CARIBBEAN PRODUCERS (JAMAICA) LIMITED

CPJ

2023 ANNUAL REPORT

innovation

Leveraging Technology in a Dynamic Landscape

vision

Our vision is to expand in new markets while maintaining our leadership position in established markets and to provide an energized and harmonious workplace for our employees.

mission

Our mission is to provide the highest levels of service and quality products available, in striving to ensure the success of our customers.

contents


CPJ

message
to our shareholders

Dear Shareholders,

We are pleased to present the annual report of Caribbean Producers (Jamaica) Limited for the fiscal year ending June 30, 2023. The year has been marked by remarkable progress and strategic investments, highlighting our commitment to leveraging technology in a dynamic landscape.

FINANCIAL HIGHLIGHTS

Our Group's revenue achieved was US$142.58 million, representing a notable 19% increase from the previous year, showcasing a strong market presence and the company's significant growth trajectory. Subsequently, the increased sales led to a significant gross profit increase of 12%, amounting to US$38.98 million. For the year under review, despite facing extraordinary expenditures of approximately US$2M, mostly derived from a settled long outstanding GCT tax dispute, our net profit after tax (PAT) for the period stood at a commendable US$6.25 million.

EMBRACING TECHNOLOGICAL ADVANCEMENTS

At CPJ we have been proactive in our pursuit of technological advancement. The implementation of new software for customer service and marketing has enhanced our ability to serve customers and expand our reach. We are at an advanced stage of exploration of a fully integrated enterprise resource planning system (ERP), which will incorporate AI-enabled features designed to drive dynamic growth and improved service capabilities. This material commitment to IT investment signifies our intent to be at the forefront of technology to support our business, to ensure maximum operational efficiency and sustained growth.

In a rapidly changing digital landscape, we are investing in safeguarding the interests of our stakeholders. CPJ has implemented multiple layers of robust IT security protocols to ensure the utmost protection of customer, vendor, and staff data. These measures underscore our dedication to maintaining the highest standards of data security, protection and privacy.

In the year ahead we will complete our manufacturing plant expansion, backed by an investment of more than US$3 million which will greatly increase our capacity to meet the growing demands of our hospitality and retail clientele. This investment in our meat production facility aligns perfectly with our long-term growth strategy. Similarly, CPJ is making further use of solar energy with a significant investment of approximately US$1 million, which is expected to reduce energy costs by more than 35%, contributing to our sustainability and cost-efficiency objectives.

EXPANSION AND MARKET REACH

Our strategic efforts in the online B2B & B2C marketplace will enable us to reach an untapped segment of the market, leading to the acquisition of new customers while providing increased utility and service options for existing customers. Embracing online sales platforms supports CPJ's drive for innovation to deliver the highest standards of service while continuously seeking to diversify and broaden our customer base and market presence.

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PROGRESSIVE HEBRIDEAN DISTILLERS

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OVERCOMING LOGISTIC CHALLENGES

The logistical challenges faced in the past year, primarily related to securing timely product deliveries, have been effectively mitigated through relentless supply chain management and the gradual easing of global shipping and logistical instability. This favorable supply management outcome is in large part due to an increased use of IT-driven data solutions. We have developed even stronger relationships through this period of uncertainty with our vendors and customers by meeting all our financial and other obligations in a precise manner. This commitment is a key component that allows us to manage receivables and payables more effectively, leading to improvements in the efficiency of our supply chain, inventory management, and cash flow, thereby ensuring seamless operations and ultimately timely deliveries to meet our customers' expectations.

LOOKING AHEAD

As we move into the new fiscal year, we are more determined than ever, to deliver on our core values of providing our loyal customers with the best possible service with the highest-quality and value products. Our continued investment in our infrastructure and focus on technology-driven solutions, positions us for sustainable success and operational efficiencies to take advantage of opportunities arising from the expected growth in Tourism and Jamaica's economy. We are extremely excited and confident in our ability to capitalize on the opportunities that are present in Jamaica and in the wider Caribbean region through the operations of our subsidiary CPJ St. Lucia.

The operation in St. Lucia is anticipating the imminent opening of a new store, which is poised to solidify the position of CPJ-SL as a key player in the retail market on the island. The store will be a game-changer. This strategic move will enable CPJ-SL to establish a more consistent revenue stream, mitigating the revenue fluctuations caused by the seasonal nature of the hospitality sector in St. Lucia.

The future of the company is exceedingly bright!

We would like to sincerely extend gratitude to our CPJ board members for providing continuous guidance throughout the year, and to our dedicated management team, and hardworking staff for their unwavering commitment and their contributions to our success. Finally, we are ever so grateful to our shareholders, customers, and partners that have been vital to our journey; we are deeply appreciative of your continued support of CPJ.

Thank you.

A. Mark Hart J.P.	Thomas Tyler
Executive Chairman	*Co-Chairman*

interactive:

We've developed interactive ways to introduce new products like Fireball, to the marketplace.

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Caribbean Producers (Jamaica) Limited Group will be held at the Grand A View Restaurant & Events Place, 7 Queens Drive, Montego Bay, St. James, on Tuesday 13th, February 2024 at 3:00 p.m. for shareholders to consider, and if thought fit, to pass the following resolutions:

ORDINARY RESOLUTIONS

1. **To receive the Reports of the Directors and Auditors and the audited accounts of the Company for the financial year ended 30 June 2023.**

   To consider and (if thought fit) pass the following resolution:

   "THAT the Reports of the Directors and Auditors and the Audited Accounts of the Company for the financial year ended 30 June 2023 be adopted".

2. **In accordance with Article 102 of the Company's Articles Incorporation, Mr. Stephen Dear, Mr. Thomas Tyler and Mrs. Candace Hart, retire from office by rotation and, being eligible, offer themselves for re-election.**

   To consider and (if thought fit) pass the following resolutions:

   (a) "THAT Mr. Stephen Dear who retires by rotation and being eligible for re-election be and is hereby re-elected a Director of the Company".

   (b) "THAT Mr. Thomas Tyler who retires by rotation and being eligible for re-election be and is hereby re-elected a Director of the Company".

   (c) "THAT Mrs. Candace Hart who retires by rotation and being eligible for re-election be and is hereby re-elected a Director of the Company".

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

   To consider and (if thought fit) pass the following resolution:

   "THAT KPMG, Chartered Accountants, having agreed to continue in office as auditors, be and are hereby appointed auditors of the Company to hold office until the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company".

4. **To fix the remuneration of the Directors.**

   To consider and (if thought fit) pass the following resolution:

   "THAT the amount included in the Audited Accounts of the Group for the year ended 30 June 2023, as remuneration for their services as Directors be and is hereby approved".

Dated this 28 day of October 2023

By Order of the Board

Theresa Chin

Company Secretary

NOTES:

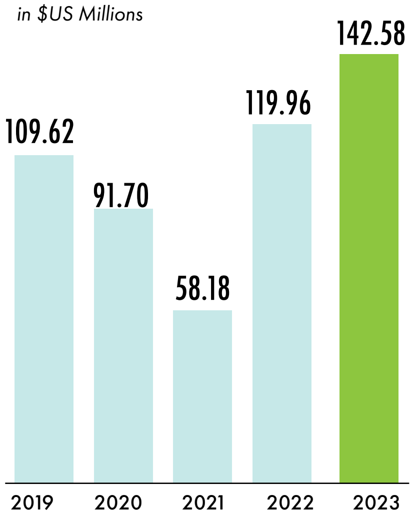
The following document accompanies the Notice of Annual General Meeting:

A form of proxy. A shareholder who is entitled to attend and vote at the Annual General Meeting of the company may appoint one or more proxies to attend in his/her place. A proxy need not be a shareholder of the company. All completed original proxy forms must be deposited together with the power of attorney or other document accompanying the proxy at the registered office of the company at least 48 hours before the Annual General Meeting.

Five-year financial review

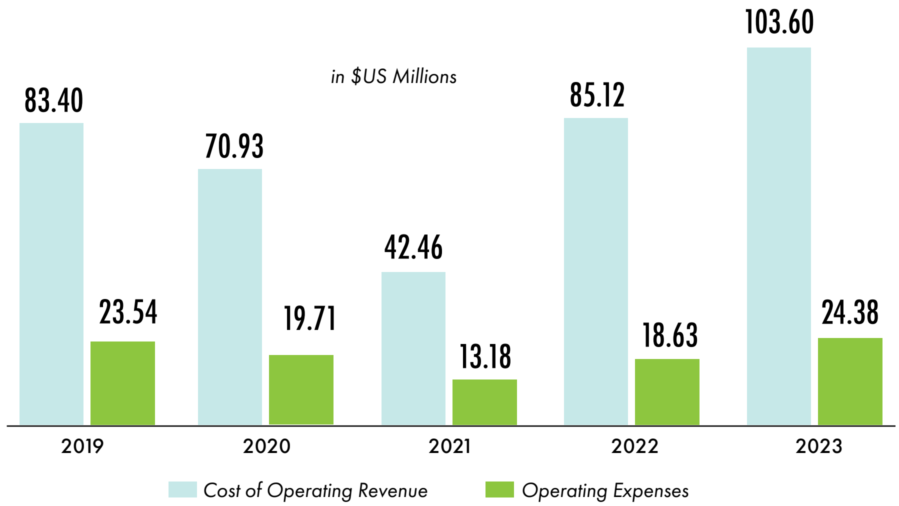
Gross Operating revenue

Gross operating revenue increased by 30.07% from US$109.6 million in 2019 to US$142.6 million in the fiscal year 2023. The gross operating revenue reflects an 18.86% increase, or US$22.6 million, over FY2022. This improvement is the direct result of increased confidence and continued growth in the Hospitality Industry. CPJ continues to maintain and increase market share through organic and inorganic growth, driven by expansions locally, as well as an increased customer base and the addition of new products and product lines. The compound annual growth rate (CAGR) over the last five years shows an increase of 5.4%.



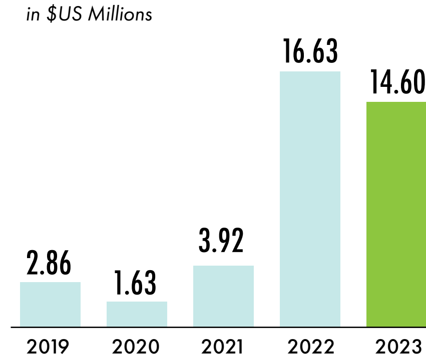
Operating Expenses

Operating Expenses increased from US$23.4 million [FY2019] to US$24.4 million [FY2023], a change of US$1.02 million or 4.35%, primarily due to increases in Salaries & Wages, Repairs & Maintenance, Advertising, and extraordinary payment to the TAJ for prior period GCT assessment. Operating costs also increased by US$6.2 million or 33.81% over FY2022. The cost of Operating Revenue increased from US$83.4 million [2019] to US$103.6 million [2023]. This was a change of US$20.2 million or 24.22% over the 5-year period.



Earnings before Interest, Taxes, and Depreciation

Earnings before Interest, Taxes, and Depreciation (EBITDA) increased from US$2.9 million in FY2019 to US$14.6 million in FY2023. The results for FY2023 represented a 411.27% increase over the prior five-year period under review. This increase is due largely to increased efficiencies implemented over the years. The group reported a net profit after tax of US$6.2 million which was an improvement of US$7.4 million over FY2019.



Financial Review & Important Ratios

RATIOS	2023	2022	2021	2020	2019
Debt to Equity	1.8	2.4	3.3	2.4	2.1
Return on Equity	19.3%	29.7%	-16.5%	-24.5%	-5.3%
Profit before Taxation/Sales	4.8%	7.9%	-4.3%	-6.0%	-1.2%
Return on Asset	6.9%	8.7%	-3.8%	-7.2%	-1.7%
Current Ratio	2.27	1.34	2.02	2.30	1.91
Earnings per Stock Unit (US Cents)	0.52	0.68	-0.21	-0.37	-0.11
Weighted Avg. Exchange Rate J$:U$	155.32	152.50	148.52	139.11	129.96

PROFIT & LOSS	2023	2022	2021	2020	2019
	US$' Mil	*US$' Mil*	*US$' Mil*	*US$' Mil*	*US$' Mil*
Gross Operating Revenue	1142.58	119.96	58.18	91.70	109.62
Gross Profit	38.98	34.84	15.71	20.77	26.22
Operating Profit	10.26	12.41	-0.34	-3.14	0.39
Profit Before Taxation	6.87	9.47	-2.52	-5.55	-1.29
Profit After Tax	6.25	7.72	-2.52	-4.35	-1.17

BALANCE SHEET	2023	2022	2021	2020	2019
	US$' Mil	*US$' Mil*	*US$' Mil*	*US$' Mil*	*US$' Mil*
Total Assets	90.11	88.46	66.33	60.56	67.47
Total Liabilities	57.83	62.42	51.08	42.79	45.36
Share Capital	4.90	4.90	4.90	4.90	4.90
Reserves	24.02	18.25	10.74	13.01	17.07
Shareholders Equity	28.91	23.15	15.64	17.91	21.97

board
of directors

A. Mark Hart J.P.

Executive Chairman (appointed April 1994)

A. Mark Hart served as Chief Executive Officer from 2004 until early 2011 when he was promoted to his current position of Executive Chairman. He is also a co-founder and major shareholder of the Company. Mr. Hart began his career as the Managing Director of the Hart family's group of companies in 1982, eventually becoming Chairman and Chief Executive Officer in 1997. Mr. Hart is also Chairman of Cargo Handlers Ltd, a JSE Junior Market listed company and is currently the Chairman of the Montego Bay Freezone Company Limited. as well as the Chairman of the Airport Authority of Jamaica. He is also a board member of the Bank of Nova Scotia Jamaica Limited, and Scotia Group Jamaica Limited. In January 2020 Mr. Hart assumed the role of Interim CEO at CPJ.

Thomas Tyler

Co-Chairman

Thomas (Tom) Tyler co-founded Caribbean Producers (Jamaica) Limited in 1994 along with Mark Hart. Tom served as the company's CEO from 2011 to 2016. He is currently the company's Co-Chairman, where he maintains strong vendor and customer relations that fuel the rapid growth of the company and has established Caribbean Producers Jamaica as the leading food service company in Jamaica.

Following his education at the University of South Florida, Thomas Tyler joined his family-based company, Caribbean Producers, which specialized in supplying furniture and equipment to the Hospitality sector across the Caribbean. The Tyler family played a fundamental role in the development of the Hospitality Industry across the Caribbean and especially in Jamaica for over 40 years.

Thomas Tyler is a Director of CPJ Investments Limited and Chairman of CPJ St. Lucia Limited; a subsidiary company of CPJ. He also serves as President of Hospitality Services Unlimited, a company registered in the U.S. that engages in business with CPJ.

Theresa Chin

Non-Executive Director and Company Secretary (appointed September 2004)

Theresa Chin is a graduate of York University, Toronto Canada where she gained a Bachelor of Science degree in Mathematics. She has worked with the Hart Group of companies since 1993. She is currently a Director of Cargo Handlers Limited, as well as acting Financial Manager for Hart Group of companies. Prior to joining the Hart group of companies, she worked as a financial analyst for the Four Seasons Hotel, a tax consultant for the Borough of East York, Toronto, Canada and as an auditor at Deloitte & Touche in Toronto Canada.

As an independent Non–Executive member of the Board, Mrs. Chin also serves on the Audit and Compensation Committees of the Board. Mrs. Chin is also the Company Secretary.

Konrad Berry

Independent Non-Executive Director

Mr. Konrad Berry joined Mayberry Investments Limited at its inception and was one of its founding Directors. He is currently the Executive Vice Chairman and has been the company Secretary between 1985 - 2023. He was Finance Director between 1992-1995, and also Chief Operating Officer in 1995.

As Chief Operating Officer, Mr. Berry was primarily responsible for the Company's day-to-day operations, including the development and supervision of its management and operating system.

During 2002-2004, he supervised the planning, design, construction and outfitting of the company's office building, from one floor of 3700sq ft to three floors consisting of 12,650 sq ft. Mr. Berry was also very integral in the company's listing on the Jamaica Stock Exchange in 2005.

Mr. Berry obtained a B.Sc. (Hons.) degree in Management and Economics from the University of the West Indies in 1992. In that year, he also successfully completed the Canadian Securities Course.

Mr. Berry is a director of several companies including Caribbean Producers (Jamaica) Limited, Widebase Limited, Mayberry Jamaica Equities Limited and Mayberry Asset Managers Limited.

Interests are tennis, fishing, squash and is married with three (3) children.

board of directors (continued)

Christopher Berry, B.Sc. (Hons.)

Independent Non-Executive Director

Mr. Christopher Berry has been the Executive Chairman of Mayberry Investments Limited since 1993. A former Deputy Chairman of the Jamaica Stock Exchange, he also sits on several boards, including Lasco Financial Services, Apex Health Care Associates Limited and Apex Pharmacy Limited. He has over 30 years of experience in the securities industry. Having joined Mayberry Investments Limited in 1987 where he was responsible for corporate planning and information technology, he subsequently led the company's listing on the Jamaica Stock Exchange in 2005.

Mr. Berry has a Bachelor of Industrial Engineering (Hons.) from the Georgia Institute of Technology in Atlanta Georgia.

Richard 'Mark' Hall

Independent Non-Executive Director (appointed September 2011)

For the past 40 years Mark Hall has been the CEO of Hall's Investment Limited, operating the IGL filling plant franchise and Boomerang Tyre Sales in Western Jamaica. Over the years Mr. Hall has served on numerous private and public corporate boards, civic and social trusts and management committees.

As an independent Non–Executive member of the Board, Mr. Hall also serves as the Chairman of the Compensation Committee and a member of the Audit and Corporate Governance committees of the Board.

Dr. Candace Hart

Non-Executive Director

Candace Hart joined CPJ in September 2018 in Special Projects and Change Management. She has been focused on data management, information technology and process implementation in the company. She holds a Ph.D. in Psychology from the University of Miami and brings her experience working with large data sets from her published research work on several grants funded by the National Institute of Mental Health.

Candace moved to Montego Bay in 1997 where she initially worked with the Committee for the Upliftment of the Mentally Ill (CUMI), a non-profit focusing on the care of the homeless mentally ill. Candace served as a Trustee and Co-Chair on the Development Committee of the Indian Mountain School in Lakeville, CT. Candace also served on the Board of Directors of Hanover Charities since 2011, specifically focusing on tertiary education in Jamaica and the mentoring of academic scholarship recipients. She also serves on the Board of Directors for Fairfield International Academy in Montego Bay. Candace lives in Montego Bay with her husband Mark Hart and their 3 children, Maya, Ethan and Cameron.

