QWI INVESTMENTS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

KPMG
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INDEPENDENT AUDITORS' REPORT

To the Members of
QWI INVESTMENTS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of QWI Investments Limited ("the company"), set out on pages 7 to 41, which comprise the statement of financial position as at September 30, 2023, the 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 company as at September 30, 2023, and of its financial performance and its 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
QWI INVESTMENTS 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.

Valuation of investments

The Key Audit Matter	*How the matter was addressed in our audit*
The company holds significant investments in equity securities listed on multiple stock exchanges totaling $2,007,329,202 as at the current reporting year end. The company primarily uses quoted mid prices to value these investments. The valuation of these investments, although based on observable market prices; continues to suffer from increased volatility and/or decline in trading activities for certain shares, as a result of macro-economic factors. Reduction in trading has also resulted in some listed shares having a wider gap between the bid and ask prices which may indicate that the shares are not actively trading. Judgement is therefore required to determine whether the quoted prices used by management represents prices from an active market and, where mid prices are used; whether a wide gap between the bid and ask prices is an indication of an active market. *See notes 2 (c), 5 and 21(e).*	Our procedures in this area included, amongst others, the following: • Assessed and tested the design and implementation of the company's control over the determination and computation of fair values. • Reperformed fair value calculations and assessed the reasonableness of prices used by the company by comparing to independent third-party information, including assessing whether prices used fell within the bid ask spread, as required by the financial reporting framework. • For selected stocks, evaluated the volume of trade for the securities held by the company at year end, through information directly from the stock exchange and/or pricing services, to determine whether these were actively traded. • Assessed the adequacy of the disclosure and determine if such disclosures demonstrate the key judgements as required by the applicable financial reporting framework. • Assessed whether there is a wide gap of 10 percent between the bid and the ask prices through information directly from the stock exchange and/or pricing services. For securities with identified wide gap, we evaluated trading volumes and price gaps from the pricing source over an extended period i.e., one month before and after the year end to assess whether these securities have an active market.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
QWI INVESTMENTS LIMITED

Report on the Audit of the Financial Statements (continued)

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 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.

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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
QWI INVESTMENTS LIMITED

Report on the Audit of the Financial Statements (continued)

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 5-6, forms part of our auditors' report.

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 Rajan Trehan.

KPMG

Chartered Accountants
Kingston, Jamaica

December 31, 2023

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
QWI INVESTMENTS LIMITED

Appendix to the Independent Auditors' Report

As part of an audit in accordance with ISAs, we exercise professional judgement 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.*

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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
QWI INVESTMENTS LIMITED

Appendix to the Independent Auditors' Report (continued)

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 matters 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.

QWI INVESTMENTS LIMITED

Statement of Financial Position
September 30, 2023
(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2023 $	2022 $
ASSETS			
Cash and cash equivalents	4	2,195,899	43,537,845
Investments	5	2,007,329,202	1,980,637,299
Accounts receivable	6	15,230,755	107,542,622
Total assets		2,024,755,856	2,131,717,766
LIABILITIES AND EQUITY			
Bank overdraft	4	151,457,758	-
Margin loan payable	9	121,915,127	346,443,380
Taxation payable		20,728	20,728
Other liabilities	7	59,249,192	31,470,437
Due to related company	8(a)	2,546,935	898,049
Deferred tax liability	10	3,709,834	22,909,582
Total liabilities		338,899,574	401,742,176
EQUITY			
Share capital	11	1,623,112,948	1,623,112,948
Capital reserves	18	363,592	363,592
Franked income reserves	19	41,322,398	6,879,046
Accumulated surplus		21,057,344	99,620,004
Total equity		1,685,856,282	1,729,975,590
Total liabilities and equity		2,024,755,856	2,131,717,766

The financial statements on pages 7 to 41 were approved for issue by the Board of Directors on December 29, 2023 and signed on its behalf by:

Director ------------------------ John Mahfood

Director ------------------------ Cameron Burnet

The accompanying notes form an integral part of the financial statements.

QWI INVESTMENTS LIMITED

Statement of Profit or Loss and Other Comprehensive Income
Year ended September 30, 2023
Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2023 $	2022 $
Gains from investment activities	12	60,451,068	45,041,642
Administrative expenses	13	(83,059,445)	(90,402,668)
		(22,608,377)	(45,361,026)
Finance income	14(a)	1,077,711	321,439
Finance costs	14(b)	(36,539,557)	(29,438,130)
Loss before taxation		(58,070,223)	(74,477,717)
Taxation	15	13,950,915	25,072,065
Loss for the year, being total comprehensive loss		(44,119,308)	(49,405,652)
Earnings per share:			
Basic earnings per ordinary stock unit	16(a)	(0.032)	(0.036)
Diluted earnings per ordinary stock unit	16(b)	(0.031)	(0.035)

The accompanying notes form an integral part of the financial statements.

QWI INVESTMENTS LIMITED

Statement of Changes in Equity
Year ended September 30, 2023
Expressed in Jamaican dollars unless otherwise indicated)

	Share capital (Note 11)	Accumulated surplus	Capital reserves (Note 18)	Franked income reserves (Note 19)	Total
	$	$	$	$	$
Balances at September 30, 2021	1,623,112,948	203,679,707	363,592	-	1,827,156,247
Comprehensive income:					
Loss for the year, being total comprehensive loss	-	(49,405,652)	-	-	(49,405,652)
Transfer from accumulated surplus to franked income reserves	-	(54,654,051)	-	54,654,051	-
Dividend paid (note 20)	-	-	-	(47,775,005)	(47,775,005)
Balances at September 30, 2022	1,623,112,948	99,620,004	363,592	6,879,046	1,729,975,590
Comprehensive income:					
Loss for the year, being total comprehensive loss	-	(44,119,308)	-	-	(44,119,308)
Transfer from accumulated surplus to franked income reserves	-	(34,443,352)	-	34,443,352	-
Balances at September 30, 2023	1,623,112,948	21,057,344	363,592	41,322,398	1,685,856,282

The accompanying notes form an integral part of the financial statements.

