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**DIRECTORS' REPORT TO SHAREHOLDERS ON  
COMPANY'S FINANCIAL PERFORMANCE THIRD QUARTER  
ENDED SEPTEMBER 30, 2023**

The Board of Directors is pleased to present the financial performance of Spur Tree Spices Jamaica Limited for the third quarter ended September 30, 2023, including the presentation of unaudited financial statements, prepared in accordance with International Financial Reporting Standards (IFRS).

**SPUR TREE SPICES CONSOLIDATED STATEMENT OF  
PROFIT/(LOSS)FOR NINE MONTHS  
ENDED SEPTEMBER 30, 2023**

SPUR TREE SPICES JAMAICA LIMITED	Unaudited	Unaudited					Audited
CONSOLIDATED STATEMENT OF PROFIT OR LOSS	3rd Quarter 2023	3rd Quarter 2022	Q3 2023 vs Q3 2022	9 months 2023	9 months 2022	9 months 2023 vs. 2022	12 Mths Dec. 2022
FOR SIX MONTHS ENDED JUNE 30, 2023	\$'000	\$'000	%	\$'000	\$'000	%	\$'000
REVENUE	404,100	233,204	73.3	1,065,995	672,062	58.6	1,028,530
Cost of Sales	-297,293	-158,176	88	-765,562	-433,803	76.5	-697,443
GROSS PROFIT	106,807	75,028	42.4	300,433	238,259	26.1	331,087
Other operating income	2,517	-	100	5,732	1,555	268.6	2,236
	109,324	75,028	45.7	306,165	239,814	27.7	333,323
Administrative and other expenses	-72,013	-43,885	62.5	-207,747	-116,652	77.7	-195,258
	37,311	31,143	22	98,417	123,162	-19.7	138,065
Impairment losses on trade receivables	-	-588	100	0	-1,164	-100	-12,060
OPERATING PROFIT	37,311	30,555	24.4	98,417	121,998	-18.9	126,005
Finance costs	-10,350	-1,015	919.6	-31,266	-3,227	868.9	-12,564
(LOSS)/PROFIT BEFORE TAXATION	26,961	29,540	-6.4	67,152	118,771	-43.1	113,441
Taxation	476	-151	-100	464	-131	-100	2,181
PROFIT FOR THE YEAR, BEING TOTAL							
COMPREHENSIVE (LOSS)/INCOME	27,437	29,389	-5.9	67,616	118,640	-43	115,622
TOTAL COMPREHENSIVE (LOSS)/INCOME							
ATTRIBUTABLE TO:							
Owners of the Company	25,341	29,389	-7.4	68,891	118,640	-43	116,813
Non-controlling interest	2,096	-	-100	-1,275	-	-100	-1,191
	27,437	29,389	-5.9	67,616	118,640	-43	115,622
Earnings Per Share	\$0.00	\$0.00		\$0.00	\$0.01		\$0.01
Shareholders' Equity				930,365	739,724	25.8	870,781
Total Assets				1,553,155	872,096	78.1	1,490,850
Cash and Cash Equivalents				59,615	74,295	-19.8	148,246

## Performance Overview

The Company's consolidated revenue performance in the third quarter reached a record level of \$401.1M, reflecting growth of 73.3% over the same quarter of the previous year. In the June 2023 quarter, the Company faced a challenging period with a consolidated loss of \$7.67M. However, the subsequent quarter marked a positive turnaround, with a consolidated profit of \$27.4M.

Our nine-month consolidated profit, totaling \$67M, has not matched the previous year's mark of \$118M, reflecting a 43% decline. This year-to-date figure has been heavily influenced by the second quarter's performance. It was also significantly impacted by cost of sales, which increased by 88% for the third quarter compared to the same period the previous year. This increase was primarily due to a substantial increase in raw material prices, exacerbated by a severe drought that led to a fourfold price surge for some inputs.

The cost of sales increase resulted in gross profit margin decrease from 32% in the third quarter of 2022, to 26% in the same quarter of 2023. We are actively addressing the underlying factors of this downturn as we focus on strengthening our year-end financials.