L. Camille Shields

Independent Non-Executive Director (appointed February 2014)

L. Camille Shields is a Barrister and Attorney-at-Law, Notary Public & Chartered Director. She has expansive experience in Law, Business and Governance and has been practicing Law in Jamaica for more than 18 years. Her Law Practice's client base spans multiple industries and represents companies and individuals from Jamaica and overseas. As a Chartered Director she is trained in the technical and structural components of Corporate Governance.

She is an independent Non–Executive member of the Board and serves as Chairman of the Corporate Governance Committee as well as a member of the Compensation and Audit Committees of the Board.

board of directors (continued)

Stephen Dear

Independent Non-Executive Director (appointed May 2023)

Stephen W.R. Dear is a seasoned business professional with over two decades of experience in banking, tourism, and other business sectors. Born in Montego Bay, Jamaica, he has built a reputation as a leader and problem-solver with a keen ability to develop prototypes, analyze problems, generate solutions, manage teams, and strategize for long-term profitability.

His educational journey extends to Spain and Canada with degrees in both Accounting and Finance. He is also an active member of several organizations and serves as a Justice of the Peace with the Ministry of Justice. He holds various leadership positions in the business community, including Chairman of Montego Bay Community College; Director/Shareholder of Island West Investments Limited, Shareholder of Wingman Limited, and Board Director of BCMG Insurance Brokers Limited.

In his free time, Stephen enjoys sports and participates competitively in squash, sailing and tennis. He is also involved in community development activities.

Ronald Schrager

Independent Non-Executive Director (appointed June 2011)

Mr. Schrager is a principal and co-founder of Eightfold Real Estate Capital, LP a real estate investment and advisory firm. Prior to forming Eightfold, Mr. Schrager was the Chief Operating Officer of LNR Property LLC of the USA, from May 2003 until December 2010. In 1992, Mr. Schrager came to Lennar (former parent of LNR) from Chemical Bank (now JP Morgan Chase) in New York, where he served as Vice President. Mr. Schrager received a Master's Degree in Business Administration from Harvard Business School in 1988.

Mr. Schrager is the immediate past Chairman of the Audit Committee and also serves as a member of the Compensation Committee.

Frank O'Dowd

Non-Executive Independent Director (appointed February 2019)

Mr. O'Dowd has held multiple senior management positions and is currently Chief Strategy Officer of BFC Software, a food service software and consulting firm. He was CIO and CAO of Chefs Warehouse from 2007-2017. During that time the Company grew from $200M to over a billion in annual revenues, had an IPO and is listed on the Nasdaq. Prior to Chefs Warehouse, Frank was the CIO at GAF Materials Corporation, the largest roofing manufacturer in North America. Frank also worked in the pharmaceutical and publishing industries. He has an undergraduate degree from the University of Dayton and a graduate degree from the State University of New York at Stony Brook.

connect:

CPJ connects our customers with the finest products from across the globe.

management team

Hugh Logan

Director of Institutional Sales

Hugh Logan joined the Company in February 1997 as the Beverage Systems Manager before being promoted to Sales Manager, Vice President of Hospitality Sales, and his current role as Director of Hospitality Sales.

Prior to joining the Company, Mr. Logan worked in various management roles in the hotel sector. He graduated from Seneca College's Business Management Program in 1990 and enrolled at Queen's University in 1991 (both in Ontario Canada) where he pursued a Bachelor of Science Degree in Psychology.

Christopher Myles

Director of Finance

Christopher Myles joined the CPJ team in June 2021 and was appointed to the role of Director of Finance. Christopher is an experienced accountant, manager, and mentor. His goals include prudent fiscal management, guidance and providing bold leadership in a changing landscape.

Chris has a passion for finance, accounting, and management. He spent time working on various aspects and levels of accounting with a 'Big 4' accounting firm. As a chartered accountant, he specializes in financial accounting, anti-fraud, and taxation.

Chris has worked in the Hospitality and Importation industry for over 20 years, gaining experience in all aspects of the management and operations of the sector. As a seasoned executive, he is passionate about advancing the needs of the clients, supporting staff, and the interest of the business. In addition to being a chartered accountant, he is also involved in community service and volunteering for social and professional associations. Outside of the office, Chris enjoys running, golfing, soccer and reading.

Alejandro Sánchez

Chief Information Officer

Mr. Sánchez joined CPJ in July 2019 as CIO. brings over thirty years of hands-on experience in various information technology operational and managerial positions. His experience spans software development and support in industrial, health information, warehouse management and product distribution in the food industry. Mr. Sánchez has worked with Puerto Rican and multinational organizations including Packer's Provision, V. Suarez, Oracle, SAP, Agua La Montana, PFS, and Trafon Group.

Mr. Sánchez is a Computer Systems Engineer graduate with additional studies in civil engineering. He has also completed extensive training for IBM, Microsoft, Oracle, SAP, Project Management, Business Processes Re-engineering, and Business Intelligence training.

Alejandro Sánchez is experienced in full-scale operations, project management, re-engineering and process implementation. He oversees the overall operations of CPJ's IT Team and Service Strategy – aligning the Information Technology office with CPJ's Strategic Vision and Mission.

management team

Charles D'Agostino

General Manager

Mr. Charles D'Agostino was appointed to the position of General Manager, effective July 1, 2021. Mr. D'Agostino brings over twenty years of industry knowledge and experience to the role and has responsibilities for overseeing the operations departments of the Company. He is an Operations Executive bringing to CPJ cross-functional experience in all facets of supply chain and broad-line distribution operations.

Adam Delisser

Director of Logistics

Mr. DeLisser was appointed Logistics Director, in February 2023. He started at CPJ in 2019 as a Senior Demand Planner and has worked across several divisions including IT, purchasing and finance. He returned to Jamaica after 15 years overseas gaining his accreditations in Sydney, Australia first a Bachelor from the prestigious Sydney University and then Chartered Accounting Accreditations (ACCA Equivalent). His time spent in Audit (focus in FMCG companies) in Sydney and then Financial Accounting in London, England has given him invaluable experience in both process improvement and management. At CPJ he has notably implemented and managed the new Logistics and Landed Cost software along with several others.

Christopher Malcolm

Business Development Director

Christopher Malcolm is a certified professional in Supply Chain Management (CPSM), with over 24 years of experience. He served as the Group Purchasing Manager at Sandals Resorts International with responsibilities for 18 resorts across 6 territories. Christopher also has vast experience in Cost Control Management, as well as serving in the capacity of Environmental Manager and assisting with the Earth Guard and Green Globe certification for some Sandals Resorts.

Christopher's experience in communication and negotiation skills has taken dormant or unhealthy portfolios and transformed them into healthy and thriving ones. It is with this vast wealth of knowledge and experience that Christopher joined the Caribbean Producers Jamaica family in February 2022 in the role of Director of Business Development. With a large percentage of CPJ's customers being hotels, Christopher has brought to the table first-hand knowledge and expertise to continue developing and maintaining those relationships. He believes that having been on the "other side of the table" will allow for greater awareness and knowledge of what customers require and to execute the service that is needed and expected from CPJ.

Javier Martinez Perez

Director of Supply Chain

Mr. Javier Martinez Perez was appointed Director of Procurement, Logistics, and Supply Chain on April 1, 2019. Javier previously worked in the tourism industry for 25 years accumulating 18 years of experience in managerial positions. His tenure in the hotel industry was primarily in the areas of operations in both F &B and rooms division and in the procurement department, where he was the Director of Procurement for English-speaking Caribbean Islands. He provided outstanding service to both internal and external customers, targeting a balance in quality and profitability. He also believes in and supports efforts to achieve a highly motivated team.

Rojah Thomas

Director of Retail Sales

After graduating from the University of Technology in July 2005, with a BSc. in Marketing & International Business. Mr. Thomas started his journey as a marketing assistant, and quickly excelled to lead some of Jamaica's most prominent brands, ultimately assuming a brand manager role at CPJ in 2012.

After a brief hiatus, Rojah rejoined CPJ as Senior Brand Manager for Beverages, in February 2016. He was tasked with growing CPJ-owned brands as well as a bevy of premium imports. Subsequently, he also held roles of Category Manager, Sponsorship Manager, and Retail Sales Manager before being promoted to his current role: Director of Retail Sales, in January 2022.

Sales & Marketing are but two sides of the same coin, a lesson that has proved invaluable in this new role. In this new capacity, Rojah leads the retail sales division, which encompasses off-trade sales & merchandising with a complete and extensive team.

Terry-Ann Johnson

Financial Controller

Ms. Johnson was appointed Financial Controller in January 2020. She originally joined CPJ as the Accounting Manager before being promoted to Financial Controller. She brings over 15 years of finance and auditing experience to CPJ, where she is responsible for the day-to-day operations of the finance department.

Ms. Johnson served as a Director of the Hospitality Financial and Technology Professionals (Jamaica Chapter) for two consecutive years.

Ms. Johnson is a member of the Association of Chartered Certified Accountants (ACCA) and holds a Diploma in Business Administration (Finance) from the University of Technology. She is currently pursuing her Master's Degree in Business at East London University.

corporate data

JAMAICA

HEADQUARTERS

Montego Bay
Caribbean Producers
(Jamaica) Limited
1 Guinep Way
Montego Freeport
St. James, Jamaica

Mailing Address:
P.O. Box 302, Montego Bay
St. James, Jamaica W.I.
Tel: (876) 979-8134 / 8136
Fax: (876) 953-6898

Email: info@cpj.com
Websites: www.cpj.com
www.cpjmarketonline.com

Kingston
CPJ Market
71 Lady Musgrave Road
Kingston 10, Jamaica
Tel: (876) 633-5973
(876) 633-5976

REGISTERED OFFICE
Shop#14,
Montego Freeport
Shopping Center
Montego Freeport,
St. James, Jamaica

Auditors

KPMG
6 Duke Street,
Kingston, Jamaica

Internal Auditors

Ernst & Young
Chartered Accountants
8 Olivier Road,
Kingston 8

Bankers

The Bank of Nova Scotia
Jamaica Limited
Scotiabank Centre
Duke Street
Kingston, Jamaica

National Commercial Bank
Baywest Center
Harbour Street
Montego Bay, Jamaica

Sagicor Bank
Jamaica Limited
17 Dominica Drive
Kingston 5, Jamaica

Citibank N.A. Jamaica
19 Hillcrest Avenue
Kingston 6, Jamaica

ST. LUCIA

HEADQUARTERS
CPJ St. Lucia
Cul De Sac
Castries, St. Lucia

Auditors

PKF St. Lucia
Meridian Place. Choc Estate
Castries
P.O. Box Choc 8245
St. Lucia

REGISTERED OFFICE
6 Brazil Street
Castries, St. Lucia

Bankers

Bank of Nova Scotia
Castries, St. Lucia

First Caribbean
International Bank
Bridge Street
Castries, Saint Lucia

top 10 shareholders *As at 30 June 2023*

NAME	SHARES	%
Sportswear Producers Limited	253,084,299	23.0077
Mayberry Jamaican Equities Limited	220,951,145	20.0865
Wave Trading Limited	124,132,858	11.2848
Oniks Investments Limited	115,681,262	10.5165
Thomas Tyler	82,830,563	7.5301
Ho Choi Limited	33,581,579	3.0529
TJBK Investment Limited	31,000,000	2.8182
PWL Bamboo Holdings Limited	20,536,570	1.8670
QWI Investments Ltd	12,935,291	1.1759
MF& G Trust & Finance Ltd A/C 58	11,455,738	1.0414

directors' and senior management's interest *As at 30 June 2023*

The interests of the Directors and Senior Officers, holding office at the end of the quarter, along with their connected persons, in the ordinary stock units of the Company were as follows:

DIRECTORS	POSITION	RELATIONSHIP	SHARES	%
Sportswear Producers Limited			253,084,299	23.0077
Mark Hart	Chairman	Connected party holding		
Mayberry Jamaican Equities Limited			220,464,641	20.0422
Konrad Mark Berry	Director	Connected party holding		
Christopher Berry	Director	Connected party holding		
Wave Trading Limited			124,132,858	11.2848
Mark Hart	Chairman	Connected party holding		
Oniks Investments Limited			115,681,262	10.5165
Thomas Tyler	Co-Chairman	Connected party holding		
Thomas Tyler	Co-Chairman	Self	82,830,563	7.5301
PWL Bamboo Holdings Limited			20,536,570	1.8670
Konrad Mark Berry	Director	Connected party holding		
Alpine Endeavours Limited			1,881,100	0.1710
Ronald Schrager	Director	Connected party holding		
Apex Pharmacy Limited			1,421,936	0.1292
Christopher Berry	Director	Connected party holding		
A+Medical Centre Limited			950,000	0.0864
Christopher Berry	Director	Connected party holding		
Konrad Mark Berry	Director	Self	495,930	0.0451
Theresa Chin	Director	Self	288,900	0.0262
Richard Mark Hall	Director	Self	114,090	0.0104

SENIOR MANAGEMENT		
Hugh Logan	144,343	0.01312


BELAIRE
ESCAPE
in
EXQUISITE
FRENCH
STYLE
PRODUIT DE FRANCE
LUC
BELAIRE
BRUT
GOLD

corporate governance

FOR THE YEAR ENDED 30TH JUNE 2023

This corporate governance statement outlines the framework set by the Board of Directors of Caribbean Producers Jamaica Limited having regard to its Corporate Governance Charter, industry best practices and guidelines that it considers to be the most appropriate for the Company. Further, the company's corporate governance guidelines allow the Board to make decisions that are independent of Management and fulfilment of its primary role of strategic oversight with the ultimate goal of profitability and increasing shareholder value. The Board periodically reviews these guidelines and they can be accessed through our website www.cpj.com.

The Company states that the Board of Directors has complied with the framework of Corporate Governance practices in place and as set out herein during the year ending June 30, 2023.

ROLES AND RESPONSIBILITIES OF THE BOARD

The Directors acknowledge that they are accountable to shareholders, and for the overall operation and stewardship of the Company in particular for long-term growth and profitability of the Company and for monitoring the implementation of policies strategies and financial objectives.

The key responsibilities and roles of the Board include:

- Contributing to the development of and approving the Company's strategy and setting financial targets;
- Monitoring the implementation and execution of strategy and performance against financial targets;
- Appointing and overseeing the performance of senior executive management;
- Monitoring the Company's culture and values.

The Board has reserved to itself, in addition to those matters reserved to it by law, the following functions and all power and authority in relation to:

- Composition of the Board itself (including appointment and retirement or removal of Directors);
- Periodic evaluation of the Board, its committees and individual Directors;
- Oversight of the Company, including its control and accountability systems;
- Appointing and removing the Chief Executive Officer.
- Ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer and the Company Secretary.
- Reviewing and overseeing the operation of systems of risk management and internal compliance and control, codes of ethics and conduct, and legal and regulatory compliance.
- Input into and final approval of management's development of corporate strategy and performance objectives.
- Monitoring senior executive management's performance and implementation of strategy, and ensuring appropriate resources are available.
- Approving and monitoring the progress of major capital expenditure, capital management, and divestitures;
- Approving and monitoring financial and other reporting.
- Approving the payment of dividends to shareholders;
- Approving the Company's remuneration framework;
- Monitoring industry developments relevant to the Company and its business;
- Developing suitable key indicators of financial performance for the Company and its business;
- The overall corporate governance of the Company, including strategic direction, establishing goals for management and monitoring the achievement of these goals; and
- The oversight of Committees.

To assist in performing its duties in the most efficient manner the Board has delegated specific responsibilities to three Board Committees which act, subject to the terms of their respective charters, in an advisory capacity, subject to the oversight of the Board.

Day-to-day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Chief Executive Officer and senior executive management of the Company. These delegations are reviewed periodically as appropriate.

The Board generally meets on a quarterly basis, or more regularly as may be required. Details of each Director's relevant qualifications and experience, the number of times the Board and each committee have met as well as Directors' attendance at each meeting is included here for the Company's annual report.

Additionally, special committees are established from time to time to oversee particular operational matters and new opportunities.

The Company Secretary, Theresa Chin, is accountable to the Board, through the Chair, on all matters relevant to the proper functioning of the Board. All Directors have direct access to the Company Secretary.

The charters, codes and policies in respect of the Company's governance practices are reviewed and updated periodically to ensure that they remain appropriate to the Company's circumstances.

APPOINTMENT OF NEW DIRECTORS, NOMINATIONS AND RE-ELECTION OF DIRECTORS

The Corporate Governance and Nomination Committee is responsible for recommending the appointment of new Directors to the Board. During the Director selection process, potential candidates are subject to appropriate and prudent background and screening checks prior to appointment. These include checks in relation to the person's character, experience, qualifications, criminal history, financial good standing as well as ensuring that the person is available to provide the appropriate time commitment to serve as a Director on the Board.

In the event a Director is appointed, he/she must stand for election at the next Annual General Meeting (AGM) of the Company which is usually held in February each year. Additionally, Directors who have been in office without re-election for three years since their last appointment must retire and seek re-election at the Company's AGM. In each case, the Company provides to shareholders all material information in its possession, concerning the Director standing for appointment or re-election.

BOARD DIVERSITY AND COMPOSITION

The Board considers diversity to be important and has long maintained a mixed Board which is both gender and skill diverse and which fosters inclusivity and open communication. This diversity extends and permeates to the management team. The Board regularly assesses itself and the information gathered used to improve operation and effectiveness. The Board members remain the same as the previous year.

The Board considers that it has a good mix of skills which provide good corporate governance and oversight and are aligned with the Company's strategy "To drive our profitability through strong supplier relationships by delivering great products with exceptional service". The areas of expertise possessed by directors are shown in the table below.

BOARD MEMBER QUALIFICATIONS, SKILLS & EXPERIENCE

DIRECTOR	AREA OF EXPERTISE							
	Industry	Strategy & Leadership	Finance & Audit	Legal	Int'l Business	Governance	Brand & Marketing	Mergers & Acquisitions
A. Mark Hart	✓	✓	✓		✓	✓	✓	✓
Thomas Tyler	✓	✓	✓		✓	✓	✓	✓
Theresa Chin	✓	✓	✓			✓		✓
Richard M. Hall	✓	✓			✓	✓	✓	✓
L. Camille Shields				✓		✓		✓
Frank O'Dowd	✓	✓			✓			
Ronald Schrager		✓	✓		✓	✓	✓	✓
Christopher Berry		✓	✓			✓	✓	✓
Konrad Mark Berry		✓	✓		✓	✓	✓	✓
Candace Hart		✓	✓		✓	✓	✓	

The Board is also structured so that it has an appropriate mix of executive, non-executive and independent directors to maintain its independence and separate the functions of governance and management.