QWI INVESTMENTS LIMITED

Statement of Cash Flows
Year ended September 30, 2023
Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Loss for the year		(44,119,308)	(49,405,652)
Adjustments for:			
Dividend income	12	(44,388,915)	(39,417,669)
Realised losses on disposal of investments	12	25,205,846	7,305,007
Interest income	14(a)	(1,077,711)	(321,439)
Interest expense	14(b)	34,028,280	28,453,695
Taxation	15	(13,950,915)	(25,072,065)
Unrealised fair value gains on securities at fair value through profit or loss	12	(41,267,999)	(12,928,980)
		(85,570,722)	(91,387,103)
Changes in operating assets and liabilities:			
Purchase of investments		(185,744,773)	(326,802,113)
Proceeds from sale of investments		175,115,023	630,449,625
Other liabilities		27,778,755	20,148,945
Due to related company		1,648,886	(917,415)
Accounts receivables		100,468,437	(80,011,982)
		33,695,606	151,479,957
Tax paid		(5,248,833)	(4,902,476)
Dividend received		36,232,345	39,417,669
Interest received		1,077,711	321,439
Interest paid		(34,028,280)	(33,937,557)
Cash provided by operating activities		31,728,549	152,379,032
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividend paid		-	(45,701,532)
Margin loan repaid	9	(224,528,253)	(96,756,639)
Proceeds from margin loan	9	-	101,755,454
Short-term borrowing repaid	9	-	(75,000,000)
Net cash used by financing activities		(224,528,253)	(115,702,717)
(Decrease)/increase in cash and cash equivalents		(192,799,704)	36,676,315
Cash and cash equivalent at beginning of the year		43,537,845	6,861,530
Cash and cash equivalent at end of the year		(149,261,859)	43,537,845
Cash at bank		2,195,899	43,537,845
Bank overdraft		(151,457,758)	-
		(149,261,859)	43,537,845

The accompanying notes form an integral part of the financial statements.

1. Identification and principal activities

QWI Investments Limited ("the company") is incorporated and is domiciled in Jamaica. The company was incorporated on December 18, 2018 and commenced operations on January 1, 2019. The company's registered office is at 2 Bell Road, Kingston, Jamaica W.I.

The company issued 66% of its ordinary shares to the public on September 9, 2019, and was listed on the Jamaica Stock Exchange on September 30, 2019. The company's remaining shares were held by Jamaican Teas Limited a company listed on the Jamaica Stock Exchange and one of its subsidiaries, KIW International Limited.

As at September 30, 2023 Jamaican Teas owned 360,263,750 (2022: 360,263,750 shares or 26.39%) in the company and KIW owned 245,000,005 (2022: 245,000,005) shares or 17.95%.

The company's principal activity is the holding of quoted securities. The company's affairs are administered by Jamaican Teas Limited, who has ultimate control over its operations. The company's income/losses for the year represents mainly dividend income and realised and unrealised gains/losses from investment activities.

The Board of Directors appoints an Investment Committee ("IC") and delegates the management of the company's investments to the committee, who undertakes the investment decisions on an ongoing basis. Currently, members of the investment committee are also members of the Board; however, the Board may appoint non-board members to the committee as it sees fit. The investment committee members were paid fees pursuant to the company's investment incentive plan, at the rate of 10% of the net investment return of the company in excess of the hurdle rate which is based on Morgan Stanley Capital International (MCSI) world index, however, this rate structure was revised in the prior year, effective October 1, 2021.

Effective October 1, 2021, the remuneration of the individuals comprising the IC of the company, or of any corporate body authorized to manage the fund under the company's Investment Incentive Plan ("ICP") shall be as follows: each IC member, or such corporate body, shall be paid (i) an annual retainer fee of J$2,500,000, (ii) a fixed annual fee equal to 0.2% of the net value of the portfolio to be paid (as the case may be) to such corporate body or paid to and divided amongst the IC members as decided by the Board of Directors, and (iii) an annual incentive fee equal to 7% of the net investment returns above the Hurdle (being the JSE Combined Index) for the financial year to be paid (as the case may be) to such corporate body or paid to and divided amongst the IC members as decided by the Board of Directors; provided always that aggregate of the fees referred to at (i), (iii), and (iii) above shall not exceed the amount which is equal to 3% of the company's net asset value in any one financial year.

2. Basis of preparation

(a) Statement of compliance:

The financial statements as at and for the year ended September 30, 2023 (the reporting date) are prepared in accordance with IFRS Standards as issued by the International Accounting Standards Board and comply with the provisions of the Jamaican Companies Act.

2. Basis of preparation (continued)

(a) Statement of compliance (continued):

New and amended standards that became effective during the year

Certain new and amended standards that were in issue came into effect during the current financial year. The adoption of those new standards and amendments did not have any impact on the amounts recognised or disclosures in the financial statements.

New and amended standards and interpretations issued but not yet effective:

At the date of authorisation of the financial statements, certain new and amended standards and interpretations have been issued which are not yet effective and which the company has not yet adopted. Those standards and interpretations which management considers may be relevant to its operations and their effective dates are indicated below:

- 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 end of the reporting period. As part of its amendments, the requirement for a right to be unconditional has been removed and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. An entity classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period. It has now been clarified that a right to defer exists only if the entity complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date.

