78,000	974,079
Additions/ Transfer	-	-	-	-
Disposals	-	-	-	-
<b>As at 30/09/23</b>	<b>257,294</b>	<b>638,785</b>	<b>78,000</b>	<b>974,079</b>

### Accumulated Depreciation

As at 30/06/23	116,183	197,978	31,201	345,362
Charge for the period	12,039	16,401	1,950	30,390
Disposals	-	-	-	-
<b>As at 30/09/23</b>	<b>128,221</b>	<b>214,379</b>	<b>33,151</b>	<b>375,751</b>

### Net Book Value

As at 30/09/23	129,072.78	424,405.72	44,849.09	598,327.58
As at 30/06/23	141,221.40	440,807.00	46,799.09	628,717.49

## 5. RECEIVABLES

### Group

	<b>Unaudited Quarter 30-Sep-23 \$</b>	<b>Unaudited Quarter 30-Sep-22 \$</b>	<b>Audited YTD 30-Jun-23 \$</b>
Trade		3,542,726	3,542,726
Other	58,522,556	23,900,275	53,478,885
	<u>58,522,556</u>	<u>27,443,001</u>	<u>57,021,611</u>
Less: Impairment losses		-22,218,138	-25,716,370
	<u><b>58,522,556</b></u>	<u><b>5,224,863</b></u>	<u><b>31,305,241</b></u>

The Company will provide fully for all receivables outstanding in excess of a year, unless there is an agreement in place for a longer period, as management believes receivables that are past due beyond this period are generally not recoverable.

## 6. SHARE CAPITAL

	<b>Unaudited Quarter 30-Sep-23</b>	<b>Audited YTD 30-Jun-23</b>
<b>Authorised capital:</b>		
Ordinary shares at no par value	1,000,000,000	1,000,000,000
<b>Issued and fully paid:</b>		
400,000,00 Ordinary shares of no	\$111,880,297	\$111,880,297

## 7. NON-CONTROLLING INTEREST

### The Group

	Unaudited Quarter 30-Sep-23 \$	Unaudited Quarter 30-Sep-22 \$	Audited YTD 30-Jun-23 \$
Balance at beginning of period	(13,092,576)	(13,043,433)	(13,043,433)
Capital Reserves	-	-	-
Share of (Loss)/Gain for the year	-	-	(49,143)
<b>Balance at end of period</b>	<b>(13,092,576)</b>	<b>(13,043,433)</b>	<b>(13,092,576)</b>

## 8. REVENUE

Revenue represents the price of goods sold or services rendered to customers from the company's core business model. It is stated net of discounts, allowances, and General Consumption Tax.

During the first quarter for the three months ending September 30, 2023, the Company generated revenues of **\$297,000**; no revenue was generated by the Group.

## 9. OTHER INCOME

	Unaudited Quarter 30-Sep-23 The Group \$	Unaudited Quarter 30-Sep-23 The Company \$
Net Payables Write off	(240,000)	(240,000)
Other	3,012,958	3,012,958
	<b>2,772,958</b>	<b>2,772,958</b>



**10. ADMINISTRATIVE EXPENSES**

	<b>The Group</b>			<b>The Company</b>		
	<b>Unaudited 30-Jul-23 \$</b>	<b>Unaudited 30-Aug-22 \$</b>	<b>Unaudited 30-Sep-22 \$</b>	<b>Unaudited 30-Jul-23 \$</b>	<b>Unaudited 30-Aug-22 \$</b>	<b>Unaudited 30-Sep-22 \$</b>
<b>Audit Fees</b>	166,666.00	166,666.00	2,371,067.20	166,666.00	166,666.00	2,371,067.20
<b>Management compensation</b>	950,000.00	950,000.00	950,000.00	950,000.00	950,000.00	950,000.00
<b>Subsidiary Expense</b>			685,000.00			685,000.00
<b>Rent or lease payments</b>	443,136.80	209,072.80	327,786.89	443,136.80	209,072.80	327,786.89
<b>Registrar &amp; JSE Fees</b>	255,809.93	255,809.93	255,809.93	255,809.93	255,809.93	255,809.93
<b>Accounting Fees</b>	530,000.00	280,000.00	230,000.00	530,000.00	280,000.00	230,000.00
<b>Directors Fees</b>	210,000.00	210,000.00	210,000.00	210,000.00	210,000.00	210,000.00
<b>Company Secretary Fees</b>	30,000.00	30,000.00	197,213.54	30,000.00	30,000.00	197,213.54
<b>Salary expenses</b>	175,000.00	175,000.00	175,000.00	175,000.00	175,000.00	175,000.00
<b>Travel Allowance</b>	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00
<b>Other general and administrative expenses</b>	43,550.03	179,435.87	50,000.03	43,550.03	179,435.87	50,000.03
<b>Legal &amp; Professional Fees</b>	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
<b>Advertising Expenses</b>	10,350.00	10,350.00	10,350.00	10,350.00	10,350.00	10,350.00
<b>Bank charges</b>	5,913.60	7,100.58	8,220.22	5,913.60	7,100.58	8,220.22
<b>IT Services</b>	21,941.67	7,441.67	7,441.67	21,941.67	7,441.67	7,441.67
<b>Payroll Expenses</b>	21,691.26	21,691.26	21,691.26	21,691.26	21,691.26	21,691.26
<b>Dues and subscriptions</b>	4,174.74	26,438.18	4,174.74	4,174.74	26,438.18	4,174.74
<b>Depreciation expense</b>	10,201.97	10,093.97	10,093.97	10,201.97	10,093.97	10,093.97
<b>Total Expenses</b>	<b>3,053,436.00</b>	<b>2,714,100.26</b>	<b>5,688,849.45</b>	<b>3,053,436.00</b>	<b>2,714,100.26</b>	<b>5,688,849.45</b>

**11. PROFIT/LOSS PER SHARE**

	<b>Unaudited Quarter 30-Sep-23 \$</b>	<b>Audited YTD 30-Jun-23 \$</b>
(Loss)/ Profit	(8,386,428)	12,838,525
Weighted average number of ordinary shares	400,000,000	400,000,000
<b>Basic profit /(loss) per share</b>	<b>(0.021)</b>	<b>0.013</b>

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