Consolidated administrative and other expenses saw an uptick by 62.5% for the quarter, a strategic outcome of our expansion and the consolidation of our subsidiary, Canco Limited. These investments, while impacting our short-term expenditure, are expected to yield long-term efficiency and market penetration.

The quarter saw an increase in interest costs, totaling \$10.35M. This reflects our decision to invest in growth opportunities, which included the acquisition of a major stake in Canco. The influence of these costs on our bottom line is anticipated to lessen as our investments come to fruition and begin to yield increased revenue.

Despite these expenditures, our consolidated after-tax profit was \$27.4M, a solid improvement over the previous quarter. While this figure represents a slight decrease of 5.9% from the previous year, it demonstrates the company's ability to produce positive results despite facing serious costs headwinds.

On a stand-alone basis, Spur Tree Spices achieved a record-breaking revenue of \$313.6M for the quarter, marking a year-over-year increase of 35.7%. This represents the highest quarterly revenue in the company's history, pushing our nine-month figure to \$797M, a favourable 19% growth. This positive performance has been largely supported by strategic partnerships and market expansion initiatives with BAK Foods, Grace Foods Canada, and SLS International Trading

out of Guyana. We anticipate that these partnerships, along with forthcoming strategic initiatives, will continue to have very favourable impact on our revenue growth.

The parent company's gross profit margin compressed to 25% as cost of sales accounted for 75% of the revenue due to escalated raw material and direct labour costs. Operating expenses for the quarter increased by 29% over the same period in 2022, while year-to-date expenses rose by 30.9M or 28% over last year. The main drivers of the increase were the comprehensive salary adjustments implemented across the company for all categories of workers, and property rental cost.

Interest expenses for the parent company amounted to \$5.5M for the quarter and \$16.4M year to date. This was largely due to the acquisition of a 51% stake in Canco, which is central to our diversification and expansion strategy.

We maintain an optimistic outlook for the remainder of the year and are confident in our ability to navigate the evolving market conditions on our path of strategic growth and profitability.

## **Navigating Cost Inflation**

The company is navigating several factors that are significantly impacting the cost of sales. This surge is primarily due to a combination of increased packaging material costs, which have risen twice within the year. Additionally, the company has been hit by substantial price hikes in raw materials with some inputs surging by as much as 400%. This is primarily attributable to an extended period of drought that has disrupted supply chains and inflated costs. Proactive steps from the company to stockpile raw materials shielded it temporarily from market volatility. However, due to robust sales demand, these reserves were depleted within four months, forcing the company to purchase raw materials at much higher market prices to meet customer orders, further straining the cost of sales.

## **Outlook**

In the face of the challenges presented in the current financial period, Spur Tree Spices is committed to a strategy designed to foster robust growth and expansion. We are aggressively diversifying our product offerings to mitigate risks associated with supply chain disruptions and reduce dependency on single product lines. These initiatives are expected to continue to bolster revenue streams in the coming quarters.

In tandem with our revenue diversification strategies, we are also focusing on market expansion. By forging strategic partnerships and breaking into new markets, both domestically and

internationally, we aim to bolster our revenue streams and establish a more robust market presence. These efforts are expected to bear fruit in the upcoming quarters as we build on these relationships and tap into the potential for increased customer growth and sales.

Operational efficiency is also a key priority, especially considering the recent surge in costs. The company is employing strategies to optimise production processes, enhance raw material sourcing and storage capacity, establish backward integration with farmers, and adopt technological advancements to enhance productivity. In addition, the company is meticulously reviewing supplier arrangements, negotiating more favourable terms, and exploring alternative sourcing strategies to contain costs.

Given the revenue growth achieved and projected, we anticipate a much greater flow to the bottom line and therefore better profitability outcomes as costs are normalized.

Following significant losses in the second quarter, both subsidiaries have made positive contributions to our third quarter profit position. We anticipate that this trend will not only persist but will also enhance our financial performance in the fourth quarter and beyond.