  With the amendments, convertible instruments may become current. In light of this, the amendments clarify how an entity classifies a liability that includes a counterparty conversion option, which could be recognised as either equity or a liability separately from the liability component under IAS 32. Generally, if a liability has any conversion options that involve a transfer of the entity's own equity instruments, these would affect its classification as current or non-current. It has now been clarified that a entity can ignore only those conversion options that are recognised as equity when classifying liabilities as current or non-current.

  The company is assessing the impact that this amendment may have on future financial statements.

- 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 companies should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions.

2. Basis of preparation (continued)

(a) Statement of compliance (continued):

New and amended standards and interpretations issued but not yet effective (continued):

- Amendments to IAS 12 *Income Taxes* (continued)

  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 a company 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 company is assessing the impact that this amendment may have on future financial statements.

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* are effective for 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 company is assessing the impact that this amendment may have on future financial statements.

2. Basis of preparation (continued)

(a) Statement of compliance (continued):

New and amended standards and interpretations issued but not yet effective (continued):

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

  The key amendments to IAS 1 include:

  - requiring companies 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.

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 company is assessing the impact that this amendment may have on future financial statements.

(b) Basis of measurement and functional currency:

The financial statements are prepared on the historical cost basis, except for investment securities which are carried at fair value.

The financial statements are presented in Jamaica dollars (J$), which is the functional currency of the company. The Jamaica dollar is the functional currency, as it is the primary economic environment in which the company operates.

(c) Estimates critical to reported amounts, and judgements made in applying accounting policies:

The preparation of the financial statements to conform to IFRS Standards requires management to make estimates, based on assumptions and judgements. Management also makes judgements, other than those involving estimations, in the process of applying the accounting policies. The estimates and judgements affect (1) the reported amounts of assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended, and (2) the carrying amounts of assets and liabilities in the next financial year.

2. Basis of preparation (continued)

(c) Estimates critical to reported amounts, and judgements made in applying accounting policies (continued):

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

Estimates that could cause a significant adjustment to the carrying amounts of assets and liabilities in the next financial year and judgements that have a significant effect on the amounts recognised in the financial statements include the following:

(i) Key sources of estimation uncertainty

Estimates that had a significant effect on these financial statements or that give rise to a significant risk of material adjustment in the next financial year relate to the following:

Investment securities – Equities

The valuation of these investments, although based on observable market prices; continues to suffer from increased volatility and/or decline in trading activities for certain shares, as a result of macro-economic factors. Reduction in trading has also resulted in some listed shares having a wider gap between the bid and ask prices which may indicate that the shares are not actively trading.

The use of assumptions make uncertainty inherent in such estimates.

(ii) Critical judgement in applying the company's accounting policies

Management is sometimes required to make judgements in applying IFRS Standards. For the purpose of these financial statements, prepared in accordance with IFRS Standards, 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.

Judgements that have a significant effect on the financial statements were made by management in the application of IFRS Standards relates to the determination as to whether the price used by management i.e., primarily the mid-prices as per the relevant Stock Exchanges, represents prices from an active market. Also, due to the high number of shares held and as the valuation of these investments, although based on observable market prices; continues to suffer from increased volatility and/or decline in trading activities for certain shares, as a result of macro-economic factors. Reduction in trading has also resulted in some listed shares having a wider gap between the bid and ask prices which may indicate that the shares are not actively trading.

2. Basis of preparation (continued)

(c) Estimates critical to reported amounts, and judgements made in applying accounting policies (continued):

Based on the foregoing, Management, therefore, has to make judgement as to what price and level of volume and frequency of trade indicate that the market for a particular stock is active, and is the best representation of fair value for the stocks as at the reporting year-end.

Because there may be significant differences between actual outcomes and the assumptions made by management in estimating the fair value of equities, when selecting a price that provides a better representation of it fair value, the carrying amounts of investment securities, based on such estimates, may change significantly from one reporting date to the next.

3. Significant accounting policies

(a) Revenue recognition:

Dividend income is recognised when the right to receive payment is established on the record date of the dividend.

Interest income is recognised in profit or loss using the effective interest method. The "effective interest rate" is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instruments to its gross carrying amount.

(b) Foreign currency translation:

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated to Jamaica dollars using the closing rate as at the reporting date.

Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in profit or loss. Exchange differences on non-monetary financial assets are a component of the change in their fair values.

(c) Taxation:

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

Current tax is the expected tax payable on the income for the year, using tax rates enacted at the reporting date.

3. Significant accounting policies (continued)

(c) Taxation (continued):

Deferred tax is computed by providing 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 all taxable temporary differences, except to the extent that the company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference 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.

(d) Financial instruments:

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents, investments and accounts receivables. Similarly, financial liabilities include other liabilities, due to related company, bank overdraft and margin loan payable.

Recognition and initial measurement

The company recognises a financial instrument when it becomes a party to the contractual terms of the instrument. Financial assets and financial liabilities are initially recognised on the trade date.

At initial recognition, the company measures a financial asset or financial liability at its fair value, *plus or minus*; in the case of a financial asset or financial liability not at fair value through profit or loss transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

3. Significant accounting policies (continued)

(d) Financial instruments (continued):

Financial assets

Classification and subsequent measurement

On initial recognition, the company classifies financial assets as measured at amortised cost or fair value through profit or loss (FVTPL).

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

a) It is held within a business model whose objective is to hold assets to collect contractual cash flows; and

b) Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI').

