

AMG Packaging & Paper Company Limited
Unaudited Statement of Financial Position
As at November 30, 2023

	Note	Unaudited November 2023 \$	Unaudited November 2022 \$	Audited August 2023
ASSETS				
NON-CURRENT ASSETS				
Property, Plant & Equipment	6	1,042,945,484	1,078,877,891	1,053,047,304
TOTAL NON-CURRENT ASSETS		<u>1,042,945,484</u>	<u>1,078,877,891</u>	<u>1,053,047,304</u>
CURRENT ASSETS				
Inventories	7	257,712,316	317,328,932	156,048,759
Trade and other Receivables	8	157,222,520	122,430,037	136,988,996
Cash & Cash Equivalents	9	361,117,236	61,246,191	296,714,395
TOTAL CURRENT ASSETS		<u>776,052,072</u>	<u>501,005,160</u>	<u>589,752,150</u>
TOTAL ASSETS		<u>1,818,997,556</u>	<u>1,579,883,051</u>	<u>1,642,799,454</u>
EQUITY				
Share Capital	10	63,250,029	63,250,029	63,250,029
Revaluation Reserve		581,267,289	581,267,289	581,267,289
Retained Earnings		667,938,736	563,027,997	628,076,323
TOTAL EQUITY		<u>1,312,456,054</u>	<u>1,207,545,315</u>	<u>1,272,593,641</u>
LIABILITIES				
NON-CURRENT LIABILITIES				
Deferred Tax Liabilities		172,607,266	168,637,792	172,607,266
Long-Term Loans	11	65,000,000	75,000,000	67,500,000
Lease Liabilities		8,574,085	12,732,520	9,616,733
TOTAL NON-CURRENT LIABILITIES		<u>246,181,351</u>	<u>256,370,312</u>	<u>249,723,999</u>
CURRENT LIABILITIES				
Current portion of Long-Term Loan	11	10,000,000	10,000,000	10,000,000
Lease Liabilities		4,158,431	3,820,552	4,087,559
Trade Payables and Accruals	12	213,697,579	89,576,121	84,005,390
Current Tax Liability		32,504,141	12,570,751	22,388,865
TOTAL CURRENT LIABILITIES		<u>260,360,151</u>	<u>115,967,424</u>	<u>120,481,814</u>
TOTAL LIABILITIES		<u>506,541,502</u>	<u>372,337,736</u>	<u>370,205,813</u>
TOTAL LIABILITIES AND EQUITY		<u>1,818,997,556</u>	<u>1,579,883,051</u>	<u>1,642,799,454</u>

Approved by the Board of Directors on 10/1/2024 and signed on its behalf by:

Metry Seaga / Metry Seaga

Peter Chin / Peter Chin

AMG Packaging & Paper Company Limited
Unaudited Statement of Profit or Loss and Comprehensive Income
For the period ended November 30, 2023

	Unaudited 3 months to November 30, 2023 \$	Unaudited 3 months to November 30, 2022	Audited Year ended August 31, 2023 \$
Turnover	272,489,703	254,272,495	1,012,105,269
Cost of Inventories	(121,996,419)	(136,038,956)	(526,929,837)
Direct Costs	(48,877,631)	(44,818,785)	(172,732,031)
Total Manufacturing Costs	(170,874,050)	(180,857,741)	(699,661,868)
Gross Profit	101,615,653	73,414,754	312,443,401
Expenses:			
Administration	(32,309,566)	(26,629,848)	(111,068,068)
Finance	(1,866,377)	(2,096,018)	(7,997,699)
Director fees	(2,720,000)	(2,720,000)	(10,880,000)
Difference in Forex	(334,262)	(2,497,074)	(327,126)
Other Tax	-	-	(10,591,649)
Impairment (Loss)/Gain	-	-	3,483,046
Depreciation	<u>(12,823,877)</u>	<u>(10,159,307)</u>	<u>(42,595,097)</u>
Total Expenses	(50,054,082)	(44,102,247)	(179,976,593)
Profit from operations	51,561,571	29,312,507	132,466,808
Other Income	2,798,605	903	535,610
Profit before income tax	54,360,176	29,313,410	133,002,418
Income tax expense	(14,497,763)	(4,971,025)	(43,611,707)
Profit after income tax	<u>39,862,413</u>	<u>24,342,385</u>	<u>89,390,711</u>
No. of Shares Issued	511,894,285	511,894,285	511,894,285
Basic EPS - \$	0.08	0.05	0.17

AMG Packaging & Paper Company Limited
Unaudited Statement of Changes in Equity
For the period ended November 30, 2023

Q1- 2024

	Share Capital	Revaluation Surplus	Retained Earnings	Total
	\$	\$	\$	\$
Balance as at 1 September 2022	63,250,029	581,267,289	628,076,323	1,272,593,641
Profit for the period	-	-	39,862,413	39,862,413
Balance as at February 28, 2023	<u>63,250,029</u>	<u>581,267,289</u>	<u>667,938,736</u>	<u>1,312,456,054</u>