Finally, financial prudence underpins all our strategic endeavours. We remain dedicated to prudent investment decisions, efficient capital allocation, and rigorous financial controls to ensure that our growth is sustainable, and that shareholder value is maximised.

We appreciate the continued support of our shareholders. Our achievements are a testament to your trust and the diligent efforts of our team. We are confident in our strategic direction and look forward to delivering on our promises of growth and profitability.

Together, we will navigate the remainder of the year with resilience and adaptability, steering Spur Tree Spices towards a future that honours our legacy of quality and innovation.

Metry Seaga  
Chairman



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Albert Bailey  
Director/CEO



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**SPUR TREE SPICES JAMAICA LIMITED**  
**CONSOLIDATED INCOME STATEMENT**  
**NINE MONTHS ENDED 30 SEPTEMBER 2023**


	<u>Note</u>	<u>Unaudited</u>			
		<u>Quarters Ended</u>		<u>9 Months Ended</u>	
		<u>30 September</u>		<u>30 September</u>	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>REVENUE</b>	5	404,100	233,204	1,065,995	672,062
Cost of sales		(297,293)	(158,176)	( 765,562)	(433,803)
<b>GROSS PROFIT</b>		106,807	75,028	300,433	238,259
Other operating income		<u>2,517</u>	<u>-</u>	<u>5,732</u>	<u>1,555</u>
Administrative and other expenses		109,324	75,028	306,165	239,814
Impairment losses on trade receivables		( 72,013)	( 43,885)	( 207,747)	(116,652)
		<u>-</u>	<u>( 588)</u>	<u>-</u>	<u>( 1,164)</u>
<b>OPERATING PROFIT</b>		37,311	30,555	98,418	121,998
Finance costs		( 10,350)	( 1,015)	( 31,266)	( 3,227)
<b>PROFIT BEFORE TAXATION</b>		26,961	29,540	67,152	118,771
Taxation		<u>476</u>	<u>( 151)</u>	<u>464</u>	<u>( 131)</u>
<b>PROFIT FOR THE PERIOD, BEING TOTAL COMPREHENSIVE INCOME</b>		<u>27,437</u>	<u>29,389</u>	<u>67,616</u>	<u>118,640</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>					
Owners of the Company		25,341	29,389	68,891	118,640
Non-controlling interest		<u>2,096</u>	<u>-</u>	<u>( 1,275)</u>	<u>-</u>
		<u>27,437</u>	<u>29,389</u>	<u>67,616</u>	<u>118,640</u>
<b>EARNINGS PER STOCK UNIT</b>		<u>2¢</u>	<u>2¢</u>	<u>4¢</u>	<u>7¢</u>


**SPUR TREE SPICES JAMAICA LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**30 SEPTEMBER 2023**

	<u>Unaudited</u>		<u>Audited</u>
	30 September		31 December
	<u>2023</u>	<u>2022</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS:</b>			
Property, plant and equipment	740,632	228,269	682,434*
Intangible assets	196,434	11,389	196,545*
Investments	3,777	3,750	3,777
Right-of-use asset	29,213	39,229	36,725
Deferred tax assets	4,474	4,563	6,067
	<u>974,530</u>	<u>287,200</u>	<u>925,548</u>
<b>CURRENT ASSETS:</b>			
Inventories	210,408	173,345	194,721
Receivables	312,004	337,256	222,335
Cash and cash equivalents	59,615	74,295	148,246
	<u>582,027</u>	<u>584,896</u>	<u>565,302</u>
	<u>1,556,557</u>	<u>872,096</u>	<u>1,490,850</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY:</b>			
Share capital	366,967	366,967	366,967
Capital reserve	150	150	150
Retained earnings	410,323	372,607	346,062
	<u>777,440</u>	<u>739,724</u>	<u>713,179</u>
Non-controlling interest	156,327	-	157,602
	<u>933,767</u>	<u>739,724</u>	<u>870,781</u>
<b>NON-CURRENT LIABILITIES:</b>			
Lease liability	22,717	33,006	30,276
Director's loan	29,323	-	29,323
Non-current portion of borrowings	361,718	-	403,908
	<u>413,758</u>	<u>33,006</u>	<u>463,507</u>
<b>CURRENT LIABILITIES:</b>			
Payables	116,859	54,401	101,254
Taxation	5,617	5,079	982
Lease liability	10,865	9,429	9,697
Due to related company	-	25,389	-
Directors' current accounts	23,350	5,068	23,503
Current portion of borrowings	52,341	-	21,126
	<u>209,032</u>	<u>99,366</u>	<u>156,562</u>
	<u>1,556,557</u>	<u>872,096</u>	<u>1,490,850</u>