All other financial assets of the company are measured at FVTPL.

The classification of financial assets comprises the following captions:

- Investments
- Cash and cash equivalents
- Accounts receivable

Business model assessment

The business model reflects how the company manages the assets in order to generate cash flows. That is, whether the company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

Factors considered by the company in determining the business model for a group of assets include:

1. How the asset's performance is evaluated and reported to key management personnel;
2. How risks are assessed and managed; and
3. How managers are compensated.

3. Significant accounting policies (continued)

(d) Financial instruments (continued):

Financial assets (continued)

The company has determined that it has two business models.

- *Held-to-collect business model*: This comprises, cash and cash equivalents and accounts receivable. These financial assets are held to collect contractual cash flows.

- *Other business model:* This comprises equity investments. These financial assets are managed and their performance is evaluated, on a fair value basis.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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.

In making this assessment, the company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the company's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described in the respective accounting policy notes.

3. Significant accounting policies (continued)

(d) Financial instruments (continued):

Derecognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired, or the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

Impairment losses of financial assets not measured at FVTPL, are recognised using the expected credit loss model for the entire lifetime of such financial assets on initial recognition, and at each subsequent reporting period, even in the absence of a credit event or if a loss has not yet been incurred, considering their measurement past events and current conditions, as well as reasonable and supportable forecasts affecting collectability. Impairment of financial assets is further detailed in note 3(o).

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in the case of borrowing, plus directly attributable transaction costs. The company's financial liabilities, which include other liabilities, short-term borrowing, due to related companies, bank overdraft and margin loan facility, are recognised initially at fair value.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described in the respective accounting policy notes.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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, and the difference in the respective carrying amounts is recognised in the statement of profit or loss.

3. Significant accounting policies (continued)

(d) Financial instruments (continued):

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company 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.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from similar transactions such as in the company's trading activity.

(e) Investments:

Investments comprise quoted securities and are classified as FVTPL.

Gains and losses on equity securities at FVTPL are included in the 'Gains or losses from investment activities' caption in the statement of profit or loss. Gains or loss on securities trading are recognised when the company becomes a party to a contract to dispose of the securities, or upon re-measurement of those assets.

The realised gains from financial instruments at fair value through profit or loss ("FVTPL") represents the difference between the carrying amount of the financial instrument at the beginning of the reporting period, or the transactions price if it was purchased in the current reporting period, and its settlement price upon disposal.

The unrealised gain represents the difference between the carrying amount of a financial instrument at the beginning of the period, or the transaction price if it was purchased in the current period, and its carrying amount at the reporting date.

(f) Derivatives:

Derivatives are financial instruments that derive their value from the price of the underlying items such as equities, interest rates, foreign exchange or other indices. Derivatives enable users to increase, reduce or alter exposure to credit or market risk. The company holds derivatives in the normal course of business for trading purposes. Derivatives are measured initially at fair value in the statement of financial position. Subsequent to initial recognition, derivatives are measured at fair value and changes in fair value are recognised immediately in profit or loss. As at the reporting date, the company has no derivatives.

(g) Cash and cash equivalents:

Cash and cash equivalents comprise cash and bank balances and are measured at amortised cost.

Bank overdrafts that are repayable on demand and form an integral part of the company's cash management activities, are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

3. Significant accounting policies (continued)

(h) Accounts receivable:

Accounts receivable are measured at amortised costs, less impairment losses.

(i) Other liabilities:

Other liabilities are measured at amortised cost.

(j) Share capital:

Ordinary shares are classified as equity when there is no obligation to transfer cash or other assets. Transaction costs directly attributable to the issuance of shares are shown in equity as a deduction from the proceeds of the share issue.

(k) Related parties:

A related party is a person or company that is related to the entity which is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the “reporting entity”, that is, “the company”).

(a) A person or a close member of that person’s family is related to the company if that person:

(i) has control or joint control over the company;

(ii) has significant influence over the company; or

(iii) is a member of the key management personnel of the company or of a parent of the company.

(b) An entity is related to the company if any of the following conditions applies:

(i) The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan established for the benefit of employees of either the company or an entity related to the company.

(vi) The entity is controlled, or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the reporting entity or is a member of the key management personnel of the reporting entity (or of a parent of the entity).

(viii) The entity or its parent is provided with key management personnel services by the management entity.

3. Significant accounting policies (continued)

(k) Related parties (continued):

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

The company's key related party relationships are with its shareholders and its directors.

(l) Borrowings:

Borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequent to initial recognition, interest-bearing borrowings are measured at amortised cost, with any difference between proceeds (net of transaction costs) and redemption value being recognised in profit or loss over the period of the borrowings using the effective interest method.

(m) Determination of fair value:

Fair value is the price that would be received to sell an asset or to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the company has access at the date.

The company measures the fair value of an instrument using quoted price in an active market for that instrument. A market is regarded as active if transactions from the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The company measures instruments quoted in an active market using the "most appropriate" measure of fair value, i.e., primarily the mid-price, because this price provides a reasonable approximation of the exit price.

(n) Finance costs:

Finance costs comprise interest expense on borrowings calculated using the effective interest rate method.

(o) Impairment of financial assets:

The company recognises loss allowances for ECLs on financial assets measured at amortised cost.

The company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

3. Significant accounting policies (continued)

(o) Impairment of financial assets (continued):

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

The company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The company considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the company 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 entity in accordance with the contract and the cash flows that the company expects to receive).

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

3. Significant accounting policies (continued)

(o) Impairment of financial assets (continued):

Credit-impaired financial assets

At each reporting date, the company assesses whether financial assets carried at amortised cost 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 being more than 90 days past due; or
– it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs 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.