As at June 30, 2023, the Board consisted of eleven Directors: three Executive Directors, including the Executive Chairman/ Chief Executive Officer & the Co-Chairman and eight Non-Executive Directors, among them three are Independent Directors.

DIRECTORS' INDEPENDENCE

The Board regularly assesses the independence of each Non-Executive Director. An independent Director is one who (to the satisfaction of the Board) meets the following criteria:

- Is not and has not been employed by the Company or any of its related parties at any time during the past five years.
- Is not and has not been affiliated with a Company that acts as an advisor or consultant to the Company or its related parties and has not acted in such capacity at any time during the past five years.
- Is not and has not been affiliated with any significant customer or supplier of the Company or its related parties at any time during the past five years.
- Does not currently have, nor has had any personal service contracts with the Company, its related parties, or its senior management at any time during the past five years.
- Is not affiliated with any non-profit organization that receives significant funding from the Company or its related parties.
- Does not receive and has not received any additional remuneration from the Company apart from a director's remuneration, nor participates in the Company's share option or performance-related payment plans, nor is a participant of the Company's pension plan;
- The Director's remuneration does not constitute a significant portion of the person's annual income.
- Is not employed as an executive officer of another Company where any of the Company's executives serve on that Company's Board.
- Is not a member of the immediate family of any individual who is, or has been at any time during the past five years, employed by the Company or its related parties as an executive officer.
- Is not, nor has been at any time during the past five years, affiliated with or employed by a present or former auditor of the Company or auditor of any related party; and
- Is not a controlling person of the Company (or member of a group of individuals and/or entities that collectively exercise effective control over the Company) or such person's brother, sister, parent, grandparent, child, cousin, aunt, uncle, nephew or niece, or a spouse, widow, in-law, heir, legatee and successor of any of the foregoing, (or any trust or similar arrangement of which any such persons or a combination thereof are the sole beneficiaries) or the executor, administrator or personal representative of any person described in this paragraph who is deceased or legally incompetent and based on these principles, the Directors deemed to be independent as at June 30, 2022, are:

o Richard M. Hall,

o L. Camille Shields

o Stephen Dear.

MEETINGS OF THE BOARD JULY 2022 TO JUNE 2023

The Board meets quarterly and the agenda for board meetings is prepared in conjunction with the Chairman/Chief Executive Officer, the Chief Financial Officer and the Company Secretary. Standing items include the CEO's report, division operating reports, committee minutes and reports, financial reports, strategic matters and governance and compliance updates. All submissions are circulated in advance of the meetings to allow the Board time to review and give due consideration to each report. Every Board member can suggest the inclusion of additional items on the agenda.

Director's Name	Position	Number of meetings eligible to attend	Number of meetings attended	% of eligible meetings attended
A. Mark Hart	Executive Chairman	10	10	100%
Thomas Tyler	Co-Chairman	10	10	100%
Candace Hart	Non-Executive Director	10	6	60%
Ronald Schrager	Non-Executive Director	10	10	100%
Frank O'Dowd	Non-Executive Director	6	4	67%
Richard Mark Hall	Non-Executive Director	10	7	70%
L. Camille Shields	Non-Executive Director	10	9	90%
Theresa Chin	Non-Executive Director & Company Secretary	10	10	100%
Christopher Berry	Non-Executive Director	6	5	83%
Konrad Berry	Non-Executive Director	10	9	90%
Stephen Dear	Non-Executive Director	2	2	100%

Meetings were held on the August 25, 2022, October 11, 2022, November 8, 2022, February 7, 2023 and May 9, 2023.

ANNUAL GENERAL MEETING (AGM)

The Annual General Meeting (AGM), held February 7, 2023, is an important aspect of our corporate governance framework, providing a platform for transparent communication and accountability to our shareholders. Shareholders were duly informed of the AGM through a formal notice, published in the newspaper and posted on the company's website within the stipulated timeframe. The meeting was attended by shareholders, members of the board, senior management and staff. Minutes of the previous meeting was made available to shareholders and tabled for confirmation. Shareholders were given the opportunity to ask questions, seek clarifications and express their views during the AGM.

Director's Name	Position	Number of meetings eligible to attend	Number of meetings attended
A. Mark Hart	Executive Chairman	1	1
Thomas Tyler	Co-Chairman	1	1
Candace Hart	Non-Executive Director	1	0
Ronald Schrager	Non-Executive Director	1	1
Frank O'Dowd	Non-Executive Director	1	0
Richard Mark Hall	Non-Executive Director	1	0
L. Camille Shields	Non-Executive Director	1	1
Theresa Chin	Non-Executive Director & Company Secretary	1	1
Christopher Berry	Non-Executive Director	1	0
Konrad Berry	Non-Executive Director	1	1
Stephen Dear	Non-Executive Director	0	0

BOARD COMMITTEES

The Board has established standing Committees to assist in the execution of its duties and to allow detailed consideration of complex issues. There are three current standing Committees of the Board, viz:

- Corporate Governance and Nomination Committee
- Audit Committee
- Compensation Committee

Each of these Committees has its own written charter setting out its role and responsibilities, composition, structure, membership requirements and the manner in which the committee is to operate. All matters determined by the Committees are submitted to the Board as recommendations for Board consideration. Each Director has unrestricted access to all committee meetings and records. Details of the committees may be found on the Company's website at:
www.cpj.com/investor-relations/corporate-governance

CORPORATE GOVERNANCE AND NOMINATION COMMITTEE

The Board has a Corporate Governance and Nominations Committee to assist the Board and make recommendations in relation to the search for and appointment of new Directors (both executive and non-executive) and senior executive management. The Nominations Committee consists of the following Directors:

- L. Camille Shields, Chairman and Independent Non-Executive Director
- Richard Mark Hall, Independent Non-Executive Director
- Konrad Mark Berry, Non-Executive Director

The Committee did not meet during the reporting period.

AUDIT COMMITTEE

The Company understands and recognizes that rigorous risk management is essential for the stability of the business and for sustaining its competitive market position and long-term performance. The following objectives drive the Company's approach to risk management:

- supporting the achievement of the Company's strategic and operating plan through an effective balance of risk and reward.
- having a culture that is risk-aware and supported by high standards of accountability at all levels.
- working to achieve an integrated risk management approach in which risk management forms part of all key organizational processes.
- improving stakeholder confidence and trust
- safeguarding the Company's assets – human, property, reputation, knowledge; and
- enabling the Board to fulfill its governance and compliance requirements.

The Audit Committee has the responsibility for overseeing risk to advise on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Company. Senior management has responsibility for driving and supporting risk management in each division across the Company. The Committee has responsibility for reviewing the risk management framework annually to ensure that it remains sound.

The Audit Committee consists of the following Directors:

- Ronald Schrager, Chair (July 2022 – April 2023) & Independent Non-Executive Director
- Stephen Dear, Chair (May 2023 – Present) & Independent Non-Executive Director
- Theresa Chin, Company Secretary & Independent Non-Executive Director
- Richard M. Hall, Independent Non-Executive Director
- L. Camille Shields, Independent Non-Executive Director
- Konrad Berry, Non-Executive Director

EXTERNAL AUDITOR

KPMG is the Company's external auditor, and, on the invitation of the Audit Committee, the Lead Audit Partner attends the meeting of the Committee to present the firm's audit findings and discuss the draft audited financial statements. The external auditor also attended the Annual General Meeting to present the audited financial statements to shareholders and was available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

INTERNAL AUDITOR

The Company's internal audit function is outsourced to Ernst & Young Chartered Accountants, which carries out targeted internal audits. An annual internal audit plan is presented to and approved by the Audit Committee, generally, four times a year, the Committee receives an internal audit report.

MANAGING RISK

The Company has several risk management policies for the oversight and management of financial and non-financial material business risks, as well as related internal compliance systems that are designed to:

- protect the interests of stakeholders;
- safeguard the Company's assets and maintain its reputation;
- improve the Company's operating performance; and
- Fulfil the Company's strategic objectives.

During the reporting period, the Audit Committee met four times, on August 25, 2022, November 08, 2022, February 7, 2023, and May 09, 2023.

Number of meetings held = 4

Name	# of meetings attended	% of eligible meetings attended
Committee Chairmen:		
Ronald Schrager[1]	4	100%
Stephen Dear[2]	2	100%
Committee Members:		
Richard M. Hall	3	75%
Theresa Chin	4	100%
L. Camille Shields	4	100%
Konrad Mark Berry	4	100%

1. Committee Chairman July 2022 – April 2023

2. Appointed to Board May 2023. Committee Chairman May 2023 – Present

COMPENSATION COMMITTEE

The Compensation Committee assists the Board in fulfilling its fiduciary responsibilities relating to the fair and competitive compensation of non-executive Directors, executives and other key employees of the Company, and in connection with the administration of the general employee welfare plans of the company. The Compensation Committee has a solid understanding of the role of compensation in attracting, motivating and retaining senior executives in particular and all employees in general. The Committee is primarily responsible for providing recommendations to the Board regarding the remuneration strategy, policies and practices applicable to non-executive Directors, the CEO, and senior management.

The Compensation Committee did not meet during the reporting period.

DIRECTOR REMUNERATION

The maximum aggregate amount of fees paid to non-executive Directors is subject to approval by shareholders at the Annual General Meeting. The total remuneration paid to the members of the Board for the year ending June 30, 2023, is detailed below.

Director's Name	Meetings eligible to attend	Total meetings attended	Gross Director Fees	% of eligible meetings attended
Theresa Chin	10	10	2,250.00	100%
Richard Mark Hall	10	7	1,000.00	90%
Ronald Schrager	10	10	2,250.00	100%
Camille Shields	10	9	2,250.00	90%
Konrad Berry	10	9	1,750.00	90%
Chris Berry	6	5	1,000.00	83%
Frank O'Dowd	6	4	1,000.00	67%
Stephen Dear	2	2	250.00	100%

DISCLOSURE AND TRANSPARENCY

The Company has been committed to timely disclosure of material information to shareholders and the market, the robust procedure established by its Disclosure Policy identifies matters that may have a material effect on the price of the Company's securities and ensures that any required market announcements are reported to the Jamaica Stock Exchange (JSE) in a timely manner.

The Company aims to keep shareholders informed of the Company's performance and all major developments related to its operations and information is communicated to shareholders through:

- The Annual Report and Financial Statements (including quarterly Financial Statements) are uploaded to the Jamaica Stock Exchange's platform and the Company's website. A copy of the Annual Report, either in printed or electronic form, is distributed to all shareholders on record;
- The Annual General Meeting, and any other formally convened Company meetings; and
- All other information released to the JSE is subsequently posted on the Company's website: www.cpj.com

SHAREHOLDER COMMUNICATIONS

The Company is committed to effective, accurate and timely communication with its shareholders, market participants, customers, employees, suppliers, financiers, creditors, other stakeholders and the wider community. The Company will ensure that all stakeholders, market participants and the wider community are informed of its activities and performance. The Board has adopted a Communications Policy, which is available to view on the Company's website, which sets out the Group's approach and commitment to communication. Information is communicated in a number of ways including:

- Group website;
- annual and interim reports;
- market disclosures;
- presentations at General Meetings;
- Market releases and AGM presentations.

The annual reports, market releases and AGM presentations are all available on the Company's website: www.cpj.com

The Board places importance on these interactions as it allows the Company to articulate its objectives and also receive feedback from investors on all areas of its performance including its strategy, financial results and governance.

md&a

management discussion & analysis

The Board of Directors is pleased to report the audited results of Caribbean Producers (Jamaica) Limited for the year ended June 30, 2023, and to report on the performance of the Company. This report has been prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act.

FINANCIAL HIGHLIGHTS

US$142.58M

Revenue for the Group was US$142.58 million, up US$22.62 million or 19% compared to the prior year's US$119.96 million.

US$38.98M

Gross profit for the Group was US$38.98 million, up US$4.14 million or 12% compared to the prior year's US$34.84 million.

US$6.25M

After an extraordinary expenditure of US$1.98 million, **net profit after tax** (PAT) for the period was US$6.25 million.

US$118.86M

For the period ending June 30, 2023, **revenue for CPJ (onshore)** was US$118.86 million, with net profits (PAT) of US$5.63 million.

BUSINESS OVERVIEW

Caribbean Producers (Jamaica) Limited is the purveyor of choice for food, non-food, beverages, wine, and spirits as well as the leading manufacturer of meats and juices sold both locally and throughout the Caribbean. CPJ serves both hospitality and retail trade customers. CPJ headquarters is located in Montego Freeport, St. James.

This main hub of the distribution and manufacturing sector of the business encompasses 165,000 sq. ft. of refrigerated and dry warehouse, office, and manufacturing space including a private bonded warehouse. CPJ processes and distributes its own branded meat products including hamburgers, sausages, bacon, and ready-to-cook pork products.

The Company is currently undertaking an expansion of its manufacturing plant with an investment of more than US$3 million. CPJ is also advanced with installing added capacity to our solar energy system, an additional investment of approximately US$1 million. In a busy year for capital expenditure, CPJ has engaged with an internationally renowned consultant to develop an RFP for a fully integrated enterprise resource planning system (ERP). We expect the selection of the new ERP system in the second quarter of 2024 and implementation to begin soon after. This considerable investment in the latest available AI-enabled IT will set a path of dynamic growth, improved service capabilities and enhanced operating results for CPJ in the future.

CPJ St. Lucia is a member of the CPJ Group and is one of St. Lucia's primary food service distributors, selling products, including produce, primarily to the local tourism sector. The Company has become an active force in the retail grocery sector on the island. This year we will open a 16,000 sq. ft. flagship supermarket located in the newly developed Orange Grove Center, the most prime location on the north shore of St. Lucia. The project will represent a total investment of US$3 million and is funded through a combination of shared equity investment with our SLU partners, and favorable related party debt financing to CPJSLU.

INCOME STATEMENT

Income

During the year, CPJ Group generated income of US$142.58 million, an increase of US$22.62 million or 19% compared to the prior year's US$119.96 million. Gross profit for the Group was US$38.98 million, increasing by US$4.14 million or 12% compared to the prior year's US$34.84 million.

CPJ (onshore) operations returned a net profit of US$5.63 million, after settling extraordinary items amounting to over US$1.6 million (TAJ - US$1.45 million and Jamaica Customs - US$139 thousand) which were previously reported as contingent liabilities in FY2022. The TAJ matter relates to a 2015 audit which was contested; however, the company was prudent and set aside GCT tax credits to cover the amount that was finally agreed.

Administration Expenses

Administration, marketing, and selling expenses for the year were US$24.68 million, reflecting an increase of US$6.44 million on the prior reporting year's amount of US$18.24 million. The changes were driven primarily by increases in costs relating to staffing, selling and marketing, repairs and maintenance, electricity and security.

Finance Costs

Finance costs for the year were US$3.39 million compared to US$2.95 million for the prior year, an increase of US$435 thousand. The increased financing costs are a result of financing obtained to assist with the restructuring of the balance sheet, through a US$13 million bond raise used to retire related party debts. Additionally, there were also increases in finance charges relating to lease liabilities, as the Company negotiated new leases with its landlords.

Net Profit

Net profit generated for the year was US$6.25 million, a decrease of US$1.47 million or 19% less than the US$7.72 million reported for the prior year. However, it is important to note that this net profit is after accounting for extraordinary expenses of US$1.98 million. After adjustments, the net profit for Jamaica was US$5.63 million and St. Lucia US$616 thousand.

BALANCE SHEET

Inventories

Problems associated with the global supply chain and escalating shipping costs affecting the procurement of products in the prior year did not have a significant impact on current-year operations. CPJ's Management team continued to monitor its inventory and supply chain, with the aim of ensuring that inventory balances were able to keep pace with the rate of sales, whilst preventing both overstocking and stock-outs. Inventory value at year-end decreased by US$1.25 million or 3% when compared to the prior year.

Receivables

Accounts receivables increased from US$18.49 million in FY2022 to US$19.42 million in FY2023. This represents an increase of US$932 thousand or 5% over the prior year. CPJ continues to actively manage trade receivables with an emphasis on balances of customers that are outside agreed terms, resulting in an improvement in outstanding receivables days, from 56 days to 48. The team continues to enforce strategies and policies to ensure effective management of its receivables. The team made significant progress in collecting funds that were outstanding from the COVID period.

Payables

The Group's trade payables are mainly comprised of foreign payables. We continue to manage payables within the terms given by our suppliers. Accounts payables were reduced by US$8.39 million or 45%, down from US$18.82 million in FY2022.

Liabilities

Non-current liabilities increased by US$14.04 million. This increase is caused primarily by the issuing of bonds, which are being reported as non-current. There were also corresponding decreases to the current liabilities as related party loans that were classified as current in the previous year, have now been retired.

Liquidity

At the balance sheet date, the excess of current assets over current liabilities amounted to US$35.67 million (FY2022 - US$15.81 million). CPJ Group will continue to generate sufficient cash to meet obligations when they fall due. Liquidity is provided primarily from sales revenues and loan financing.

Shareholders' Equity

Shareholders' equity now stands at US$32.29 million, up by US$6.25 million from US$26.04 million on June 30, 2022. The net increase arose as a result of retained earnings for the year.

FORWARD-LOOKING STATEMENTS

As we look forward to a positive FY2024, CPJ will continue to strive to provide the highest levels of service and quality products available, ensuring the success of our customers and other stakeholders. We are of the view that the logistical challenges experienced in the prior year are behind us. CPJ is focused on building our core business capabilities and strategic partnerships with key customers, through the acquisition of industry-specific talent, to support expanded routes to market.

We continue to evaluate efficiency-enhancing capital investment projects and selective expansions. The Company is now in the process of investing in growth and development projects and capital investments within our manufacturing plants, solar installations, and other operational areas designed to expand capacity and deliver improved efficiency for our businesses, in Jamaica.

We look forward to having the benefits of our capital investments in St. Lucia, with the aim of securing additional market share in the hospitality and retail segments in that market.

Similarly, the investments in information technology systems will yield cost savings, improved customer service and operational efficiencies. The Company continues to advance its B2B [Business to Business] & B2C [Business to Customer] online platforms to reach a broader client base through technology.