\* Restated

Approved for issue by the Board of Directors on 9 November 2023 and signed on its behalf by:

  
 Metry Seaga - Director

  
 Albert Bailey - Director

**SPUR TREE SPICES JAMAICA LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**SIX MONTHS ENDED 30 JUNE 2023**

	<u>Note</u>	<u>Share Capital \$'000</u>	<u>Capital Reserve \$'000</u>	<u>Retained Earnings \$'000</u>	<u>Total Attributable to Equity Holders of the Parent \$'000</u>	<u>Non- Controlling Interest \$'000</u>	<u>Total \$'000</u>
<b>BALANCE AT 1 JANUARY 2022</b>		<u>157,143</u>	<u>150</u>	<u>253,967</u>	<u>411,260</u>	<u>-</u>	<u>411,260</u>
<b>TOTAL COMPREHENSIVE INCOME</b>							
Net profit for the period		<u>-</u>	<u>-</u>	<u>118,640</u>	<u>118,640</u>	<u>-</u>	<u>118,640</u>
<b>TRANSACTIONS WITH OWNERS</b>							
Issue of shares, net		<u>209,824</u>	<u>-</u>	<u>-</u>	<u>209,824</u>	<u>-</u>	<u>209,824</u>
<b>BALANCE AT 30 SEPTEMBER 2022 (Unaudited)</b>		<u>366,967</u>	<u>150</u>	<u>372,607</u>	<u>739,724</u>	<u>-</u>	<u>739,724</u>
<b>BALANCE AT 1 JANUARY 2022</b>		<u>157,143</u>	<u>150</u>	<u>253,967</u>	<u>411,260</u>	<u>-</u>	<u>411,260</u>
<b>TOTAL COMPREHENSIVE INCOME</b>							
Net profit for the year		<u>-</u>	<u>-</u>	<u>116,813</u>	<u>116,813</u>	<u>( 1,191)</u>	<u>115,622</u>
<b>TRANSACTIONS WITH OWNERS</b>							
Issue of shares, net		<u>209,824</u>	<u>-</u>	<u>-</u>	<u>209,824</u>	<u>-</u>	<u>209,824</u>
Dividends paid		<u>-</u>	<u>-</u>	<u>( 24,718)</u>	<u>( 24,718)</u>	<u>-</u>	<u>( 24,718)</u>
Non-controlling interest on acquisition of subsidiary	<u>7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>158,793</u>	<u>158,793</u>
		<u>209,824</u>	<u>-</u>	<u>( 24,718)</u>	<u>185,106</u>	<u>157,602</u>	<u>353,899</u>
<b>BALANCE AT 31 DECEMBER 2022 (Restated as per Note 7)</b>		<u>366,967</u>	<u>150</u>	<u>346,062</u>	<u>713,179</u>	<u>157,602</u>	<u>870,781</u>
<b>BALANCE AT 1 JANUARY 2023</b>		<u>366,967</u>	<u>150</u>	<u>346,062</u>	<u>713,179</u>	<u>157,602</u>	<u>870,781</u>
<b>TOTAL COMPREHENSIVE INCOME</b>							
Net profit for the period		<u>-</u>	<u>-</u>	<u>68,891</u>	<u>68,891</u>	<u>( 1,275)</u>	<u>67,616</u>
<b>TRANSACTIONS WITH OWNERS</b>							
Dividends paid		<u>-</u>	<u>-</u>	<u>( 4,630)</u>	<u>( 4,630)</u>	<u>-</u>	<u>( 4,630)</u>
<b>BALANCE AT 30 SEPTEMBER 2023 (Unaudited)</b>		<u>366,967</u>	<u>150</u>	<u>410,323</u>	<u>777,440</u>	<u>156,327</u>	<u>933,767</u>