Write-off

The gross carrying amount of a financial asset is written off when the company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(p) Dividends

Dividends on ordinary shares are recognised in equity in the period in which they are approved.

(q) Segment reporting

An operating segment is a distinguishable component of the company that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available.

During the year, the company maintained an integrated operating structure and its operations are reviewed by management and directors as a whole and not in segments. Consequently, no segment disclosures are included in the financial statements.

QWI INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
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4. Cash and cash equivalents

	2023 $	2022 $
Bank accounts, being cash and cash equivalents in the statement of financial position	2,195,899	43,537,845
Bank overdrafts (i)	(151,457,758)	-
Cash and cash equivalents in the statement of cash flows	(149,261,859)	43,537,845

(i) Bank overdraft facilities include:

- Facility with the Bank of Nova Scotia Jamaica Limited. The company's assets were charged in the sum of $112,075,835 (2022: $101,559,232) in favor of the bank. The assets charged, comprised listed shares owned by the company and were pledged to secure an overdraft facility of $50,000,000 at an interest rate of 8% (2022: 8.5%) per annum. As at the reporting date, the balance outstanding under this facility is $48,766,996 (2022: Nil).

- Facility with Sagicor Bank Jamaica Limited. $400 million of the company's investments were charged in favor of the bank to secure an overdraft facility of $200 million at an interest rate ranging from 8% to 9.5%. The company also issued demand debentures of $200 million over its investments. As at the reporting date, the balance outstanding under this facility is $102,690,762 (2022: Nil).

5. Investments

	2023 $	2022 $
Investment securities at FVTPL:		
Jamaican quoted equities	1,490,154,355	1,637,917,353
United States quoted equities (US$2,926,990) (2022: US$1,803,741)	436,737,573	272,759,396
Trinidad and Tobago quoted equities (TT$3,525,168) (2022: TT$3,180,025)	80,437,274	69,960,550
	2,007,329,202	1,980,637,299

Included in Jamaican quoted equities is United States dollar stock of $120,202 (2022: $122,480) and 105 (2022: 105) shares of $217 (2022: $217) held in a related party.

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Notes to the Financial Statements (Continued)
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6. Accounts receivable

	2023 $	2022 $
Prepaid expenses	6,121,631	5,615,788
Dividend receivable	8,156,570	-
Due from brokers	937,554	101,911,834
Other receivables	15,000	15,000
	15,230,755	107,542,622

Due from broker includes $661,011 (2022: $73,452,493) due from Morgan Stanley and Nil (2022: $27,203,786) due from Aegis Capital Corporation which represent the receivables from trading.

All accounts receivable, except for prepaid expenses, are due for collection within 30 days from the invoice and/or transaction date, based on the company's credit arrangement with its debtors. As at the reporting date, these amounts were due within 30 days with no balances past due.

7. Other liabilities

	2023 $	2022 $
Accruals	26,992,273	28,594,107
Due to brokers	30,299,102	802,858
Dividends payable	1,957,817	2,073,472
	59,249,192	31,470,437

Due to brokers represent investments purchase transactions through a brokerage firm awaiting settlement. Accruals include $16,109,973 (2022: $16,881,666) for fees due to members of the Investment Committee and $6,500,000 (2022: $7,500,000) for fees due to directors (see note 8).

8. Related party balances and transactions

	2023 $	2022 $
(a) The following balances were held with related parties:		
(i) Due to related company: Jamaican Teas Limited – Parent company (management fees)	2,546,935	898,049
(ii) Other liabilities: Investment Committee fees payable (ICT fees) [note 7]	16,109,973	16,881,666
Directors' fees payable [note 7]	6,500,000	7,500,000

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Notes to the Financial Statements (Continued)
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8. Related party balances and transactions (continued)

(b) The following transactions were carried out with related parties during the year:

	2023 $	2022 $
Management fees - Jamaican Teas Limited	22,808,948	27,034,530
Directors' fees	6,500,000	6,000,000
Investment Committee fees - Directors	24,928,386	25,355,779
Interest expense - Jamaican Teas Limited	-	2,016,781

(c) See notes 5 and 11, for other related party balances and/or transactions noted elsewhere in these financial statements.

9. Margin loan payable

	2023 $	2022 $
Victoria Mutual Investments Limited	121,915,127	346,459,021
Mayberry Investments Limited	-	(15,641)
	121,915,127	346,443,380

Margin loan payable represent two demand loan debt facility provided by Victoria Mutual Investments Limited to the company to acquire securities held on its own account. The facilities are collaterised by the securities held with the brokerage firm and bears interest of 15.5% (2022: 9.5% to 10.5%).

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	2023 $	2022 $
Balances at October 1	346,443,380	416,444,565
Cash flows - repayment	(224,528,253)	(96,756,639)
Cash flows - proceeds	-	101,755,454
Cash flows - repayment short-term loan	-	(75,000,000)
Non-cash changes	-	-
Balances at September 30	121,915,127	346,443,380

QWI INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
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(Expressed in Jamaican dollars unless otherwise indicated)

10. Deferred taxation

Deferred tax (assets)/liabilities are attributable to the following:

	2021 $	Recognised in income $ (note 15)	2022 $	Recognised in income $ (note 15)	2023 $
	*Restated		*Restated		
Unrealised gain on investments	69,455,958*	(43,691,909)	25,764,049*	15,635,687	41,399,736
Interest payable	(1,370,966)	1,370,966	-	-	-
Unused tax losses	(15,200,869)*	12,346,402	(2,854,467)*	(34,835,435)	(37,689,902)
	52,884,123	(29,974,541)	22,909,582	(19,199,748)	3,709,834

*See note 22.