The improved performance of CPJ gives us considerable confidence in our management team and our business model. The Company continues to upgrade infrastructure, stay ahead of the growth in tourism, and consistently improve our level of service. We assure all of our stakeholders that CPJ is preparing for the unprecedented expansion in the number of available hotel rooms; some of which are already in the 'advanced' stages of development.

We would like to thank our board of directors, management, and team members for their commitment to our business and shared values. We are forever grateful to our loyal shareholders, customers, and partners for their continued support.

cpj st. lucia

2023 PERFORMANCE

Macro-economic conditions continued to improve in the domestic economy during the financial year. The full relaxation of COVID-19 protocols and resumption of global travel in 2022 helped boost tourism recovery and restore normalcy to business and leisure. Real GDP grew by 18.1 percent in the calendar year 2022 with continued growth expected in 2023.

Buoyed by the economic recovery, CPJ St. Lucia's business recovered following the sharp decline during COVID.

FINANCIAL RESULTS

Net profit in 2023 increased exponentially versus the prior year marking the first full year of recovery post COVID-19. Profit after tax increased by $0.9 million to $1.0 million in 2023 driven by top line growth. Top line increased by $1.1 million driven by upsides in our retail segment and modest growth in hospitality linked to recovery in the tourism sector after COVID and a soft summer due to a decline in airlift to the island.

Fixed cost as a percentage of revenue remained stable at 21%, with increases in utilities and advertising and promotion being partially offset by lower finance charges and delays in filling in vacant positions.

INVESTMENTS

In the new financial year, CPJ St. Lucia will expand its retail footprint with the addition of a new retail store in the heart of the island's busy North. The Orange Grove branch of CPJ St. Lucia will be significantly larger than the existing Cul-de-Sac store.

The Company will also invest in three trucks to replace aged vehicles in the fleet and provide additional capacity to distribute goods to the hospitality sector.

OUTLOOK FOR 2024

In the new financial year, CPJ St. Lucia is expected to experience strong profit growth driven by the addition of the new retail store which is expected to further diversify our business and derisk from external factors that can negatively affect the hospitality industry.

Notwithstanding the growth in retail, the hospitality segment is also expected to grow, driven by increased visitor arrivals and the resultant growth in the tourism sector. Saint Lucia is projected to have a stronger summer in 2024 due to improvement in airlift, the hosting of ICC cricket world cup matches, a ramped-up Saint Lucia Jazz & Arts festival and carnival, amongst others. The company is strengthening its warehousing function in order to reduce shrink and improve efficiency and customer service.

Several open positions are expected to be filled in 2024 and this is expected to provide the manpower and capabilities needed to support and drive the company's growth.

Directors

Dunstan DuBoulay

Tony DuBoulay

Mark Hart

Candace Hart

Thomas Tyler

Tony DuBoulay, Richard DuBoulay and Dunstan DuBoulay

Senior Management Team

Marvin Joseph

Richard DuBoulay - Managing Director

Marvin Joseph – Director of Finance

Denver Alcee - Wines and Spirits Manager

Jaipersaud Gayapersad – Retail & Operations Manager

Anthia Monplaisir – National Sales Manager - Hospitality

Troy De Freitas – Down-Trade Sales Manager

Neikesha Rampersadsingh – Procurement Manager

Dhara Narindranauth – Operations Manager (outgoing)

Tara George – Human Resources Manager (incoming)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Our People and Culture

The People & Culture department serves as the cornerstone of employee management, overseeing various aspects of HR operations, from policy administration and recruitment to benefits, legal compliance, training, and more. We play multiple roles: talent scouts, advocates, mentors, resource specialists, mediators, negotiators, innovators, strategists, and crisis managers. Our comprehensive programs and services are dedicated to fostering both the professional and personal development and welfare of every employee.

OUR MISSION

Adopt a leadership role and provide service in support of CPJ's vision by promoting the concept that our employees are our most valuable resource and will be treated as such.

We will do this by:

- Heavily contributing to the company's culture in the area of best service and people,
- Show genuine care for the well-being of the employees,
- Create a work environment that will bring about high productivity, motivation, and growth.
- Increase participation in company and community activities while seeking knowledge, enthusiasm, and an improved quality of life for ourselves, our co-workers, and the community,
- Establish CPJ as the company that employs the best staff and is the envy of all the players in the industry.

DISTRIBUTION OF WORKFORCE

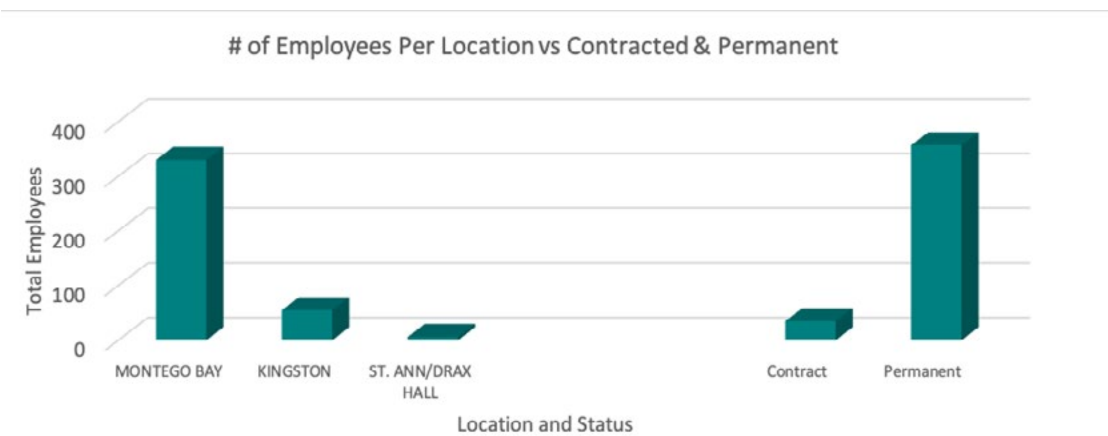
As of June 30, 2023, the total workforce at CPJ was 392 inclusive of temporary and permanently employed staff members.

RECRUITMENT, DEVELOPMENT & RECOGNITION

A fundamental element for the success of a business is the cultivation of a robust work culture. This entails a deliberate commitment to establishing a workplace where individuals are not only treated with respect and dignity but are also motivated to excel. When respect is deeply woven into the fabric of a company's culture, barriers dissolve, managers become more attentive, and collaboration flourishes because all team members feel genuinely appreciated.

Our employees have consistently been the core of our business. On a daily basis, our team members cultivate enduring connections that enable each individual and the organization to thrive. We promote and accomplish employee growth by attracting, educating, aiding, nurturing, and preserving the most exceptional talent within our field. Additionally, we motivate our staff to reach their utmost potential via various training and development programs.

Throughout the fiscal year, we continued our workforce optimization efforts to ensure that vacant positions were filled with the most suitable candidates. CPJ's compensation and benefits package remains competitive in comparison to industry peers. We initiated the development of a strategic talent acquisition process, centering on a compelling employer brand and delivering an engaging, high-quality candidate experience.



Our commitment to employee development is unwavering, exemplified by our emphasis on internal growth. In the past fiscal year, we achieved significant progress in aligning our departments' focus. An illustrative success is the promotion of Mr. Adam Delisser to the position of Director, recognizing his positive impact and dedication to our vision and mission. Over this period, we celebrated the promotion of 22 internal staff members, aligning not only with their career paths but also directly advancing our Company's mission.

The People and Culture department - P&C (HR Department rebranded), embarked on a mission to assess and optimize our talent pool by reviewing performance evaluations along with conducting detailed investigations with the heads of departments. From this exercise, we identified key training areas that require reinforcement, as part of our ongoing commitment to maintaining a skilled and empowered workforce for peak performance. The company implemented training strategies that were geared toward closing these gaps. The Company spent J$8.4 million dollars on training for staff members.

Our employees have participated in a diverse array of twenty-two (22) different training programs spanning multiple subject areas, involving staff from various departments. Notable trainings included:

- Providing Effective Performance Management
- HR Analytics for Strategic Decision Making
- HACCP for Warehousing & Distribution
- Wset Level 1 (4 employees)
- Safety Supervisor Certification (20 employees)
- Scientific Research Council (Smoking & Curing Meat Workshop)
- Safety Monitor/Fire Warden Certification (20 employees)
- CPR and First Aid Certification (15 employees)
- KPMG – IFRS Update
- Microsoft Excel - Batch 1 (25 employees)
- IFSQN Practical Food Safety Culture

The P&C department's mission for the next fiscal year is to implement a suitable and sustainable learning management tool within the company, which will allow for continuous employee development in both their personal and professional career.

THE BEST PLACE TO WORK

Mental Health Matters – CPJ Employee Wellness Assistance Program

Mental health in Jamaica remains a relevant topic and continues to be addressed by the relevant stakeholders. The issue of accessibility and availability of treatment and other services remains a high concern.

CPJ recognizes that investment in mental health is crucial and aims to address the concerns of employees regardless of their age, race, gender, or other individual differences. Over the years, the Company reserved the services of Councilors of varying specialties however, this service was only accessed when the employee requested it or in general cases such as death or illness, when the P&C department would make a recommendation. Effective May 1, 2023, the Company launched the CPJ Employee Wellness Assistance Program (EWAP), which allows and encourages employees to take care of their mental, physical, and emotional health by utilizing an application provided, without having to make a request and at no cost to the employee. This process is confidential and is available to them on their own time.

Another way in which we keep employees nurtured and motivated is by creating an atmosphere that appeals to and caters to their physical, and financial well-being. We continue to host monthly activities from each of these areas by collaborating with external companies to provide services on-site for the convenience of our employees. Some key partners who assisted us with our initiative are as follows:

Physical & Mental Wellness

- Western Regional Health Authority – provided important information and multiple testing/examinations, free of cost (Prostate, blood pressure, HIV/Syphilis, etc.)
- Fraser, Fontaine & Kong – Children's Mental Health discussion
- Fraser Fontaine & Kong – General Mental Health Discussion
- Fraser Fontaine & Kong – Prostate Health discussion
- Sagicor Life Jamaica – Health checks (blood sugar/pressure, BMI, vision, etc.)
- Courts Optical – free eye testing
- Imperial Optical – free eye testing
- National Blood Transfusion Service - Blood Drive
- Heart Trust NTA- promotion of courses offered.
- Jamaica Red Cross

Financial Wellness

- Sagicor Bank/Investments
- National Housing Trust
- Sagicor Bank/Investments
- VMBS
- NCB
- JMMB
- Barita Investments
- Mayberry Investments

WORK AS A TEAM, CELEBRATE AS A FAMILY

As a Company, we like to celebrate together, we enjoy taking the time to congratulate each other on the smallest wins. Whatever the milestone is, we have made it our duty and part of our culture, to highlight these wins. Among our recent wins, it is crucial that we mention the below activities:

CPJ Scholarship Program

A total of 67 children from the primary to the tertiary level, were celebrated for their academic achievements. The parents who are employees of CPJ had the opportunity to apply for a Booklist or a Tuition Grant. There were 31 Tuition Grant payouts, totaling J$1,622,025.00. A total of 36 students were awarded with Booklist Grants, totaling J$702,000.00.

Staff Luncheon and Christmas Treat

We hosted what became our annual end-of-year Luncheon since the activity hosted in 2021 was met with positive feedback and anticipation. We provided refreshments for all employees along with our regular token distribution of ham, chicken, and fish. We added specially packaged Christmas cakes and sorrel to highlight the festive season.

Other tokens distributed over the period include:

- Birthday Token
- Easter Bun and Cheese
- Valentine's Day
- Mother's & Father's Day
- International Women & Men's Day
- Reggae Sumfest Tickets
- National holiday giveaways (all year)

corporate social responsibility

At CPJ, we continue to uphold our reputation as responsible corporate citizens by giving back to the communities in which we work. A few of the activities that were supported are:

Labour Day project - May 23, 2023

CPJ embarked on making a pledge to support the Melody Home for Girls in any area possible on an ongoing basis. We began this initiative with the completion of our labour day project of a total facelift of the location both internal and external features. Further assistance was provided to assist with building a chicken housing facility and the procurement of these livestock as an initial investment.

National Read Across Jamaica Day

This year, volunteers were excited to visit a total of four (4) primary schools where they not only read to the children but engaged in playful activities and donated care packages. The volunteers, led by our Quality Assurance Manager – Odette Knight, visited Corinealdi Avenue, Catherine Hall, Howard Cooke, and Barracks Road Primary Schools.

National Read Across Jamaica Day

Staff members who volunteer in the National Read Across Jamaica Day initiative expressed pleasure and joy on an activity that places emphasis on youth development.

Spread the Joy

The CPJ Sports & Social Club hosted their annual "Spread the Joy" basket donation initiative where employees highlighted 10 individuals who were provided with much-needed support in the form of grocery items, as their way to spread the Christmas cheer.

We are proud to report that we have supported over 27 initiatives and charitable organizations over the last fiscal year, some of these include:

- "Preserving Me" Women's Conference
- Feed the City- Celebration Church
- Discovery Bay U12 Football Program
- Glendevon SDA Basic School
- Irwin High School – Dacosta Cup
- Farm Primary & Infant School
- Cornwall Court Citizens Association
- Hanover Parish Library Network
- JCF- Summit Police Station
- Nest Nursery & Preparatory School
- We Care Basic School
- St. James Parish Church
- Bethel Basic School
- University of the West Indies "Catch the Culture"
- SOS Children's Village
- Office of the Mayor- City of Montego Bay
- The Ministry of Education
- The Jamaica Fire Brigade
- West Jamaica Conference Feeding Program


CPJ

audited financial statements

KPMG
Chartered Accountants
P.O. Box 220
Unit #14 Fairview Office Park
Alice Eldemire Drive
Montego Bay
Jamaica, W.I.
+1 (876) 684 9922
firmmail@kpmg.com.jm

INDEPENDENT AUDITORS' REPORT

To the Members of
CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Caribbean Producers (Jamaica) Limited ("the Company") comprising the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries ("the Group"), set out on pages 7 to 57 which comprise the Group's and Company's statement of financial position as at June 30, 2023, the Group's and Company's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at June 30, 2023, and of the Group's and Company's financial performance and cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) and the Jamaican Companies Act.

Basis for Opinion

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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants including International Independence Standards (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. 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. No key audit matter was determined.

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 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 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Report on the Audit of the Financial Statements (Continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements (Continued)

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the 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.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description, which is located at pages 5 and 6, forms part of our auditors' report.

KPMG

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Report on Additional Matters 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 purposes of our audit.

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

The engagement partner on the audit resulting in this independent auditors' report is Wilbert Spence.

KPMG

Chartered Accountants
Montego Bay, Jamaica

September 25, 2023

KPMG

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Appendix to the Independent Auditors' Report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient 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.

- 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 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 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 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 achieves fair presentation.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Appendix to the Independent Auditors' Report (Continued)

- 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.

We communicate with those charged with governance 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 relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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 matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

statement of financial position

June 30, 2023 *(Expressed in United States dollars)*

	Notes	Group 2023	Group 2022	Company 2023	Company 2022
CURRENT ASSETS					
Cash and cash equivalents	4	5,464,422	3,920,459	5,064,076	3,809,160
Accounts receivable	5	19,418,265	18,486,320	18,122,345	16,734,630
Due from subsidiaries	20(a)	-	-	482,199	383,514
Inventories	6	38,910,677	40,155,943	32,773,650	34,282,234
		63,793,364	62,562,722	56,442,270	55,209,538
CURRENT LIABILITIES					
Bank overdraft	7	1,343,144	1,862,314	-	-
Short-term loans	8	9,500,000	6,500,000	9,500,000	6,500,000
Accounts payable	9	10,426,646	18,818,965	8,679,420	16,618,011
Short-term promissory notes	10	600,000	3,817,793	600,000	3,817,793
Current portion of lease liabilities	14(b)	865,295	687,128	644,871	467,255
Current portion of long-term borrowings	19	604,079	4,433,082	604,079	4,433,082
Current portion of long-term promissory notes	18	3,656,199	9,276,153	3,656,199	9,276,153
Taxation payable		1,126,152	1,358,113	1,227,183	1,466,578
		28,121,515	46,753,548	24,911,752	42,578,872
NET CURRENT ASSETS		35,671,849	15,809,174	31,530,518	12,630,666
NON-CURRENT ASSETS					
Other asset		157,618	67,644	157,618	67,644
Interest in subsidiaries	11	-	-	3,341,396	3,341,396
Deferred tax asset	12	2,877,130	2,019,505	2,756,411	2,019,505
Property, plant and equipment	13	10,043,053	11,302,481	7,253,709	8,222,510
Right-of-use assets	14(a)	13,174,751	12,465,911	11,713,989	10,768,270
Intangible asset	15	67,561	37,113	42,258	2,447
		26,320,113	25,892,654	25,265,381	24,421,772
		61,991,962	41,701,828	56,795,899	37,052,438
EQUITY					
Share capital	16	4,898,430	4,898,430	4,898,430	4,898,430
Accumulated surplus		24,016,250	18,251,690	24,206,824	18,575,505
Equity attributable to shareholders		28,914,680	23,150,120	29,105,254	23,473,935
Non-controlling interest	17	3,372,776	2,889,809	-	-
		32,287,456	26,039,929	29,105,254	23,473,935
NON-CURRENT LIABILITIES					
Lease liabilities	14(b)	14,789,817	13,127,694	13,292,439	11,427,544
Long-term borrowings	19	14,411,757	2,220,833	14,398,206	2,150,959
Due to related company	20(a)	502,932	313,372	-	-
		29,704,506	15,661,899	27,690,645	13,578,503
		61,991,962	41,701,828	56,795,899	37,052,438

The financial statements on pages 7 to 57 were approved for issue by the Board of Directors on September 25, 2023 and signed on its behalf by:

Director
Thomas Tyler

Director
Mark Hart

The notes on pages 11 to 57 are an integral part of these financial statements.

statement of profit or loss and other comprehensive income

Year ended June 30, 2023 *(Expressed in United States dollars)*

	Notes	Group		Company	
		2023	2022	2023	2022
Gross operating revenue	21	142,581,482	119,960,344	118,863,073	97,528,760
Cost of operating revenue	22(a)	(103,597,441)	(85,116,093)	(87,080,827)	(68,948,509)
Gross profit		38,984,041	34,844,251	31,782,246	28,580,251
Selling and administrative expenses	22(b)	(24,676,465)	(18,238,102)	(19,111,234)	(13,532,723)
Depreciation and amortisation	13,14,15	(4,346,235)	(4,211,003)	(3,483,523)	(3,368,006)
Decrease/(increase) in allowance for impairment losses	27(a)(i)	516,646	(387,107)	551,863	(283,000)
Other operating (expenses)/income	23(a)	(222,081)	403,695	(276,785)	426,434
Operating profit		10,255,906	12,411,734	9,462,567	11,822,956
Finance income	23(b)	1,022	5,154	1,022	5,154
Finance costs	23(c)	(3,385,743)	(2,950,367)	(3,130,245)	(2,699,060)
Profit before taxation		6,871,185	9,466,521	6,333,344	9,129,050
Taxation	24	(623,658)	(1,744,030)	(702,025)	(1,744,030)
Profit, being total comprehensive income for the year		6,247,527	7,722,491	5,631,319	7,385,020
Attibutable to:					
Owners of the company		5,764,560	7,508,277	5,631,319	7,385,020
Non-controlling interest		482,967	214,214	-	-
		6,247,527	7,722,491	5,631,319	7,385,020
Basic and diluted earnings per share (cents)	25	0.52	0.68	0.51	0.67

The notes on pages 11 to 57 are an integral part of these financial statements.