**SPUR TREE SPICES JAMAICA LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**NINE MONTHS ENDED 30 SEPTEMBER 2023**

	<u>Unaudited</u>	
	<u>9 Months</u> <u>Ended</u> <u>30 Sept</u> <u>2023</u> <u>\$'000</u>	<u>9 Months</u> <u>Ended</u> <u>30 Sept</u> <u>2022</u> <u>\$'000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net profit	67,616	118,640
Adjustments for:		
Depreciation	30,393	20,324
Amortisation of right-of-use asset	7,512	7,512
Amortisation of intangible assets	111	-
Interest expense	31,266	3,227
Foreign exchange gain	( 560)	-
Interest income	( 1,393)	-
Taxation	( 464)	131
	<u>134,481</u>	<u>149,834</u>
Changes in operating assets and liabilities:		
Inventories	( 15,687)	( 61,089)
Receivables	( 83,180)	( 186,204)
Payables	15,605	8,325
Due from related company	-	25,389
Directors' current accounts	( 153)	( 7,118)
	<u>51,066</u>	<u>( 70,863)</u>
Taxation paid	<u>-</u>	<u>( 27,539)</u>
Cash provided by/(used in) operating activities	<u>51,066</u>	<u>( 98,402)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	( 88,388)	( 75,236)
Interest received	<u>1,393</u>	<u>-</u>
Cash used in investing activities	<u>( 86,995)</u>	<u>( 75,236)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of shares, (net)	-	209,822
Dividend paid	( 4,630)	-
Loans repaid	( 10,975)	( 46,348)
Interest paid on loans	( 28,665)	-
Principal paid on lease liability	( 6,391)	( 6,779)
Interest paid on lease liability	( 2,601)	( 3,227)
Cash (used in)/provided by financing activities	<u>( 53,262)</u>	<u>153,468</u>
Net decrease in cash and cash equivalents	( 89,191)	( 20,170)
Exchange gain on foreign cash balances	560	-
Cash and cash equivalents at beginning of period	<u>148,246</u>	<u>94,465</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>59,615</u>	<u>74,295</u>

**SPUR TREE SPICES JAMAICA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2023**

**1. IDENTIFICATION AND PRINCIPAL ACTIVITIES:**

Spur Tree Spices Jamaica Limited (“the Company”) is a limited liability company incorporated and domiciled in Jamaica. These condensed consolidated interim financial statement (interim financial statement’) comprise the Company and its Subsidiaries, herein referred collectively as “the Group”.

The principal activities of the Group are the manufacturing and distributing of seasonings, spices, canned ackee and callaloo primarily for the export market.

**2. BASIS OF PREPARATION:**

These interim consolidated financial statements have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’. They do not include all disclosures that would otherwise be required in a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since its latest annual financial statements. Therefore, these interim financial statements should be read in conjunction with the Group’s annual consolidated financial statements as of and for the year ended 31 December 2022.

**3. SIGNIFICANT ACCOUNTING POLICY:**

The Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2022 financial statements and corresponding interim reporting period.

Certain new standards, interpretations and amendments to existing standards which became effective 1 January 2023, are not expected to have an effect on the interim condensed consolidated financial statements of the Group as they relate to disclosures of accounting policies in complete financial statements rather than interim financial statements. The amendments are expected to be applicable for the accounting policy disclosures in the annual consolidated financial statements of the Group.

Additionally, there are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning subsequent to 31 December 2023 (the date of the Group’s next annual financial statements) that the Group has decided not to adopt early. The Group does not believe these standards and interpretations will have a material impact on the consolidated interim financial statements once adopted.