11. Share capital

	2023 $	2022 $
Authorised:		
Unlimited ordinary shares at no par value		
Issued and fully paid:		
1,365,000,015 ordinary shares	1,659,000,000	1,659,000,000
Less: share issuance cost	(35,887,052)	(35,887,052)
	1,623,112,948	1,623,112,948

(a) On September 9, 2019, the company issued 900,000,000 of its ordinary shares at a total value of $1,192,000,000 to the public through an initial public offering. The remaining issued ordinary shares of 220,000,000 were held by Jamaican Teas Limited and 245,000,005 are held by KIW International Limited at no par value.

At September 30, 2023, 360,263,750 (2022: 360,263,750) shares were held by Jamaican Teas Limited and 245,000,005 (2022: 245,000,005) shares were held by KIW International Limited, a subsidiary of Jamaican Teas Limited.

QWI INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
September 30, 2023
(Expressed in Jamaican dollars unless otherwise indicated)

11. Share capital (continued)

(b) On March 19, 2019, the directors approved the reservation of 31,000,000 of the company's shares as a stock option plan for members of its Board of Directors. Under the stock option plan, each director may exercise options to buy 1,000,000 of the company's shares per annum (1,200,000 million shares by the Chairman), in whole or in part within five years of July 31, 2019. The price to be paid will be $2.70.

The subscription price for the shares is payable in full at the time that the option is exercised. Each option will be deemed forfeited if not exercised within five years of the date that it became available.

Also, on March 19, 2019, the directors approved a further amount of 10,000,000 shares for future stock options is to be reserved in addition to the initial 31,000,000 set out above. The terms and conditions for the reserved stock option of 10,000,000 is the same as for the amounts allocated of 31,000,000, as above.

As at September 30, 2023 and 2022, no member of the Board of Directors exercised their option for the shares allocated and the shares reserved were still not allocated.

12. Gains from investment activities

	2023 $	2022 $
Unrealised fair value gains on investments, net	41,267,999	12,928,980
Realised losses on sale of investments, net	(25,205,846)	(7,305,007)
Dividend income	44,388,915	39,417,669
	60,451,068	45,041,642

QWI INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
September 30, 2023
(Expressed in Jamaican dollars unless otherwise indicated)

13. Administrative expenses

Loss before taxation is stated after charging:

	2023 $	2022 $
Postage and delivery	-	1,599,040
Insurance expense	3,723,927	3,885,519
Advertising expense	1,449,545	2,079,234
Jamaica Central Securities Depository Limited expenses	3,150,184	2,928,167
Management fees	22,808,948	27,034,530
Directors' fees	6,500,000	6,000,000
Audit fees:		
- Current year	4,083,034	4,500,000
- Prior year	930,000	3,150,000
Investment Committee fees	24,928,386	25,355,779
Irrecoverable General Consumption Tax	7,460,347	6,340,414
Legal expense	1,845,550	-
Bank and brokerage fees	2,987,718	3,325,867
Loan commitment fees	1,277,694	1,665,250
Other expenses	1,914,112	2,538,868
	83,059,445	90,402,668

14. Finance income/(costs)

	2023 $	2022 $
(a) Finance income:		
Interest income, calculated using the effective interest method:		
Bank of Nova Scotia deposits	1,077,711	321,439
(b) Finance cost:		
Third party interest:		
Margin loan	(27,034,455)	(26,365,400)
Bank overdrafts	(6,993,825)	(129,350)
	(34,028,280)	(26,494,750)
Related party interest:		
Demand loan	-	(1,958,945)
	(34,028,280)	(28,453,695)
Foreign exchange losses, net	(2,511,277)	(984,435)
	(36,539,557)	(29,438,130)

QWI INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
September 30, 2023
(Expressed in Jamaican dollars unless otherwise indicated)

15. Taxation

Taxation is based on profit for the year adjusted for tax purposes and is computed as follows:

		2023 $	2022 $ *Restated
(a)	Current year tax expense:		
	Income tax	5,248,833	4,902,476
	Deferred taxation (note 10):		
	Tax losses	(34,835,435)	12,346,402*
	Origination and reversal of temporary differences, net	15,635,687	(42,320,943)*
		(19,199,748)	(29,974,541)
	Total tax credit recognised	(13,950,915)	(25,072,065)
(b)	Reconciliation of effective tax rate:		
	Loss before taxation	(58,070,223)	(74,477,717)
	Computed "expected" tax expense - @ 25%	(14,517,556)	(18,619,429)
	Difference between profit for financial statements and tax reporting purposes on		
	Disallowed expenses	4,065,863	(3,121,918)
	Dividend income	(3,499,222)	(3,330,718)
	Actual tax credit	(13,950,915)	(25,072,065)

(c) As at the reporting date, subject to the agreement of The Commissioner, Tax Administration Jamaica, tax losses available for offset against future taxable profits was $150.7 million (2022: $11.4 million*). Tax losses brought forward are not restricted as the business is in its first (six) 6 years of operations, as per provisions of the Fiscal Incentives (Miscellaneous Provisions) Act, 2013.

* See note 22

16. Earnings per share

(a) Basic earnings per ordinary stock unit

Basic earnings per share are calculated by dividing the net profit attributable to ordinary shareholders by a weighted average number of ordinary stock units outstanding.