Caribbean Producers (Jamaica) Limited

statement of changes in equity

Year ended June 30, 2023 *(Expressed in United States dollars)*

	Group			
	Share capital	Accumulated surplus	Non-controlling interest	Total
Balances at June 30, 2021	4,898,430	10,743,413	(392,379)	15,249,464
Total comprehensive income for the year:				
Profit, being total comprehensive income for the year	-	7,508,277	214,214	7,722,491
Issue of shares to non-controlling interest [note 20(ii)]	-	-	3,067,974	3,067,974
Balances at June 30, 2022	4,898,430	18,251,690	2,889,809	26,039,929
Total comprehensive income for the year:				
Profit, being total comprehensive income for the year	-	5,764,560	482,967	6,247,527
Balances at June 30, 2023	4,898,430	24,016,250	3,372,776	32,287,456

	Company		
	Share capital	Accumulated surplus	Total
Balances at June 30, 2021	4,898,430	11,190,485	16,088,915
Total comprehensive income for the year:			
Profit, being total comprehensive income for the year	-	7,385,020	7,385,020
Balances at June 30, 2022	4,898,430	18,575,505	23,473,935
Total comprehensive income for the year:			
Profit, being total comprehensive income for the year	-	5,631,319	5,631,319
Balances at June 30, 2023	4,898,430	24,206,824	29,105,254

The notes on pages 11 to 57 are an integral part of these financial statements.

statement of cash flows

Year ended June 30, 2023 *(Expressed in United States dollars)*

	Notes	Group		Company	
		2023	Restated* 2022	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the year		6,247,527	7,722,491	5,631,319	7,385,020
Adjustments for:					
Depreciation and amortisation	13, 14, 15	4,346,235	4,211,003	3,483,523	3,368,006
Gain on disposal of property, plant and equipment	23(a)	(11,057)	(7,101)	(4,064)	(7,101)
Loss/(gain) on modification of leases	14(c),23(a)	454,784	(12,731)	454,784	(12,731)
Transfer and adjustments to property, plant and equipment and intangible assets	13,15	16,755	843	16,755	843
Unrealised foreign exchange gain on loans		-	(36,884)	-	(36,884)
Unrealised foreign exchange loss on cash and cash equivalents		-	28,734	-	28,734
Amortised debt cost	19	-	35,332	-	35,332
Remission of tax liability		-	(133,816)	-	(133,816)
Interest income	23(b)	(1,022)	(5,154)	(1,022)	(5,154)
Finance cost	23(c)	3,385,743	2,950,367	3,130,245	2,699,060
Taxation	24	623,658	1,744,030	702,025	1,744,030
		15,062,623	16,497,114	13,413,565	15,065,339
Decrease/(increase) in current assets:					
Accounts receivable		(931,945)	(3,091,650)	(1,387,715)	(3,445,122)
Due from subsidiaries		-	-	(98,685)	(383,514)
Inventories		1,245,266	(18,726,634)	1,508,584	(16,974,256)
Decrease in current liability:					
Accounts payable		(8,325,254)	7,201,511	(7,883,657)	7,281,839
Cash generated from operations		7,050,690	1,880,341	5,552,092	1,544,286
Interest paid		(3,440,680)	(2,913,519)	(3,185,179)	(2,662,212)
Tax paid		(1,713,244)	(956)	(1,678,326)	(956)
Net cash provided by/(used in) operating activities		1,896,766	(1,034,134)	688,587	(1,118,882)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest in subsidiaries		-	-	-	18,375
Additions to other assets		(89,974)	(5,025)	(89,974)	(5,025)
Additions to property, plant and equipment and intangible asset	13, 15	(1,779,818)	(3,026,253)	(1,453,978)	(2,528,372)
Proceeds from disposal of property, plant and equipment		39,901	68,846	32,908	68,846
Interest received		1,022	5,154	1,022	5,154
Net cash used in investing activities		(1,828,869)	(2,957,278)	(1,510,022)	(2,441,022)
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdowns of bank overdraft		28,727,927	27,670,416	-	-
Repayments of bank overdraft		(29,247,097)	(27,344,170)	-	-
Promissory notes issued		3,001,046	1,973	3,001,046	1,973
Promissory notes repaid		(11,838,793)	-	(11,838,793)	-
Payment of lease liabilities	14(d)	(706,367)	(552,671)	(504,146)	(431,247)
Other income due to rent concessions	14(d)	-	(94,528)	-	(94,528)
Long-term/short-term borrowings repaid		(19,875,160)	(9,584,023)	(19,818,837)	(9,535,757)
Advance received from related company		189,560	147,712	-	-
Long-term/short-term borrowings received		31,323,469	13,494,353	31,323,469	13,494,353
Net cash provided by financing activities		1,574,585	3,739,062	2,162,739	3,434,794
Net increase/(decrease) in cash and cash equivalents		1,642,482	(252,350)	1,341,304	(125,110)
Cash and cash equivalents at beginning of the year		3,920,459	4,201,543	3,809,160	3,963,004
Effect of fluctuations in exchange rates on cash held		(98,519)	(28,734)	(86,388)	(28,734)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		5,464,422	3,920,459	5,064,076	3,809,160

* Restated, see note 29

The notes on pages 11 to 57 are an integral part of these financial statements.

1. Identification

Caribbean Producers (Jamaica) Limited ("company" or "parent company") is domiciled in Jamaica and is incorporated under the laws of Jamaica. Its registered office is situated at Shop No. 14, Montego Freeport Shopping Centre, Montego Bay, St. James and its principal place of business is at 1 Guinep Way, Montego Freeport, Montego Bay, St. James.

The company and its subsidiaries are collectively referred to as "the group".

The group's principal activities are the wholesale and distribution of food and beverages, the distribution of non-food supplies and the manufacture and distribution of fresh juices and meats.

The details of the company's subsidiaries as at June 30, 2023 are as follows:

Company	Principal activity	Percentage of ordinary shares held by company	Place of incorporation
CPJ Investments Limited	Holds investment in CPJ (St. Lucia) Limited	100	St. Lucia
CPJ (St. Lucia) Limited	Wholesale and distribution of food and beverages and distribution of non-food supplies	51	St. Lucia
CPJ Homeporting Limited	Logistics services	100	Jamaica

2. Statement of compliance and basis of preparation

(a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS Standards), and comply with the provisions of the Jamaican Companies Act.

New and amended standards:

(i) Newly effective standards:

The new and amended standards did not have any impact on the group's financial statements.

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued):

New and amended standards (continued):

(ii) Forthcoming standards:

- Amendments to IAS 1 *Presentation of Financial Statements*, will apply retrospectively for annual reporting periods beginning on or after January 1, 2024. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

  Under existing IAS 1 requirements, entities classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Instead of the requirement for a right of deferral to be "unconditional", the standard requires that a right to defer settlement must have "substance" and exist at the end of the reporting date. An entity classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting date. It has also been clarified that a right to defer exists only if the entity is in compliance with conditions specified in the loan agreement at the reporting date, even if the lender does not test compliance until a later date.

  The group will apply the amended standards for the reporting period starting July 1, 2024. The amended standard is not expected to have a significant impact on the group's financial statements.

- Amendments to IAS 1 *Presentation of Financial Statements* are effective for annual reporting periods beginning on or after January 1, 2023 and may be applied earlier. The amendments help entities provide useful accounting policy disclosures.

  The key amendments to IAS 1 include:

  - requiring entities to disclose their *material* accounting policies rather than their *significant* accounting policies;

  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued):

New and amended standards (continued):

(ii) Forthcoming standards (continued):

- Amendments to IAS 1 *Presentation of Financial Statements* (continued)

  The amendments are consistent with the refined definition of material:

  "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

  The group will apply the amended standards for the reporting period starting July 1, 2023, with changes in disclosures in accounting policies expected.

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* are effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

  The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

  Developing an accounting estimate includes both:

  - selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 *Financial Instruments*; and

  - choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

  The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies is unchanged.

  The group will apply the amendments for the reporting period starting July 1, 2023. The amendments are not expected to have a significant impact on the group's financial statements.

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued):

New and amended standards that are not yet effective (continued):

(ii) Forthcoming standards (continued):

- Amendments to IAS 12 *Income Taxes* are effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted. The amendments clarify how entities should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions.

  The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

  For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If an entity previously accounted for deferred tax on leases and decommissioning liabilities under the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability.

  For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

  The group will apply the amendments for the reporting period starting July 1, 2023. The amended standard is not expected to have a significant impact on the group's financial statements.

(b) Basis of preparation and measurement:

The financial statements are prepared under the historical cost convention, and are presented in United States dollars ($), which is the company's functional currency.

(c) Use of estimates and judgements:

The preparation of the financial statements to conform with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the reporting date, and the income and expenses for the year then ended. Actual amounts could differ from those estimates.

2. Statement of compliance and basis of preparation (continued)

(c) Use of estimates and judgements (continued):

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

Judgements made by management in the application of IFRS Standards that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next financial year are discussed below:

(i) Judgements:

For the purpose of these financial statements, judgement refers to the informed identification and analysis of reasonable alternatives, considering all relevant facts and circumstances, and the well-reasoned, objective and unbiased choice of the alternative that is most consistent with the agreed principles set out in IFRS Standards. The key relevant judgement is in respect of impairment of financial assets.

Establishing the criteria for determining whether credit risk on a financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of expected credit loss (ECL) and selection and approval of models used to measure ECL require significant judgement.

Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 3(q).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

2. <u>Statement of compliance and basis of preparation (continued)</u>

(c) Use of estimates and judgements (continued):

(ii) Key assumptions concerning the future and other sources of estimation uncertainty:

Net realisable value of inventories

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the year to the extent that such events confirm conditions existing at the reporting date. The net realisable value of an item is its selling price less cost to sell.

Estimates of net realisable value also take into consideration the purpose for which the inventory is held.

(d) Basis of consolidation:

(i) A "subsidiary" is an enterprise controlled by the company. The company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of a subsidiary are included in the consolidated financial statements from the date control commences until the date that control ceases.

The consolidated financial statements include the financial statements of the company and its subsidiaries (note 1), made up to June 30, 2023.

(ii) Intra-group balances and transactions, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(iii) Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain or bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issued debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts, generally, are recognised in profit or loss.

2. Statement of compliance and basis of preparation (continued)

(d) Basis of consolidation (continued):

(iii) (Continued)

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in fair value of the contingent consideration are recognised in profit or loss.

The group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquired entity; plus
- if the business combination is achieved in stages, the fair value of the pre-existing interest in the acquired entity; less
- the net recognised amount (generally, fair value) of the identifiable assets acquired and liabilities assumed.

(iv) The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(v) Non-controlling interests are measured at their proportionate share of the acquiree’s identifiable net assets at the acquisition date. Changes in the group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests, even if doing so causes the non-controlling interest to have a deficit balance.

(vi) When the group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3. Significant accounting policies

The group has consistently applied the accounting policies set out below to all periods presented in these financial statements.

(a) Cash and cash equivalents:

This comprises cash and bank balances and short-term deposits maturing within three months or less from the date of deposit or acquisition that are readily convertible into known amounts of cash and which are not subject to significant risk of changes in value. Cash and cash equivalents are measured at cost.

(b) Accounts receivable:

Trade and other receivables are measured at amortised cost, less impairment losses [see note 3(q)].

(c) Inventories:

Inventories are valued at the lower of cost, determined on the weighted average basis, and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

The cost of raw materials, labour and appropriate allocations for overhead expenses are included in manufactured finished goods.

(d) Other asset:

Other asset represents payment made towards a capital investment in a private plane, intended for the exclusive use of the group's employees during business travels. Other asset is measured at cost.

(e) Property, plant and equipment:

(i) Recognition and measurement:

Items of property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

The carrying amount of an asset is written down immediately to its recoverable amount if the amount is greater than its estimated recoverable amount.

3. Significant accounting policies

(e) Property, plant and equipment (continued):

(ii) Subsequent expenditure:

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the group.

(iii) Depreciation:

Depreciation is recognised in profit or loss on the straight-line basis at annual rates estimated to write down the assets to their residual values over their expected useful lives. No depreciation is charged on construction in progress.

The depreciation rates are as follows:

Leasehold improvements	6.67%, 10% and 20%
Furniture, fixtures and equipment	10%, 20% and 33.33%
Computer equipment	33.33%
Motor vehicles	20%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(f) Leases:

At inception of a contract, the group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the group by the end of the lease term or the cost of the right-of-use asset reflects that the group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

3. Significant accounting policies (continued)

(f) Leases (continued):

As a lessee (continued):

The lease liability is initially measured at the present value of the scheduled lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Generally, the group uses its incremental borrowing rate as the discount rate.

The group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the group is reasonably certain to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee, if the group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(g) Intangible asset:

Intangible asset, which represents computer software, is deemed to have a finite useful life of three years and is measured at cost, less accumulated amortisation and impairment losses, if any.

3. Significant accounting policies (continued)

(h) Accounts payable:

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost.

(i) Provisions:

A provision is recognised when the group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of 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 pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risk specific to the obligation.

(j) Interest in subsidiaries:

Interest in subsidiaries and advances to subsidiaries are measured at cost, less provision for impairment, if any.

(k) Share capital and dividends:

Ordinary shares are classified as equity and carried at cost. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

(l) Interest-bearing borrowings:

Interest-bearing borrowings are recognised initially at fair vale less directly attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are measured at amortised cost, with any difference between cost and redemption value recognised in profit or loss over the period of the borrowing on an effective interest basis.

Debt issuance costs represent financing and certain related fees associated with securing long-term borrowings. Amortisation is charged to profit or loss on the effective interest basis over the life of the related borrowings.

(m) Revenue:

Performance obligations and revenue recognition policies:

Revenue is measured based on the consideration specified in a contract with a customer. The group recognises revenue when it transfers control over a good or service to a customer.

3. Significant accounting policies (continued)

(m) Revenue (continued):

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows:

Type of product	*Nature and timing of satisfaction of performance obligations, including significant payment terms.*
Wholesale and distribution of food and beverage, the distribution of non-food supplies and the manufacturing and distribution of fresh juices and meats.	Customers obtain control of goods when the goods are delivered to and accepted by them. Invoices are generated and the revenue is recognised at that point in time. Invoices are usually payable within 30 days. Certain major customers receive rebates. The amount of revenue recognised is adjusted for these rebates based on a rebate % that is applied. The rebate % is customer specific and depends on the arrangement and negotiations between the company and its major customers in consideration of the volume of purchases made per month. Rebates are accrued and normally paid over to the customer in the following year.

(n) Expenses/income:

(i) Expenses:

Expenses are recognised in profit or loss on the accrual basis.

(ii) Finance costs:

Finance costs comprise interest payable on borrowings calculated using the effective interest method, material bank overdraft interest and foreign exchange losses.

3. Significant accounting policies (continued)

(n) Expenses/income (continued):

(iii) Finance income:

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

(iv) Employee benefits:

Employee benefits include current or short-term benefits such as salaries, statutory contributions paid, annual vacation leave and non-monetary benefits such as medical care and housing. Short-term employee benefits are recognised as a liability, net of payments made, and charged as expenses as incurred. The expected cost of vacation leave that accumulates is recognised over the period that the employees become entitled to the leave.

(o) Taxation:

Income tax on the profit for the year comprises current and deferred tax. Taxation is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

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

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

A deferred tax liability is recognised for taxable temporary differences, except to the extent that the group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(p) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In these financial statements, financial assets comprise cash and cash equivalents, accounts receivable and due from subsidiaries. Financial liabilities comprise accounts payable, short-term loans, bank overdraft, short-term promissory notes, long-term promissory notes, long-term borrowings and due to related company.

3. Significant accounting policies (continued)

(p) Financial instruments (continued):

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Amortised cost represents the net present value (“NPV”) of the consideration receivable or payable as of the transaction date. This classification of financial assets comprises the following captions:

- Cash and cash equivalents
- Accounts receivable
- Due from subsidiaries

3. Significant accounting policies (continued)

(p) Financial instruments (continued):

(ii) Classification and subsequent measurement (continued)

Due to their short-term nature, the group initially recognises these assets at the original invoiced or transaction amount less expected credit losses.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities

All financial liabilities are recognised initially at fair value and in the case of borrowings, plus directly attributable transaction costs.

Financial assets and liabilities – Subsequent measurement and gains and losses:

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment on financial assets are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The subsequent measurement of financial liabilities depends on their classification as described in the particular recognition methods disclosed in the individual policy statements associated with each item.

(iii) Derecognition

Financial assets

The group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The group enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised.

3. Significant accounting policies (continued)

(p) Financial instruments (continued):

(iii) Derecognition (continued)

Financial liabilities

The group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, with the difference in the respective carrying amounts recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(q) Impairment:

Financial assets

The group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and at fair value through OCI.

The group measures loss allowances at an amount equal to lifetime ECLs.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the group considers reasonable and supportable information relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the group's historical experience and informed credit assessment and including forward looking information.

The group assumes that the credit risk on financial assets has increased significantly if it is more than 180 days past due.