**SPUR TREE SPICES JAMAICA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2023**

4. **REVENUE:**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities and is shown net of discounts and allowances after eliminating sales within the Group. Goods are transferred to customers at a point in time.

5. **SEGMENT REPORTING:**

The Group has two reportable segments which are based on the different types of products that it offers as follows:

	30 September 2023		
	<u>Spices</u> <u>\$'000</u>	<u>Canned</u> <u>Products</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
<b>REVENUE:</b>			
Revenue	795,294	449,106	1,244,400
Inter-segmental revenue	<u>-</u>	<u>(178,405)</u>	<u>( 178,405)</u>
<b>Total revenue from external customers</b>	795,294	270,701	1,065,995
Other income	<u>4,626</u>	<u>1,106</u>	<u>5,732</u>
<b>Total revenue</b>	<u>799,920</u>	<u>271,807</u>	<u>1,071,727</u>
Segment profits/(loss)	87,379	( 20,227)	67,152
Unallocated expenses	<u>-</u>	<u>-</u>	<u>-</u>
Profit before taxation			67,152
Taxation			<u>464</u>
Profit for the period			<u>67,616</u>

**SPUR TREE SPICES JAMAICA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2023**

5. **SEGMENT REPORTING (CONT'D):**

The Group has two reportable segments which are based on the different types of products that it offers as follows (cont'd):

	30 September 2022		
	<u>Spices</u> <u>\$'000</u>	<u>Canned</u> <u>Products</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
<b>REVENUE:</b>			
Revenue	667,556	209,957	877,513
Inter-segmental revenue	-	<u>(205,451)</u>	<u>(205,451)</u>
<b>Total revenue from external customers</b>	<u>667,556</u>	<u>4,506</u>	<u>672,062</u>
Segment profits	116,121	392	116,513
Unallocated expenses	<u>-</u>	<u>-</u>	<u>2,258</u>
Profit before taxation			118,771
Taxation			<u>( 131)</u>
Profit for the period			<u>118,640</u>

6. **RELATED PARTY TRANSACTIONS AND BALANCES:**

The following transactions were carried out with related parties during the period:

(a) Key management compensation:

	Unaudited 30 September	
	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Directors' remuneration	22,802	17,531
Directors' fees	<u>1,500</u>	<u>2,125</u>
	<u>24,302</u>	<u>19,656</u>

(b) The balances at period/year end were as follows:

	Unaudited 30 September	Audited 31 December
	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Due to:		
Directors' current accounts	<u>23,503</u>	<u>23,503</u>
Director's loan	<u>29,323</u>	<u>29,323</u>

Directors' current accounts and loan are interest free and have no fixed term of repayment.

**SPUR TREE SPICES JAMAICA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2023**

**7. PRIOR PERIOD BUSINESS COMBINATION:**

On 3 October 2022, the Group acquired 51% of the share capital of Canco Limited Limited for a purchase consideration of \$350 million, a company which is domiciled in Jamaica and is in the business of processing and distributing canned food products locally and overseas. The Company trades as “Linstead Market Jamaica” and its leading products is canned ackee.

As disclosed in the last audited financial statements, the identifiable net assets of Canco Limited were recognised at their fair values at the acquisition date. Property, plant and equipment, which was valued by an independent valuator was overstated, at recognition, by \$18,000,000. Had the corrected value being recorded, the 2022 financial statements would have differed as goodwill would have increased by \$9,180,000 and the non-controlling decreased by the corresponding \$8,820,000.

The non-controlling interest is based on the proportionate fair value of the net assets acquired.