	2023	2022
Loss attributable to shareholders ($)	(44,119,308)	(49,405,652)
Weighted average number of stock units in issue	1,365,000,015	1,365,000,015
Basic earnings per stock unit ($)	(0.032)	(0.036)

QWI INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
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16. Earnings per share (continued)

(b) Diluted earnings per ordinary stock unit

Diluted earnings per share are calculated by dividing the profit/(loss) attributable to ordinary shareholders by a weighted average number of ordinary stock units outstanding after adjustment for the effects of all dilutive potential ordinary shares.

	2023	2022
Loss attributable to shareholders ($)	(44,119,308)	(49,405,652)
Weighted average number of stock units in issue	1,406,000,015	1,406,000,015
Diluted earnings per stock unit ($)	(0.031)	(0.035)

17. Net asset value per share

	2023	2022
Net asset value ($)	1,685,856,282	1,729,975,590
Number of stock units in issue	1,365,000,015	1,365,000,015
Net asset value per stock unit ($)	1.23	1.27

18. Capital reserves

This represents a capital distribution from Jamaican Teas Limited net of 2% transfer tax. Distributions to shareholders from this reserve is not subject to income tax.

19. Franked income reserves

This represents Jamaica dividend income earned from equity investments which were taxed at source and are subject to distribution without further deduction of transfer tax.

The franked income reserve is used to hold amounts for dividend distribution upon approval by the directors.

20. Dividends and distributions

	2023 $	2022 $
Declared and paid as franked income:		
Nil (2022: $0.035) per stock unit	-	47,775,005

21. Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The directors through committees have responsibility for monitoring the company's risk policies and reports to the Audit Committee on its activities.

The risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(a) Credit risk:

The company has exposure to credit risk, which is the risk that its counterparties will fail to discharge their contractual obligations causing the company to suffer a financial loss. Management carefully manages its exposure to credit risk. As at the reporting year-end there was no concentration of credit risk.

Cash and cash equivalents and accounts receivable

Cash and cash equivalents are held with financial institutions that are appropriately licensed and regulated, therefore, management does not expect any counterparty to fail to meet its obligations. Accounts receivable are materially dividend receivable and prepaid expenses which are low credit risk and are not past-due.

Maximum exposure to credit risk

The company's maximum exposure to credit risk at period end is represented by its respective carrying amount.

Impairment on cash and cash equivalents and accounts receivable have been measured at 12-month expected loss basis and at lifetime ECL, respectively, as these reflect the short maturities of the exposures. The company considered that cash and cash equivalents and accounts receivable have low credit risk, as these are with counterparties that have high credit ratings and/or not past-due as at the reporting date.

No impairment allowance was recognised under IFRS 9.

(b) Liquidity risk:

Liquidity risk, also referred to as funding risk, is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value.

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Notes to the Financial Statements (Continued)
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21. Financial risk management (continued)

(b) Liquidity risk (continued):

The company's approach to managing liquidity risk is to ensure, as far as possible, that they will always have sufficient cash resources to meet financial obligations when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage of the company's reputation. The company's liabilities, i.e., bank overdraft and margin loan payable, are secured by listed equities. The listed equities can be readily converted to cash resources to service the obligations when they fall due.

The contractual cash outflow for the company's liabilities require settlement within 12 months from the reporting date.

The following table presents the undiscounted contractual maturities of financial liabilities, including interest payments, on the basis of their earliest possible contractual maturity.

	2023				
	1 to 3 months $	3 to 12 months $	Over 12 months $	Contractual cash flows $	Carrying amount $
Bank overdraft	-	163,574,378	-	163,574,378	151,457,758
Margin loan payable	4,521,383	11,221,219	131,369,375	147,111,977	121,915,127
Other liabilities	-	59,249,192	-	59,249,192	59,249,192
Due to related company	-	2,546,935	-	2,546,935	2,546,935
	4,521,383	236,591,724	31,369,375	372,482,482	335,169,012

	2022				
	1 to 3 months $	3 to 12 months $	Over 12 months $	Contractual cash flows $	Carrying amount $
Margin loan payable	8,429,158	17,829,390	371,640,230	397,898,778	346,443,380
Other liabilities	-	31,470,437	-	31,470,437	31,470,437
Due to related company	-	898,049	-	898,049	898,049
	8,429,158	50,197,876	371,640,230	430,267,264	378,811,866

The company's margin loans are repayable on demand, as per the agreements, and as such the contractual cashflows are disclosed for settlement within 12 months from the reporting date.

There has been no change during the year to the company's exposure to liquidity risk or the manner in which it measures and manages the risk.

21. Financial risk management (continued)

(c) Market risk:

Market risk is the risk that changes in market prices, such as interest rate and foreign exchange rates, will affect the company's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while optimising the return on risk.

- Interest rate risk:

  Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

  At the reporting date, the company had no material financial asset that was subject to interest rate risk.

  At the reporting date, the carrying value of the company's fixed interest rate financial liabilities i.e. bank overdraft and margin loan payable, was $273,372,885 (2022: $346,459,021).

  S*ensitivity to interest rate movements*

  The company materially contracts financial assets and liabilities at fixed rates for the duration of the term. It does not account for any financial assets or liabilities at fair value, which are subject to interest rate. Therefore, a change in interest rates at the reporting date would not affect profit or loss or the fair value of the company's financial instruments.

- Foreign currency risk:

  Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

  The company is exposed to foreign currency risk on transactions that are denominated in a currency other than its functional currency, the Jamaica dollar (J$). The main currency giving rise to this risk is the United States dollar (US$) and Trinidad and Tobago dollar. Presently, the company does not have any procedures in place to hedge against foreign currency risk.