3. Significant accounting policies (continued)

(q) Impairment (continued):

Financial assets (continued)

The group recognises loss allowances for ECLs and considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the group in full, without recourse by the group to action such as realising security if any is held; or
- the financial asset is more than 180 days past due.

Life-time ECLs are the ECLs that result from all possible default events over the expected life of the financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the group in accordance with the contract and the cash flows that the group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the group assesses whether financial assets carried at amortised costs are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

3. Significant accounting policies (continued)

(q) Impairment (continued):

Write-off

The gross carrying amount of a financial asset is written-off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is the case when the group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written-off are included in 'impairment losses on financial instruments' in profit or loss.

Financial assets that are written-off could still be subject to enforcement activities in order to comply with the group's procedures for recovery of amounts due.

Non-financial assets

The carrying amount of the group's non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount, if the carrying amount is greater than its estimated recoverable amount. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

(r) Operating segments:

An operating segment is a component of the group:

(i) that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components.

(ii) whose operating results are reviewed regularly by the Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segment and assess its performance, and

(iii) for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The group has primarily geographical segments determined by the countries in which the group operates. Transactions between business segments have been eliminated.

June 30, 2023 (Expressed in United States dollars, unless otherwise stated)

3. Significant accounting policies (continued)

(s) Foreign currencies:

Transactions in foreign currencies are converted at the rates of exchange ruling on the dates of those transactions. Monetary assets and liabilities denominated in other currencies at the reporting date are translated to United States dollars at the rates of exchange ruling on that date. Gains and losses arising from fluctuations in exchange rates are included in profit or loss.

For the purpose of the statement of cash flows, all foreign currency gains and losses recognised in profit or loss are treated as cash items and included in cash flows from operating or financing activities along with movements in the principal balances.

(t) Determination of fair value:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. The group's financial instruments lack an available trading market. Further, the company has no financial instruments that are carried at fair value.

4. Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
Cash	20,277	18,606	4,164	3,872
Bank balances	5,444,145	3,901,853	5,059,912	3,805,288
	5,464,422	3,920,459	5,064,076	3,809,160

5. Accounts receivable

	Group		Company	
	2023	2022	2023	2022
Trade receivables (a)	13,447,253	13,191,341	12,185,565	11,569,470
Other receivables (b)	6,325,864	6,285,870	6,169,186	6,026,404
	19,773,117	19,477,211	18,354,751	17,595,874
Less: Allowance for impairment losses	(354,852)	(990,891)	(232,406)	(861,244)
	19,418,265	18,486,320	18,122,345	16,734,630

(a) Trade receivables include amounts due from directors amounting to $2,171 (2022: $306) for the group and the company; and $434,402 (2022: $489,462) due from related companies, which are controlled by directors, for the group and the company.

June 30, 2023 (Expressed in United States dollars, unless otherwise stated)

5. Accounts receivable

(b) Other receivables include amounts due from directors amounting to $4,982 (2022: $3,258) for the group and the company; and $Nil (2022: $18,605) due from related companies, which are controlled by directors, for the group and the company.

All related party balances are unsecured, interest free and repayable on demand.

(c) Information about the group's and the company's exposure to credit risk and impairment losses for trade receivables is included at [note 27(a)(i)].

6. Inventories

	Group		Company	
	2023	2022	2023	2022
Perishable items:				
Goods held for resale – duty paid	30,418,223	28,475,702	26,277,854	22,642,526
Goods held in bonded warehouse	1,035,330	92,232	65,241	92,232
Goods in transit	5,693,149	9,805,847	4,736,914	9,805,847
Raw materials	988,591	1,198,846	988,591	1,186,782
Non-perishable items:				
Spares	775,384	583,316	705,050	554,847
	38,910,677	40,155,943	32,773,650	34,282,234

During the year, expenses relating to inventory write-offs amounted to $1,582,055 (2022: $1,123,801) for the group and $1,035,697 (2022: $462,839) for the company.

During the year inventories of $100,678,065 (2022: $82,355,400) for the group and $85,010,253 (2022: $65,121,038) for the company were recognised in cost of operating revenue.

7. Bank overdraft

	Group	
	2023	2022
CIBC First Caribbean International Bank (Barbados) Limited	1,343,144	1,862,314

The overdraft facility is subject to interest at the bank's base lending rate less 5% and is secured by way of a guarantee and postponement of claims from a related party.

8. Short-term loans

	Group and Company	
	2023	2022
The Bank of Nova Scotia Jamaica Limited	9,500,000	6,500,000

These are US$ revolving loans that bear interest at 4.25% and are secured as disclosed in note 19. Total draw-down during the year amounted to $18,500,000 (2022: $13,200,000) and total repayments amounted to $15,500,000 (2022: $8,400,000).

June 30, 2023 (Expressed in United States dollars, unless otherwise stated)

9. Accounts payable

	Group		Company	
	2023	2022	2023	2022
Trade payables (a)	7,877,780	15,180,922	6,506,962	13,373,073
Other payables (b)	2,548,866	3,638,043	2,172,458	3,244,938
	10,426,646	18,818,965	8,679,420	16,618,011

(a) Trade payables include amounts due to related companies, which are controlled by directors, amounting to $321,895 (2022: $272,188) for the group and the company.

(b) Other payables include $24,193 (2022: $14,037) due to related companies which are controlled by directors, for the group and the company.

The amounts with related parties are unsecured, interest free and payable on demand.

10. Short-term promissory notes

	Group and Company	
	2023	2022
8% related company promissory note - Alpine Endeavors Ltd. (a)	-	750,000
8% related party promissory note - Deborah Pinto-Cohen	600,000	1,858,333
7% related party promissory note Rose-Marie McIver	-	1,063,332
6% related party promissory note Judith Browne	-	146,128
	600,000	3,817,793

(a) The related company is controlled by directors.

These US$ promissory notes are unsecured and repayable with three months notice to the company.

11. Interest in subsidiaries

Interest in subsidiaries comprises:

	Company	
	2023	2022
Shares, at cost	10,065	10,065
Capital contribution	3,331,331	3,331,331
	3,341,396	3,341,396

June 30, 2023 (Expressed in United States dollars, unless otherwise stated)

12. Deferred tax asset

The deferred tax asset is attributable to differences in tax and financial statement reporting in respect of the following:

	Group				
	2021	Recognised in income [note 24(a)]	2022	Recognised in income [note 24(a)]	2023
Accounts payable	99,597	(6,520)	93,077	(16,766)	76,311
Accounts receivable	135,079	(116,721)	18,358	1,334	19,692
Lease liabilities	3,146,659	(172,959)	2,973,700	510,628	3,484,328
Provision for obsolete inventory	200,735	(98,504)	102,231	28,702	130,933
Unrealised foreign exchange gains	9,030	1,248	10,278	(6,620)	3,658
Tax effect of losses carried forward	188,597	(188,597)	-	62,946	62,946
Property, plant and equipment	1,448,534	65,395	1,556,281	471,478	2,027,759
Right-of-use asset	(2,932,230)	240,162	(2,692,068)	(236,429)	(2,928,497)
	2,296,001	(276,496)	2,019,505	815,273	2,877,130

	Company				
	2021	Recognised in income [note 24(a)]	2022	Recognised in income [note 24(a)]	2023
Accounts payable	78,205	14,872	93,077	(16,766)	76,311
Accounts receivable	133,635	(115,277)	18,358	1,334	19,692
Lease liabilities	2,817,668	156,032	2,973,700	510,628	3,484,328
Provision for obsolete inventory	146,391	(44,160)	102,231	28,702	130,933
Unrealised foreign exchange gains	9,030	1,248	10,278	(6,620)	3,658
Tax effect of losses carried forward	188,597	(188,597)	-	-	-
Property, plant and equipment	1,561,946	(48,017)	1,513,929	456,057	1,969,986
Right-of-use asset	(2,639,471)	(52,597)	(2,692,068)	(236,429)	(2,928,497)
	2,296,001	(276,496)	2,019,505	736,906	2,756,411

June 30, 2023 (Expressed in United States dollars, unless otherwise stated)

13. Property, plant and equipment

	Group					
	Leasehold improvements	Furniture, fixtures and equipment	Computer equipment	Motor vehicles	Construction in progress	Total
Cost:						
June 30, 2021	14,041,558	15,649,449	2,091,861	2,291,191	247,673	34,321,732
Additions	985,060	702,923	176,129	846,624	276,662	2,987,398
Disposals	-	(366,177)	(35,380)	(148,569)	-	(550,126)
Transfers	120,360	24,673	-	-	(145,033)	-
Adjustments	-	-	6,000	-	-	6,000
June 30, 2022	15,146,978	16,010,868	2,238,610	2,989,246	379,302	36,765,004
Additions	247,720	804,529	151,070	224,946	306,323	1,734,588
Disposals	-	(447,832)	(11,994)	(61,439)	-	(521,265)
Transfers	147,341	115,744	9,189		(272,274)	-
Adjustments	-		(683,600)	-	(4,813)	(688,413)
June 30, 2023	15,542,039	16,483,309	1,703,275	3,152,753	408,538	37,289,914
Depreciation:						
June 30, 2021	8,878,396	10,655,093	1,925,262	1,475,578	-	22,934,329
Charge for the year	1,329,711	1,256,378	114,378	310,995	-	3,011,462
Disposals	-	(329,106)	(31,440)	(127,835)	-	(488,381)
Adjustments	-	25	5,056	32	-	5,113
June 30, 2022	10,208,107	11,582,390	2,013,256	1,658,770	-	25,462,523
Charge for the year	1,339,309	1,077,304	111,170	388,740	-	2,916,523
Disposals		(422,896)	(11,184)	(58,341)	-	(492,421)
Adjustments	5,741	(2,968)	(642,634)	97	-	(639,764)
June 30, 2023	11,553,157	12,233,830	1,470,608	1,989,266	-	27,246,861
Net book values:						
June 30, 2023	3,988,882	4,249,479	232,667	1,163,487	408,538	10,043,053
June 30, 2022	4,938,871	4,428,478	225,354	1,330,476	379,302	11,302,481
June 30, 2021	5,163,162	4,994,356	166,599	815,613	247,673	11,387,403

	Company					
	Leasehold improvements	Furniture, fixtures and equipment	Computer equipment	Motor vehicles	Construction in progress	Total
Cost:						
June 30, 2021	11,718,738	13,450,349	1,906,940	1,549,445	31,444	28,656,916
Additions	766,143	576,173	118,508	790,886	276,662	2,528,372
Disposals	-	(366,177)	(35,380)	(148,569)	-	(550,126)
Transfers	6,346	24,673	-	-	(31,019)	-
Adjustments	-	-	6,000	-	-	6,000
June 30, 2022	12,491,227	13,685,018	1,996,068	2,191,762	277,087	30,641,162
Additions	225,510	636,292	119,827	204,347	227,467	1,413,443
Disposals		(447,832)	(11,994)	(61,439)	-	(521,265)
Transfers	147,341	115,744	9,189	-	(272,274)	-
Adjustments	-	-	(683,600)	-	(2,251)	(685,851)
Write-Off	-	-	-	-	(2,564)	(2,564)
	12,864,078	13,989,222	1,429,490	2,334,670	227,465	30,844,925
Depreciation:						
June 30, 2021	8,318,198	9,418,022	1,785,412	977,862	-	20,499,494
Charge for the year	1,073,170	1,013,695	88,158	227,403	-	2,402,426
Disposals	-	(329,106)	(31,440)	(127,835)	-	(488,381)
Adjustments	-	25	5,056	32	-	5,113
June 30, 2022	9,391,368	10,102,636	1,847,186	1,077,462	-	22,418,652
Charge for the year	1,073,756	825,846	80,326	324,819	-	2,304,747
Disposals		(422,896)	(11,184)	(58,341)	-	(492,421)
Adjustments	5,741	(2,968)	(642,632)	97	-	(639,762)
June 30, 2023	10,470,865	10,502,618	1,273,696	1,344,037	-	23,591,216
Net book values:						
June 30, 2023	2,393,213	3,486,604	155,794	990,633	227,465	7,253,709
June 30, 2022	3,099,859	3,582,382	148,882	1,114,300	277,087	8,222,510
June 30, 2021	3,400,540	4,032,327	121,528	571,583	31,444	8,157,422

June 30, 2023 (Expressed in United States dollars, unless otherwise stated)

14. Leases

The group and the company leases property and motor vehicles. The leases typically run for 3 to 15 years with options to renew and are payable monthly in advance by equal monthly installments. The lease agreements contain provisions for rental fee increases by 4% each year subsequent to the change in the rental fee for the second year. During the year, leases of three warehouses were modified, increasing the rental fees to cover for inflation. This resulted to the remeasurements of right-of-use asset and lease liabilities as indicated in (a) and (b) below.

The group and the company have elected not to recognise right-of-use assets and lease liabilities for leases that are short-term and/or leases of low-value items.

Information about leases for which the group and the company owe as lessees is presented below:

(a) Right-of-use assets:

	Group	Company
Balance at June 30, 2021	11,533,745	10,557,883
Additions	2,196,981	1,252,170
Derecognition of right-of-use asset	(89,538)	(89,538)
Depreciation charge for the year	(1,175,277)	(952,245)
Balance at June 30, 2022	12,465,911	10,768,270
Remeasurement of right-of-use asset	2,091,873	2,091,873
Depreciation charge for the year	(1,383,033)	(1,146,154)
Balance at June 30, 2023	13,174,751	11,713,989

(b) Lease liabilities:

	2023	
	Group	Company
Maturity analysis – contractual undiscounted cash flows:		
Less than one year	2,104,435	1,744,024
One to five years	9,716,286	7,884,198
More than 5 years	13,386,540	13,356,506
Total undiscounted lease liabilities at June 30, 2023	25,207,261	22,984,728
Less: unamortised interest	(9,552,149)	(9,047,418)
Lease liabilities at June 30, 2023	15,655,112	13,937,310
Presented in the statement of financial position as follows:		
Current	865,295	644,871
Non-current	14,789,817	13,292,439
	15,655,112	13,937,310

June 30, 2023 (Expressed in United States dollars, unless otherwise stated)

14. Leases (continued)

(b) Lease liabilities (continued):

	2022 Group	2022 Company
Maturity analysis – contractual undiscounted cash flows:		
Less than one year	1,768,353	1,407,942
One to five years	7,241,070	5,799,427
More than 5 years	15,395,635	14,614,745
Total undiscounted lease liabilities at June 30, 2022	24,405,058	21,822,114
Less: unamortised interest	(10,590,236)	(9,927,315)
Lease liabilities at June 30, 2022	13,814,822	11,894,799
Presented in the statement of financial position as follows:		
Current	687,128	467,255
Non-current	13,127,694	11,427,544
	13,814,822	11,894,799

Remeasurement of lease liabilities amounted to $2,546,657 (2022: $102,269) for the group and company.

(c) Amounts recognised in profit or loss:

	2023 Group	2023 Company
Depreciation	1,383,033	1,146,155
Loss on modification of leases [note 23(a)]	454,784	454,784
Interest on lease liabilities [note 23(c)]	1,301,204	1,143,014
Expenses relating to short-term/low value leases	177,387	108,165

	2022 Group	2022 Company
Depreciation	1,175,277	952,245
Gain on modification of leases [note 23(a)]	12,731	12,731
Interest on lease liabilities [note 23(c)]	1,065,745	900,283
Other income – rent concession recognized in accordance with amendment to IFRS 16 “COVID-19 Related Rent Concessions”	94,528	94,528
Expenses relating to short-term/low value leases	158,925	61,334

(d) Amounts recognised in the statement of cash flows:

	2023 Group	2023 Company
Total cash outflow for leases excluding interest	(706,367)	(504,146)

	2022 Group	2022 Company
Total cash outflow for leases excluding interest	(552,671)	(431,247)
Other income – rent concession	(94,528)	(94,528)

June 30, 2023 (Expressed in United States dollars, unless otherwise stated)

15. Intangible asset

	Computer software	
	Group	Company
Cost:		
June 30, 2021	190,339	127,121
Additions	38,855	-
Adjustment	(6,000)	(6,000)
June 30, 2022	223,194	121,121
Additions	45,230	40,535
Adjustment	683,600	683,600
June 30, 2023	952,024	845,256
Amortisation:		
June 30, 2021	166,087	109,609
Charge for the year	24,264	13,335
Adjustment	(4,270)	(4,270)
June 30, 2022	186,081	118,674
Charge for the year	46,679	32,621
Adjustment	651,703	651,703
June 30, 2023	884,463	802,998
Carrying amount:		
June 30, 2023	67,561	42,258
June 30, 2022	37,113	2,447
June 30, 2021	24,252	17,512

16. Share capital

	Group and Company	
	2023	2022
Authorised:		
176,000,000,000 ordinary shares of no par value		
Stated capital, issued and fully paid:		
1,100,000,000 ordinary shares of no par value	5,117,611	5,117,611
Less: Transaction costs of share issue	(219,181)	(219,181)
	4,898,430	4,898,430

17. Non-controlling interest

This represents non-controlling interest of 49% in the company's subsidiary CPJ (St. Lucia) Ltd.

June 30, 2023 (Expressed in United States dollars, unless otherwise stated)

17. Non-controlling interest (continued)

The following table summarises the financial information of CPJ (St. Lucia) Ltd., the group's subsidiary that has non-controlling interest, before any intra-group eliminations:

	Group	
	2023 $	2022 $
Percentage ownership interest	**49%**	**49%**
Non-current assets	4,396,128	4,812,278
Current assets	8,250,947	8,218,287
Non-current liabilities	(2,440,269)	(2,419,942)
Current liabilities	(3,682,812)	(4,713,054)
Net assets (100%)	6,523,994	5,897,569
Non-controlling interest share of net assets	3,372,776	2,889,809
Revenue	25,247,142	23,446,857
Net profit from continuing operations	985,647	437,171
Profit allocated to non-controlling interest (NCI)	482,967	214,214
Cash flows from operating activities	1,483,134	(298,766)
Cash flows from investing activities	(593,802)	(132,742)
Cash flows from financing activities	(588,154)	(21,978)
Net increase/(decrease) in cash and cash equivalents	301,178	(453,486)

18. Long-term promissory notes

	Group and Company	
	2023	2022
Due to related companies:		
6% promissory note	-	100,000
8% promissory note	-	500,000
9% promissory note	1,629,000	6,000,000
4.5% promissory note	2,000,000	2,000,000
Due to related company:		
Non-interest bearing promissory notes	-	650,000
Due to third party:		
8% promissory note	27,199	26,153
	3,656,199	9,276,153
Current portion	3,656,199	9,276,153
	-	-

The promissory notes are unsecured and are repayable within twelve months of the reporting date.