Details of the restated fair value of identifiable assets and liabilities acquired, purchase consideration, non-controlling interest and goodwill are as follows:

	<u>\$'000</u>
Purchase consideration:	
Cash paid on date of acquisition	350,000
Net assets arising on the acquisition:	
Property, plant and equipment	456,940
Intangible assets	220
Investment	27
Cash and bank balances	7,411
Inventories	54,629
Receivables	214,652
Due to related company	1,169
Taxation recoverable	2,864
Payables	( 47,757)
Director's loan and current account	( 47,299)
Long term loans	<u>(318,788)</u>
Fair value of net assets acquired	<u>324,068</u>
Non-controlling interest (49%)	<u>158,793</u>
Goodwill	<u>184,725</u>

Consequently, property, plant and equipment valued at \$700,434,000 for the year ended 31 December 2022 was restated to \$682,434,000, intangible assets increased to \$196,545,000 from \$187,365,000 and non-controlling interest at acquisition reduced to \$158,793,000 from \$167,613,000.

**SPUR TREE SPICES JAMAICA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2023**

8. **EXPENSES BY NATURE:**

Total direct and administration expenses:

	Unaudited 30 September	
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Direct costs used in production	728,606	354,081
Change in inventories of finished goods and work-in-progress	15,686	61,090
Auditor's remuneration	24,302	2,663
Directors' remuneration and fees	60,975	19,656
Staff costs	30,393	34,679
Depreciation and amortisation	7,512	20,324
Amortization of right-of-use asset	15,913	7,512
Maintenance fee	8,675	9,404
Utilities	8,712	8,084
Advertising and promotion	4,120	4,821
Insurance	8,396	4,617
Repairs and maintenance	7,012	4,396
Legal and professional fees	26,347	5,404
Travel and entertainment	5,320	3,542
Motor vehicles expenses	12,535	5,738
Other expenses	<u>8,805</u>	<u>4,444</u>
	<u>973,309</u>	<u>550,455</u>



**TOP TEN (10) STOCKHOLDERS  
AS AT SEPTEMBER 30, 2023**

	NAME	UNITS	VOLUME (%)
1.	HARRINARINE MOHAN JAGNARINE	447,241,839	31.1845
	HARRINARINE MOHAN & CHANDRA JAGNARINE	75,709,548	
2.	ALBERT BAILEY	260,473,912	15.5325
3.	GK INVESTMENTS LTD	217,353,842	12.9612
4.	ANAND & JOAN JAMES	115,000,000	6.8577
5.	DAVE NARINE	97,000,000	5.7843
6.	RAVI RAMBARRAN	78,836,641	4.7012
7.	CAL'S MANUFACTURING LIMITED	35,507,483	2.1174
8.	VIVIENNE CLAYTON	25,840,058	1.5409
9.	CONTINENTAL BAKING COMPANY LIMITED	24,216,517	1.4441
10.	NICOLAS MATTHEWS	20,168,367	1.2027



**SHAREHOLDING BY BOARD OF DIRECTORS  
AS AT SEPTEMBER 30, 2023**

	NAME	UNITS	VOLUME (%)
1.	HARRINARINE MOHAN JAGNARINE	447,241,839	31.1845
	HARRINARINE MOHAN & CHANDRA JAGNARINE	75,709,548	
2.	ALBERT BAILEY	260,473,912	15.5324
3.	ANAND JAMES	115,000,000	6.8577
4.	STEPHEN & NSAMBI RICKETTS	11,231,899	0.6698
5.	METRY SEAGA	8,400,000	0.5009
6.	YANA SAMUELS	1,000,000	0.0596
7.	DANIELLE TERRELONGE	100,000	0.0060





**SHAREHOLDING BY SENIOR MANAGERS  
AS AT SEPTEMBER 30, 2023**

	NAME	UNITS	VOLUME (%)
1.	HARRINARINE MOHAN JAGNARINE	SELF - 447,241,839	31.1845
	HARRINARINE MOHAN & CHANDRA JAGNARINE	CONNECTED - 75,709,548	
2.	ALBERT BAILEY	SELF - 260,473,912	15.5324
3.	RANI-DEVI BADALOO	SELF – 0 CONENCTED – 522,951,387	31.1845
4.	TAMARA SAMMS	SELF – 246,200	0.00151
5.	VENETIA SHEPHERD	SELF – 149,700	0.00089
6.	FIONA DOWNS	SELF – 47,100	0.00028
7.	SERETA MCDONALD	SELF – 39,252	0.00018