  In respect of monetary assets and liabilities denominated in foreign currency, the company ensures that its net exposure is kept to an acceptable level by monitoring its daily positions against approved limits.

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Notes to the Financial Statements (Continued)
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21. Financial risk management (continued)

(c) Market risk (continued):

- Foreign currency risk (continued):

Net exposure to currency risk

At the reporting date, the company's net exposure to foreign currency risk was as follows:

	2023 US$	2023 TT$
Foreign currency assets:		
Due from broker	4,286	-
Cash and cash equivalents	151	77,339
Accounts receivables	4,263	-
Investments	2,926,990	3,525,168
	2,935,690	3,602,507
Foreign currency liabilities:		
Other liabilities	23,325	-
Net foreign currency asset	2,912,365	3,602,507

Exchange rates as at September 30, 2023 was US$1: J$155.07 and TT$1: J$22.82.

	2022 US$	2022 TT$
Foreign currency assets:		
Cash and cash equivalents	150,372	210,625
Investments	1,803,741	3,180,025
Due from broker	665,390	-
Net foreign currency asset	2,619,503	3,390,650

Exchange rates as at September 30, 2022 was US$1: J$151.22 and TT$1: J$22.03.

Sensitivity analysis

A strengthening/weakening of the Jamaica dollar by the percentages shown against the following currencies at the reporting date would have increased/(decreased) profit for the year by the amounts shown below.

	2023 Effect on profit/loss	
	1% Strengthening $	4% Weakening $
J$	5,331,650	21,326,600

(Expressed in Jamaican dollars unless otherwise indicated)

21. Financial risk management (continued)

(c) Market risk (continued):

- Foreign currency risk (continued):

Sensitivity analysis (continued)

	2022 Effect on profit/loss	
	1% Strengthening $	4% Weakening $
J$	4,893,369	19,573,476

The analysis assumes that all other variables, in particular interest rates, are held constant.

- Equity price risk:

Equity price risk arises from equity securities held by the company as part of its investment portfolio. Management monitors equity securities in its investment portfolio based on market expectations. The primary goal of the company's investment strategy is to maximize investment returns.

A 6% (2022: 6%) increase in the market price at the reporting date would cause a increase in the company's profits of $120,439,752 (2022: $118,838,238). A 3% (2022: 6%) decrease would cause a decrease in the company's profits of $60,219,876 (2022: $118,838,238).

(d) Capital management:

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders. The Board of Directors monitors the return on capital, which the company defines as net operating income, excluding non-recurring items, divided by total equity. The net asset value is also used as a measurement tool which the company defines as net asset value divided by total number of stock units in issue.

There are no particular strategies to determine the optimal capital structure. There are also no external capital maintenance requirements to which the company is subjected.

21. Financial risk management (continued)

(e) Fair values:

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 company's equities are the only financial instrument that is carried at fair value.

Fair values of quoted equities and equity options are based primarily on the mid prices published by the respective Stock Exchanges.

The carrying values reflected in the financial statements for cash and cash equivalents, accounts receivable, other liabilities, due to related company, bank overdraft and margin loan payable are assumed to approximate fair value due to their relatively short-term nature and are classified as level 2 instruments in the fair value hierarchy.

Determination of fair value and fair values hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. These two types of inputs have created the following fair value hierarchy:

Level 1 - Quoted prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. This includes financial assets with fair values based on broker quotes.

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available.

The company considers relevant and observable market prices in its valuations where possible.

If the inputs used to measure the fair value of an asset or a liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

21. Financial risk management (continued)

(e) Fair values (continued):

Determination of fair value and fair values hierarchy (continued)

Equity investments including equity share options are classified as Level 1 instruments in the fair value hierarchy.

The company has no Level 3 financial instruments. There were no transfers between levels during the period.

Measurement of fair values

The company's only financial instrument that is carried at fair value is equity instruments quoted on the relevant Stock Exchange and are primarily valued using quoted mid-price at the reporting date.

The company has an established control framework with respect to measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the chief financial officer.

The valuation team uses third party information, such as broker quotes or pricing from direct exchanges to support the conclusion on these valuations and that they meet the requirements of the applicable Accounting Standards, including the level in the fair value hierarchy in which the valuation's should be classified.

22. Restatement

During 2023, the company discovered that realised gains or losses arising on the sale of shares, calculated and applied for tax purposes, cumulatively up to October 1, 2021 and for the comparative period ended September 30, 2022 was incorrectly computed with a corresponding impact on unused tax losses which were, as a result, also misstated. This impacted the amounts disclosed for 'Unrealised gain on investment' and for 'Unused tax losses' in the deferred tax liability, which were materially misstated. There was no impact on the financial statement captions, as no material misstatement exists in the deferred tax liability amount as at October 1, 2021 and September 30, 2022, and the related movement in deferred tax expense. The error has been corrected by restating the disclosure in note 10 (and also represented in the table below).

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Notes to the Financial Statements (Continued)
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22. Restatement (continued)

The table below summarises the impact on the company's financial statements:

Deferred tax (asset)/liability [note 10]:

	2021		
	As previously reported	Adjustments	As restated
	$	$	$
Unrealised gain on investments	108,679,316	(39,223,358)	69,455,958
Interest payable	(1,370,966)	-	(1,370,966)
Unutilised tax losses	(54,424,227)	39,223,358	(15,200,869)
	52,884,123	-	52,884,123

	2022		
	As previously reported	Adjustments	As restated
	$	$	$
Unrealised gain on investments	107,318,255	(81,554,206)	25,764,049
Unutilised tax losses	(84,408,673)	81,554,206	(2,854,467)
	22,909,582	-	22,909,582