June 30, 2023 (Expressed in United States dollars, unless otherwise stated)

19. Long-term borrowings

		Group		Company	
		2023	2022	2023	2022
8% Bonds	(a)	-	3,343,806	-	3,343,806
6.95% Bank of Nova Scotia Jamaica Limited [2023:J$6,306,887 (2022: J$31,534,433)]	(b)	41,155	210,890	41,155	210,890
5.75% Bank of Nova Scotia Jamaica Limited	(c)	28,598	371,429	28,598	371,429
9.5% Bank of Nova Scotia Jamaica Limited [2023: J$3,076,928 (2022: J$7,692,320)]	(a)	-	20,577	-	20,577
10% Bank of Nova Scotia Jamaica Limited [2023:J$2,666,616 (2022: J$6,666,628)]	(a)	-	17,833	-	17,833
7% Bank of Nova Scotia Jamaica Limited [2023: $Nil (2022: J$2,376,667)]	(a)	-	15,894	-	15,894
7% Bank of Nova Scotia Jamaica Limited [2023:J$1,697,500 (2022: [J J$2,667,500]	(d)	11,077	17,839	11,077	17,839
7% Bank of Nova Scotia Jamaica Limited [2023:J$3,146,310 (2022: J$4,101,954)]	(e)	21,011	27,432	21,011	27,432
4.5% Bank of Nova Scotia Jamaica Limited	(f)	1,621,808	2,044,885	1,621,808	2,044,885
6.95% Bank of Nova Scotia Jamaica Limited [2023:J$8,308,929 (2022: J$10,430,357)]	(g)	54,219	69,754	54,219	69,754
6.95% Bank of Nova Scotia Jamaica Limited [2023:J$5,063,33 (2022: J$7,233,333)]	(h)	33,040	48,374	33,040	48,374
6.95% Bank of Nova Scotia Jamaica Limited [2023:J$8,425,000 (2022: J$10,110,000)]	(i)	54,977	67,612	54,977	67,612
6.95% Bank of Nova Scotia Jamaica Limited [2023:J$2,086,607 (2022: J$2,503,929)]	(j)	13,616	16,745	13,616	16,745
7% Bank of Nova Scotia Jamaica Limited [2023:J5,842,500 (2022: J$7,303,125)]	(k)	38,125	48,840	38,125	48,840
7% Bank of Nova Scotia Jamaica Limited [2023:J$5,104,762 (2022: J6,061,905)]	(l)	33,311	40,540	33,311	40,540
7% Bank of Nova Scotia Jamaica Limited [2023:J$2,476,191 (2022: J$2,940,475)]	(m)	16,158	19,665	16,158	19,665
7% Bank of Nova Scotia Jamaica Limited [J7,352,381 (2022: J$8,730,952)]	(n)	47,978	58,389	47,978	58,389
7% Bank of Nova Scotia Jamaica Limited [2023:J$8,951.072 (2022: J$10,590,000)]	(o)	59,232	70,822	59,232	70,822
7% Bank of Nova Scotia Jamaica Limited [2023:J$12,810,001 (2022: J$14,945,000)]	(p)	83,591	99,942	83,591	99,942
7% Bank of Nova Scotia Jamaica Limited [2023:J$5,519,242 (2022: J$Nil)]	(q)	36,015	-	36,015	-
7% Jcsd Trustee Services Limited Bond	(r)	13,000,000	-	13,000,000	-
4.5% First Caribbean International Bank Limited	(s)	13,551	69,874	-	-
		15,207,462	6,681,142	15,193,911	6,611,268
Less: Current portion		(604,079)	(4,433,082)	(604,079)	(4,433,082)
		14,603,383	2,248,060	14,589,832	2,178,186
Debt issuance costs:	(t)				
At beginning of the year		(27,227)	(62,559)	(27,227)	(62,559)
Additional costs incurred in the year		(176,528)	-	(176,528)	-
Debt costs amortised during the year		12,129	35,332	12,129	35,332
At the end of the year		(191,626)	(27,227)	(191,626)	(27,227)
		14,411,757	2,220,833	14,398,206	2,150,959

19. Long-term borrowings (continued)

(a) These loans have been repaid in full during the year.

(b) This represents the balance due on an initial loan of J$147,160,689 (US$960,289). The loan was refinanced in March 2021 to be repayable in 30 equal monthly installments. The final instalment being due in July 2023. The refinanced interest rate of 6.95% per annum is fixed for the remaining term.

(c) This represents the balance due on an initial loan of $800,000. The interest rate of 5.75% per annum is fixed for the term. The loan is repayable in sixty (36) monthly instalments of principal and interest of $28,571; the final instalment being due in July 2023.

(d) This represents the balance due on an initial loan of J$4,850,000 (US$31,648) received in January 2019. The interest rate of 7% per annum is fixed for the term. The loan is repayable in sixty (60) monthly instalments of principal and interest of J$80,833 (US$527); the final instalment being due in March 2025.

(e) This represents the balance due on an initial loan of J$6,175,000 (US$40,295) received in April 2019. The interest rate of 7% per annum is fixed for the term. The loan is repayable in sixty (60) monthly instalments of principal and interest of J$73,512 (US$480); the final instalment being due in April 2025.

(f) This represents the balance due on an initial loan of US$2,750,000 received in May 2019. The interest rate of 4.35% per annum is fixed for the term. The loan is repayable in sixty (60) monthly instalments of principal and interest of US$35,246; the final instalment being due in May 2025.

(g) This represents the balance due on an initial loan of J$14,850,000 (US$96,903) received in May 2019. The interest rate of 6.95% per annum is fixed for the term. The loan is repayable in sixty (60) monthly instalments of principal and interest of J$176,785 (US$1,154); the final instalment being due in May 2025.

(h) This represents the balance due on an initial loan of J$10,850,000 (US$70,801) received in October 2019. The interest rate of 6.95% per annum is fixed for the term. The loan is repayable in eighty-four (84) monthly instalments of principal and interest of J$180,833 (US$1,180); the final instalment being due in October 2025.

(i) This represents the balance due on an initial loan of J$11,795,00 (US$76,968) for the purchase of 2 motor vehicles. The interest rate of 6.95% per annum is fixed for the term. The loan is repayable in sixty monthly instalments of J$140,717 (US$916); the final instalment being due in June 2026.

(j) This represents the balance due on an initial loan of J$2,921,250 (US$19,062) for the purchase of a motor vehicle. The interest rate of 6.95% per annum is fixed for the term. The loan is repayable in sixty monthly instalments of J$34,777 (US$227); the final instalment being due in June 2026.

19. Long-term borrowings (continued)

(k) This represents the balance due on an initial loan of J$8,763,750 (US$57,187) for the purchase of two motor vehicles. The interest rate of 6.95% per annum is fixed for the term. The loan is repayable in sixty monthly instalments of J$121,719; the final instalment being due in June 2026.

(l) This represents the balance due on a loan for J$6,700,000 (US$43,720) received in October 2021. The interest rate of 7% per annum is fixed for the term. The loan is repayable in eighty-four (84) monthly instalments of of J$79,761(US$520); the final instalment being due in October 2026.

(m) This represents the balance due on a loan for J$3,250,000 (US$21,208) received in October 2021. The interest rate of 7% per annum is fixed for the term. The loan is repayable in eighty-four (84) monthly instalments of of J$38,690 (US$252); the final instalment being due in October 2026.

(n) This represents the balance due on a loan for J$9,650,000 (US$62,971) received in October 2021. The interest rate of 7% per annum is fixed for the term. The loan is repayable in eighty-four (84) monthly instalments of of J$114,881 (US$750); the final instalment being due in Octotber 2026.

(o) This represents the balance due on a loan for J$10,590,000 (US$69,104) received in June 2022. The interest rate of 7% per annum is fixed for the term. The loan is repayable in eighty-four (84) instalments of of J$126,071 (US$823); the final instalment being due in June 2027.

(p) This represents the balance due on a loan for J$14,945,000 (US$97,523) received in June 2022. The interest rate of 7% per annum is fixed for the term. The loan is repayable in eighty-four (84) monthly instalments of of J$177,916 (US$1,161); the final instalment being due in June 2027.

(q) The represent the balance due on a loan for J$6,265,085 (US$40,882) received in August 2022. The interest rate of 7.5% per anum is fixed for the term. The loan is payable in eighty-four (84) monthly instalments of of J$74,584 (US$487); the final instalment being due in August 2027.

(r) On August 31 2022, the company issued a bond of US$13 million through the JCSD Trustee Services Limited. The interest rate is 7% per annum and the bond is due to be repaid in August 2027.

(s) This represents the balance outstanding on a revolving loan facility of US$650,000 received in April 2019. The interest rate of 4.5% per annum is fixed for the term.

(t) This represents costs incurred in obtaining certain long-term borrowings. The costs are being written off over the period of the borrowings on the effective interest basis.

19. Long-term borrowings (continued)

The borrowing at (g) is secured as follows:

- In respect of the purchase of motor vehicles; bill of sale to cover the purchase price and assignment of comprehensive insurance over the assets endorsed in favour of the bank.

The borrowings at (b) to (f), (h) to (q) and short-term loans (note 8) with the Bank of Nova Scotia Jamaica Limited are primarily secured as follows:

- Demand debenture stamped to cover US$14,112,000 and J$50,000,000 (US$326,272), with power to upstamp, constituting a charge over assets of the company and:

  (i) Limited guarantee of a related company, supported by a first legal mortgage for US$1,000,000 over certain commercial properties owned by a related company.

  (ii) Limited guarantee of another related company supported by a first legal mortgage for US$2,000,000 over certain commercial properties owned by a related company.

  (iii) Limited guarantee by both related companies mentioned in (i) and (ii) above supported by a second legal mortgage for J$64,890,278 (US$423,438) over commercial properties owned per (i) and (ii) above.

- Assignment of peril insurance policy providing adequate replacement coverage over charged assets with loss if any payable to the bank.

- In respect of the purchase of motor vehicles; bill of sale to cover the purchase price and assignment of comprehensive insurance over the assets endorsed in favour of the bank.

- Unsupported guarantee of a subsidiary, CPJ Investments Limited.

The borrowings at (s) with First Caribbean International Bank (Barbados) Limited is primarily secured supported by a first legal mortgage of $6,375,000 over certain immovable property.

The company has borrowings totaling US$15,193,911 which are subject to financial covenants. The covenants are to be tested annually/semi-annually. If the covenants are not met, the loans can become repayable on demand. As at June 30, 2023, the company is not in breach of any of the financial covenants.

June 30, 2023 (Expressed in United States dollars, unless otherwise stated)

20. Related party balances and transactions

(a) The statement of financial position includes balances arising in the ordinary course of business with related parties.

	Company	
	2023	2022
(i) Due from subsidiaries:		
CPJ Investments Limited	429,398	339,670
CPJ Homeporting Limited	52,801	43,844
	482,199	383,514

The amounts due from subsidiaries are interest-free, unsecured, repayable on demand, and are to be settled in cash.

(ii) Due to related company:

The amounts due to related company are payable to non-controlling interests and are interest-free, unsecured and not repayable before June 30, 2024. These amounts represent advances made to the group to support its operations.

In 2022, a portion of the advances to the group amounting to $3,067,974 was exchanged for shares in a subsidiary. This represented a non-cash transaction through the conversion of the advances.

Other related party balances are disclosed in notes 5, 9, 10, and 18.

(b) The statement of profit or loss and other comprehensive income for the year includes the following (income)/expense and transactions with related parties in the ordinary course of business:

	Group		Company	
	2023	2022	2023	2022
Sales to related companies/parties	(1,292,084)	(840,465)	(1,263,190)	(806,656)
Sales to subsidiary	-	-	(1,528,774)	(1,015,273)
Interest expense paid to related companies/parties	406,936	678,375	406,936	678,375
Rent paid to related companies- included in right-of-use-assets and lease liabilities	1,604,931	945,026	1,171,898	832,252
Agency fee paid to a related company	1,340,000	1,230,000	1,340,000	1,230,000
Directors' emoluments:				
Fees	12,250	15,500	12,250	15,500
Management remuneration	375,777	363,428	375,777	363,428
Compensation for key management:				
Short-term benefits	1,485,078	1,424,637	651,870	820,703

Related companies are controlled by directors.

June 30, 2023 (Expressed in United States dollars, unless otherwise stated)

21. Gross operating revenue

Gross operating revenue represents income from the sale of food, beverages and non-food items for the year.

22. Nature of expenses

(a) Cost of operating revenue:

Cost of operating revenue primarily comprises the costs to purchase or process inventory items, such as meats, seafood, dairy products and beverages, which were sold by the group to third parties during the year.

	Group		Company	
	2023	2022	2023	2022
Hospitality	69,440,998	59,650,430	61,747,078	50,470,319
Retail	30,820,684	23,644,783	22,846,792	16,691,507
Export	416,383	-	416,383	913,529
Inventory write-offs	1,582,055	1,123,801	1,035,697	462,839
Other	1,337,321	697,079	1,034,877	410,315
	103,597,441	85,116,093	87,080,827	68,948,509

(b) Selling and administrative expenses:

	Group		Company	
	2023	2022	2023	2022
Advertising	1,315,401	502,340	1,199,958	464,155
Audit fees	128,439	54,000	112,239	54,000
Bank charges	274,284	209,507	231,314	163,812
Buyer's commission	958,195	767,261	-	-
Cleaning and sanitation	122,602	84,232	111,579	76,204
Data processing	743,404	914,320	643,479	874,829
Garbage disposal	70,781	37,943	53,512	26,469
GCT irrecoverable	188,335	131,715	188,335	131,715
Insurance	679,835	552,635	587,430	474,799
Miscellaneous	1,981,374	670,314	1,819,537	399,014
Motor vehicle expenses	1,917,353	1,508,176	1,771,207	1,357,970
Penalties and interest	47	37,593	47	37,593
Pest control	26,142	19,417	15,979	12,470
Printing, postage and stationery	156,885	118,524	79,875	90,641
Professional fees	1,611,264	1,943,345	1,508,253	1,763,913
Rates and taxes	29,789	18,601	25,402	11,295
Rental of premises	44,168	22,084	-	-
Repairs and maintenance	1,495,359	750,259	918,881	533,045
Security	439,289	332,523	364,975	254,176
Staff costs:				
Salaries, wages, and other payroll costs	10,576,718	8,716,997	8,315,340	6,617,799
Payroll taxes	1,022,838	774,452	946,821	704,279
Staff welfare	965,850	408,636	931,964	370,295
Subscriptions	72,947	38,884	71,044	37,303
Travel and entertainment	589,885	325,227	545,121	302,171
Utilities	2,456,422	2,160,484	1,860,083	1,636,143
	27,867,606	21,099,469	22,302,375	16,394,090
Amounts allocated to cost of operating revenue	(3,191,141)	(2,861,367)	(3,191,141)	(2,861,367)
	24,676,465	18,238,102	19,111,234	13,532,723

June 30, 2023 (Expressed in United States dollars, unless otherwise stated)

23. Disclosure of income/(expenses)

	Group 2023	Group 2022	Company 2023	Company 2022
(a) Other operating (expenses)/income:				
Gain on disposal of property plant and equipment	11,057	7,101	4,064	7,101
Covid-19 rent Concessions [note 14(c)]	-	94,528	-	94,528
(Loss)/gain on lease modification [note 14(c)]	(454,784)	12,731	(454,784)	12,731
Foreign exchange gain	4,682	-	-	-
Others	216,964	289,335	173,935	312,074
	(222,081)	403,695	(276,785)	426,434
(b) Finance income:				
Interest income - third party	1,022	5,154	1,022	5,154
(c) Finance costs:				
Foreign exchange loss	-	(153,123)	(8,618)	(173,106)
Interest on promissory notes	(400,986)	(921,244)	(400,986)	(921,244)
Interest on long-term and short term borrowings	(1,605,289)	(725,239)	(1,571,694)	(699,952)
Interest on lease liabilities	(1,301,204)	(1,065,745)	(1,143,014)	(900,283)
Overdraft interest	(78,264)	(85,016)	(5,933)	(4,475)
	(3,385,743)	(2,950,367)	(3,130,245)	(2,699,060)

24. Taxation

(a) Taxation is based on the following:

	Group 2023	Group 2022	Company 2023	Company 2022
Current tax	1,438,931	1,467,534	1,438,931	1,467,534
Deferred tax (note 12):				
Tax losses carried forward	(32,571)	188,597	-	188,597
Origination and reversal of temporary differences	(782,702)	87,899	(736,906)	87,899
	(815,273)	276,496	(736,906)	276,496
Tax expense recognised during the year	623,658	1,744,030	702,025	1,744,030

June 30, 2023 (Expressed in United States dollars, unless otherwise stated)

24. Taxation (continued)

(b) Reconciliation of actual taxation charge:

	Group		Company	
	2023	2022	2023	2022
Profit before taxation	6,871,390	9,466,521	6,333,346	9,129,050
Computed "expected" tax credit at 30% for the group and 25% for the company	1,653,785	2,412,934	1,583,337	2,282,263
Tax effect of differences between treatment for financial statement and taxation purposes:				
Previously unrecognised tax losses	(43,133)	(894,664)	-	(793,633)
Employee tax credit	(584,345)	(254,418)	(584,345)	(254,418)
Disallowed items, net	(402,649)	480,178	(296,967)	509,818
	623,658	1,744,030	702,025	1,744,030

As at June 30, 2023, the effective tax rate amounted to 9% (2022: 18%) for the group and 11% (2022: 19%) for the company.

25. Earnings per share

Earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares in issue for the year as follows:

	Group		Company	
	2023	2022	2023	2022
Profit/(loss) for the year attributable to the shareholders of the company	5,764,560	7,508,277	5,631,319	7,385,020
Number of ordinary shares held during the year	1,100,000,000	1,100,000,000	1,100,000,000	1,100,000,000
Earnings per share (expressed in ¢ per share)	0.52	0.68	0.51	0.67

There was no dilution of shares during the year.

26. Dividends

There was no dividend declaration in the current and prior year.

27. Financial instruments

(a) Financial risk management:

The group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the group's risk management framework.

The risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. The Board of Directors has monitoring oversight of the risk management policies.

(i) 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.

The maximum exposure to credit risk at the reporting date was represented by the carrying value of financial assets in the statement of financial position. The group had no significant concentration of credit risk.

Cash and cash equivalents

The group limits its exposure to credit risk by placing cash resources with substantial counterparties who are appropriately licensed and regulated, and are believed to have minimal risk of default.

Accounts receivable

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer base, including the default risk of the industry in which customers operate, has less of an influence on credit risk. The group does not require collateral in respect of trade and other receivables.

June 30, 2023 (Expressed in United States dollars, unless otherwise stated)

27. Financial instruments (continued)

(a) Financial risk management (continued):

(i) Credit risk (continued):

Accounts receivable (continued

Trade receivables mainly consist of balances due from retail and hospitality customers across Jamaica. Apart from the concentration of customers in Jamaica, the group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Expected credit loss assessment

The group uses a provision matrix to measure ECLs on trade receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking information.

Loss rates are calculated based on the probability of a receivable progressing through successive stages of delinquency to write-off, current conditions and the economic conditions over the expected lives of the receivables.

The following table provides information about the exposure to credit risk and ECL for trade receivables as at June 30, 2023 (see also note 5).

	Group 2023			
	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Current (1-30 days, not past due)	0.3%	7,993,846	6,661	no
31-60 days (past due)	0.5%	3,192,682	4,260	no
61-90 days (past due)	3.9%	1,092,083	10,709	no
91-180 days (past due)	12.3%	953,862	118,442	no
More than 180 days (past due)	100%	214,780	214,780	yes
		13,447,253	354,852	

	Group 2022			
	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Current (1-30 days, not past due)	0.3%	8,674,453	18,094	no
31-60 days (past due)	0.5%	2,761,124	8,049	no
61-90 days (past due)	3.2%	692,935	11,039	no
91-180 days (past due)	12.1%	354,028	244,908	no
More than 180 days (past due)	100%	708,801	708,801	yes
		13,191,341	990,891	

June 30, 2023 (Expressed in United States dollars, unless otherwise stated)

27. Financial instruments (continued)

(a) Financial risk management (continued):

(i) Credit risk (continued):

	Company 2023			
	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Current (1-30 days, not past due)	0.1%	7,256,004	6,661	no
31-60 days (past due)	0.2%	2,759,298	4,260	no
61-90 days (past due)	1.0%	1,071,136	10,709	no
91-180 days (past due)	5.0%	945,488	57,137	no
More than 180 days (past due)	100%	153,639	153,639	yes
		12,185,565	232,406	

	Company 2022			
	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Current (1-30 days, not past due)	0.2%	7,389,759	9,874	no
31-60 days (past due)	0.3%	2,436,034	5,190	no
61-90 days (past due)	0.6%	633,619	7,217	no
91-180 days (past due)	8.6%	502,085	230,990	no
More than 180 days (past due)	100%	607,973	607,973	yes
		11,569,470	861,244	

Movement in the impairment of trade receivables at the reporting date was as follows:

	Group		Company	
	2023	2022	2023	2022
Balance at beginning of year	990,891	728,366	861,244	578,244
(Decrease)/increase in allowance for impairment losses	(516,646)	387,107	(551,863)	283,000
Accounts written off	(119,393)	-	(76,975)	-
Recoveries	-	(124,582)	-	-
Balance at end of year	354,852	990,891	232,406	861,244

The group uses forward-looking information to assess whether the credit risk of the trade receivables has changed significantly since initial recognition and to measure ECLs.

This involves applying an unbiased and probability-weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions.

27. Financial instruments (continued)

(a) Financial risk management (continued):

(i) Credit risk (continued):

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The group considers these forecasts to represent its best estimate of the possible outcomes.

The group has identified and documented key factors influencing credit risk and potential losses for its trade receivables. Through a structured approach, relationships have been estimated between macro-economic variables and credit risk as well as potential losses. These encompass variables such as GDP annual growth rate, annual inflation rate, and unemployment rate. These factors are assigned weightings based on their relative importance.

Measurement of ECLs at each reporting date reflect reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions.

(ii) Liquidity risk:

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. Liquidity risk may result from an inability to sell a financial asset at, or close to, its fair value. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

Management of the group manages liquidity risk by maintaining adequate liquid financial assets with appropriate terms and currencies, together with committed financing to meet all contractual obligations and operational cash flows, including the servicing of its long-term liabilities.

The following are the contractual maturities of financial liabilities measured at amortised cost, including interest payments. The tables show the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the group can be required to pay.

June 30, 2023 (Expressed in United States dollars, unless otherwise stated)

27. Financial instruments (continued)

(a) Financial risk management (continued):

(ii) Liquidity risk (continued):

	Group 2023				
	Carrying amount	Contractual cash flows	1 year or less	1-5 years	More than 5 years
Bank overdraft	1,343,144	1,343,144	1,343,144	-	-
Short-term loans	9,500,000	9,903,750	9,903,750	-	-
Accounts payable	10,426,646	10,426,646	10,426,646	-	-
Short-term promissory notes	600,000	648,000	648,000		
Lease liabilities	15,655,112	25,207,261	2,104,435	9,716,286	13,386,540
Current portion of long-term promissory notes	3,656,199	4,133,771	4,133,771	-	-
Long-term borrowings	15,015,836	19,602,098	1,571,869	18,030,229	-
Due to related company	502,932	502,932	-	502,932	-
Total financial liabilities	56,699,869	71,767,602	30,131,615	28,249,447	13,386,540

	Group 2022				
	Carrying amount	Contractual cash flows	1 year or less	1-5 years	More than five years
Bank overdraft	1,862,314	1,862,314	1,862,314	-	-
Short-term loans	6,500,000	6,776,250	6,776,250	-	-
Accounts payable	18,818,965	18,818,965	18,818,965	-	-
Short-term promissory notes	3,817,793	4,118,429	4,118,429	-	-
Current portion of long-term promissory notes	9,276,153	10,456,337	-	10,456,337	-
Long-term borrowings	6,653,915	7,402,907	4,801,429	2,601,478	-
Lease liabilities	13,814,822	24,405,058	1,768,353	7,554,465	15,082,240
Due to related company	313,372	313,372	-	313,372	-
Total financial liabilities	61,057,334	74,153,632	38,145,740	20,925,652	15,082,240

	Company 2023				
	Carrying amount	Contractual cash flows	1 year or less	1-5 years	More than 5 years
Short-term loans	9,500,000	9,903,750	9,903,750	-	-
Accounts payable	8,679,420	8,679,420	8,679,420	-	-
Short-term promissory notes	600,000	648,000	648,000	-	-
Lease liabilities	13,937,310	22,984,728	1,744,024	7,884,198	13,356,506
Current portion of long-term promissory notes	3,656,199	4,133,771	4,133,771	-	-
Long-term borrowings	15,002,285	19,587,783	1,571,259	18,016,524	-
Total financial liabilities	51,375,214	65,937,452	26,680,224	25,900,722	13,356,506

June 30, 2023 (Expressed in United States dollars, unless otherwise stated)

27. Financial instruments (continued)

(a) Financial risk management (continued):

(ii) Liquidity risk (continued):

	Company				
	2022				
	Carrying amount	Contractual cash flows	1 year or less	1-5 years	More than 5 years
Short-term loans	6,500,000	6,776,250	6,776,250	-	-
Accounts payable	16,618,011	16,618,011	16,618,011	-	-
Short-term promissory notes	3,817,793	4,118,429	4,118,429	-	-
Lease liabilities	11,894,799	21,822,114	1,407,941	5,799,428	14,614,745
Current portion of long-term promissory notes	9,276,153	10,456,337	10,456,337	-	-
Long-term borrowings	6,584,041	7,285,981	4,750,914	2,535,067	-
Total financial liabilities	54,690,797	67,077,122	44,127,882	8,334,495	14,614,745

(iii) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. These arise mainly from changes in interest rates and foreign exchange rates and will affect the group's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on assets. The nature of the group's exposures to market risk and its objectives, policies and processes for managing these risks have not changed significantly over the prior year. For each of the major components of market risk, the group has policies and procedures in place which detail how the risk is managed and monitored.

The management of each of these major components of market risk and the exposure of the group at the reporting date to each major risk are addressed below.

Derivative financial instruments are not used to reduce exposure to fluctuations in interest and foreign exchange rates.

June 30, 2023 (Expressed in United States dollars, unless otherwise stated)

27. Financial instruments (continued)

(a) Financial risk management (continued):

(iii) Market risk (continued):

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 group materially contracts financial liabilities at fixed interest rates. These primarily relate to short-term and long-term borrowings.

Interest-bearing financial assets are primarily represented by cash and cash equivalents, which are contracted at various interest rates.

Financial instruments are subject to interest as follows:

	Carrying amount			
	The Group		The Company	
	2023	2022	2023	2022
Fixed rate instruments:				
Financial assets	2,292,369	1,572,268	2,292,369	1,572,268
Financial liabilities	(16,702,596)	(37,632,172)	(15,346,031)	(34,106,208)
	(14,410,227)	(36,059,904)	(13,053,662)	(32,533,940)
Variable rate instruments:				
Financial assets	52,410	31,510	52,410	31,510
Financial liabilities	-	(3,343,806)	-	(3,343,806)
	52,410	(3,312,296)	52,410	(3,312,296)

Cash flow sensitivity analysis for variable rate instruments

An increase or decrease in basis points in interest rates at the reporting date would have (increased)/decreased profit or loss for the year by amounts shown below:

	The Group and Company			
	2023		2022	
	Increase 50bp	Decrease 25bp	Increase 100bp	Decrease 100bp
Effect on profit or loss increase/(decrease)	262	(131)	66,246	(16,561)

June 30, 2023 (Expressed in United States dollars, unless otherwise stated)

27. Financial instruments (continued)

(a) Financial risk management (continued):

(iii) Market risk (continued):

Interest rate risk (continued):

Fair value sensitivity analysis for financial instruments

The group does not account for any financial instrument at fair value. Therefore, a change in interest rates at the reporting date would not affect the carrying value of the group's financial instruments.

Foreign currency risk

Foreign currency risk is the risk that the value or cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The group incurs foreign currency risk primarily on receivables, purchases and borrowings that are denominated in a currency other than the United States dollar. The principal foreign currency risks of the group are denominated in Jamaica dollar (J$).

The group ensures that the risk is kept to an acceptable level by monitoring its risk exposure and by maintaining funds in J$ as a hedge against adverse fluctuations in exchange rates.

At the reporting date, net foreign currency assets/(liabilities) of the group and the company were as follows:

	Group and Company	
	2023	2022
Cash and cash equivalents	201,305,148	149,548,387
Accounts receivable	1,268,457,004	1,215,934,117
Accounts payable	(470,775,860)	(722,976,749)
Long-term borrowings	(83,090,713)	(627,273,186)
Net foreign currency assets	J$ 915,895,579	15,232,569
Equivalent to	US$ 5,923,526	101,870

Exchange rates for the J$ in comparison to the United States dollar were as follows:

June 30, 2023:	J$154.62 to US$1
June 30, 2022:	J$149.53 to US$1

June 30, 2023 (Expressed in United States dollars, unless otherwise stated)

27. Financial instruments (continued)

(a) Financial risk management (continued):

(iv) Market risk (continued):

Foreign currency risk (continued)

Sensitivity analysis

Changes in exchanges rates would have the effects described below:

	Group and Company	
	Decrease/(increase) in profit for the year	Decrease/(increase) in loss for the year
	2023	2022
4% (2022: 4%) weakening against the US$	236,941	(4,075)
1% (2022: 1%) strengthening against the US$	(59,235)	1,019

The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is done on the same basis as for 2021.

(b) Capital risk management:

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders. The directors of the company seek to maintain a strong capital base so as to maintain shareholder and creditor confidence. The group defines capital as total shareholders' equity.

Management of the group is responsible for monitoring the group's adherence to loan covenants on a timely basis and also to obtain relevant approvals from the banks before certain decisions are finalised. The group is not subject to any external capital requirement.

There were no changes in the group's approach to capital management during the year.

(c) Fair value disclosures:

The fair values of cash and cash equivalents, accounts receivable, bank overdraft, accounts payable and short-term loans and promissory notes are assumed to approximate their carrying values due to their relatively short-term nature. Long-term borrowings and promissory notes are carried at their contracted settlement value based on commercial terms. Amounts due to related company are considered to approximate their carrying value due to their short-term nature, and/or an ability to effect future set-offs in the amounts disclosed.

June 30, 2023 (Expressed in United States dollars, unless otherwise stated)

28. Segment reporting

Segment information is presented in respect of the group's strategic business segments. The identification of business segments is based on the group's management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

Segment information below represents segment revenue based on the country receiving the benefit of the products/services and segment assets based on the country in which the owner is registered. Segment information is only applicable to the group as the company only operates in one segment.

Geographical information:

	2023			
	Jamaica	St. Lucia	Eliminations	Total
Revenue from external customers	117,334,340	25,247,142	-	142,581,482
Inter-segmnet revenue	1,528,733	-	(1,528,733)	-
Total Revenue	118,863,073	25,247,142	(1,528,733)	142,581,482
Impairment on financial asset	551,863	(35,217)	-	516,646
Profit before taxation	6,324,452	905,955	(359,222)	6,871,185
Taxation	(702,025)	78,367	-	(623,658)
Profit for the year	5,622,427	984,322	(359,222)	6,247,527
Segment non-current assets	25,252,420	8,167,839	(7,100,146)	26,320,113
Segment current assets	56,945,949	8,250,947	(912,881)	64,284,015
Segment total assets	82,198,369	16,418,786	(8,013,027)	90,604,128
Interest income	1,022	-	-	1,022
Interest expense	(3,130,245)	(250,816)	-	(3,381,061)
Operating expense	(19,120,128)	(5,197,117)	(359,222)	(24,676,467)
Depreciation and amortisation	(3,483,523)	(862,712)	-	(4,346,235)
Additions to property, plant and equipment	1,413,443	321,147	-	1,734,590

June 30, 2023 (Expressed in United States dollars, unless otherwise stated)

28. Segment reporting (continued)

	2022			
	Jamaica	St. Lucia	Eliminations	Total
Revenue from external customers	96,513,487	23,446,857	-	119,960,344
Inter-segmnet revenue	1,015,273	-	(1,015,273)	-
Total Revenue	97,528,760	23,446,857	(1,015,273)	119,960,344
Impairment loss on financial Asset	(283,000)	(104,107)	-	(387,107)
Profit before taxation	9,096,446	435,846	(65,771)	9,466,521
Taxation	(1,744,030)	-	-	(1,744,030)
Profit for the year	7,352,416	435,846	(65,771)	7,722,491
Segment non-current assets	24,421,772	4,812,278	(3,341,396)	25,892,654
Segment current assets	55,209,605	8,109,822	(756,705)	62,562,722
Segment total assets	79,631,377	12,922,100	(4,098,101)	88,455,376
Interest income	5,154	-	-	5,154
Interest expense	(2,699,058)	(251,309)	-	(2,950,367)
Operating expense	(13,565,329)	(4,607,002)	(65,771)	(18,238,102)
Depreciation and amortizarion	(3,368,006)	(842,997)	-	(4,211,003)
Additions to property, plant and equipment	2,528,372	459,026	-	2,987,398

29. Prior period adjustments

Bank overdraft was previously presented as a component of cash and cash equivalents, but is now separated to comply with IFRS Standards, on the basis that its nature is more long term funding than working capital.

The reclassification resulted in changes in cash flows from financing activities, as well as cash and cash equivalents at the beginning and end of the year.

June 30, 2023 (Expressed in United States dollars, unless otherwise stated)

29. Prior period adjustments (continued)

The impact of the reclassification on the statement of cash flows is as follows:

	Group (2022)		
	As previously presented	Reclassification	Current presentation
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdowns of bank overdraft	-	27,670,416	27,670,416
Repayments of bank overdraft	-	(27,344,170)	(27,344,170)
Promissory notes issued	1,973	-	1,973
Payments of lease liabilities	(552,671)	-	(552,671)
Other income due to rent concessions	(94,528)	-	(94,528)
Long-term/short-term borrowings repaid	(9,584,023)	-	(9,584,023)
Due to related company	147,712	-	147,712
Long-term/short-term borrowings received	13,494,353	-	13,494,353
Net cash provided by financing activities	3,412,816	326,246	3,739,062
Net decrease in cash and cash equivalents	(578,596)	326,246	(252,350)
Cash and cash equivalents at beginning of the year	2,665,475	1,536,068	4,201,543
Effect of fluctuations in exchange rates on cash held	(28,734)	-	(28,734)
Cash and cash equivalents at end of the year	2,058,145	1,862,314	3,920,459

Form of proxy

I/We ____(insert name)

of ____ (address)

being a shareholder(s) of the above-named Company, hereby appoint:

____ (proxy name)

of ____(address)

or failing him, ____(alternate proxy)

of ____ (address)

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be **held at 3:00 p.m. on Tuesday, February 13, 2024 at the Grand A View Restaurant & Event Place**, 7 Queens Drive, Montego Bay and at any adjournment thereof. I desire this form to be used for/against the resolutions as follows (unless directed the proxy will vote as he sees fit):

No.	**Resolution details**	**Vote for or against** *(tick as appropriate)*
1.	To receive the report of the directors and the audited accounts of the Company for the financial year ended June 30, 2023.	For ( ) Against ( )
The following Directors of the Board, having resigned by rotation in accordance with the Articles of Incorporation of the Company, and, being eligible, hereby offer themselves for re-election by the shareholders:		
2(a)	To re-appoint Mr. Stephen Dear as a Director of the Company.	For ( ) Against ( )
2(b)	To re-appoint Mr. Thomas Tyler as a Director of the Company.	For ( ) Against ( )
2(c)	To re-appoint Mrs. Candace Hart as a Director of the Company.	For ( ) Against ( )
3.	To authorise the directors to re-appoint KPMG as the Auditors of the Company and to fix their remuneration.	For ( ) Against ( )
4.	To fix the remuneration of the Directors, other than the Executive Directors, for the financial year of the Company ending June 30, 2023.	For ( ) Against ( )

Signed this____________day of ________________________ 20___: ____
Signature of Shareholder

Signed: ______________________________________ (signature of primary shareholder)

Name: ______________________________________ (print name of primary shareholder)

Signed: ______________________________________ (signature of joint shareholder, if any)

Name: ______________________________________ (print name of joint shareholder, if any)

notes

Caribbean Producers (Jamaica) Limited,
1 Guinep Way, Montego Freeport,
St. James, Jamaica