Q1- 2023

Balance as at 1 September 2021	63,250,029	581,267,289	538,685,612	1,183,202,930
Profit for the period	-	-	24,342,385	24,342,385
Balance as at February 28, 2022	<u>63,250,029</u>	<u>581,267,289</u>	<u>563,027,997</u>	<u>1,207,545,315</u>

AMG Packaging & Paper Company Limited
Unaudited Statement of Cash Flows
For the period ended November 30, 2023

	Note	Q1 -2024 \$	Q1 -2023 \$
Cash flow from operating activities			
Profit for the year		39,862,413	24,342,385
Items not affecting cash resources:			
Finance Cost		1,866,377	2,096,018
Income Tax Expense		14,497,763	4,971,025
Depreciation		11,542,074	8,957,359
Depreciation -Right of Use Assets		1,201,949	1,201,948
		<u>68,970,576</u>	<u>41,568,735</u>
(Increase)/Decrease in inventories		(101,663,559)	76,398,320
(Increase)/Decrease in trade and other receivables		(20,233,524)	479,578
Increase/(Decrease) in trade payables and accruals		<u>129,692,190</u>	<u>(170,089,472)</u>
		7,795,107	(93,211,574)
Principal Paid on Lease Liabilities		(971,777)	(888,575)
Interest Paid on Lease Liabilities		(471,377)	(521,018)
Taxes Paid		<u>(4,382,488)</u>	<u>(3,776,122)</u>
Net cash inflow from operating activities		<u>70,940,041</u>	<u>(56,828,554)</u>
Cash flow from investing activities			
Purchase of property, plant and equipment		(2,642,200)	(373,080)
Net cash (outflow) from investing activities		<u>(2,642,200)</u>	<u>(373,080)</u>
Cash flow from financing activities			
Loan Repayment		(2,500,000)	(2,500,000)
Interest paid on Loans		(1,395,000)	(1,575,000)
Net cash (outflow) from financing activities		<u>(3,895,000)</u>	<u>(4,075,000)</u>
Net increase (decrease) in cash held		64,402,841	(61,276,634)
Cash and cash equivalents at beginning of financial year		<u>296,714,395</u>	<u>122,522,825</u>
Cash and cash equivalents at end of financial year	9	<u>361,117,236</u>	<u>61,246.191</u>

AMG Packaging & Paper Company Limited
Notes to the Financial Statements
November 30, 2023

1 Reporting Entity

AMG Packaging & Paper Company Limited was incorporated on the 26th of September 2005, under the Jamaica Companies Act and is a wholly owned Jamaican private company.

Its registered office is located at 9 Retirement Crescent, Kingston 5. The Company was re-registered in July 2011 under the Companies Act 2004 as a public company.

The company is engaged primarily in the manufacturing, distribution and retailing of cartons of various sizes

2 Basis of Preparation

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique.

In addition, for financial reporting purposes, fair value measurement are categorised into level 1,2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly: and
- Level 3 inputs are unobservable inputs for the asset or liability.

3 Functional and presentation currency

These financial statements are presented in Jamaican dollars, which is the functional currency of the Company.

4 Summary of Significant Accounting Policies

(a) New Accounting Standards for Application in Future Periods

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective and the company has not opted for early adoption.

- (i) IFRS 17 Insurance Contracts¹

¹Effective for annual periods beginning on or after 1 January 2023

- (ii) Amendments to IAS 1 – Disclosure of Accounting Policies

Effective for annual periods beginning on or after 1 January 2024

- (iii) Amendments to IAS 8 – Definition of Accounting Estimates

Effective for annual periods beginning on or after 1 January 2023

(b) New and Amended Accounting Policies Adopted

There were no new or amended policies adopted by the Company during the current reporting period.

The Accounting Policies of the Company have remained unchanged from those set out in the Annual Financial Statements as at August 31, 2023

4 Summary of Significant Accounting Policies (cont'd)

(c) Property, Plant and Equipment

This Standard shall be applied in accounting for property, plant and equipment except when another Standard requires or permits a different accounting treatment.

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- (a) It is probable that future economic benefits associated with the item will flow to the entity; and
(b) The cost of the item can be measured reliably

Items of property, plant and equipment may be acquired for safety or environmental reasons. The acquisition of such property, plant and equipment, although not directly increasing the future economic benefits of any particular existing item of property, plant and equipment, may be necessary for an entity to obtain the future economic benefits

((c) Property, Plant and Equipment cont'd

from its other assets. Such items of property, plant and equipment qualify for recognition as assets because they enable an entity to derive future economic benefits from related assets in excess of what could be derived had those items not been acquired.

An item of property, plant and equipment that qualifies for recognition as an asset shall be measured at its cost.

(c) Property, Plant and Equipment (cont'd)

An entity shall choose either the cost model or the revaluation model as its accounting policy and shall apply that policy to an entire class of property, plant and equipment.

The company uses the cost model as its measurement of recognition for its categories apart from Land and Building and Equipment, which it uses the revaluation model.

After recognition as an asset, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

The depreciation charge for each period shall be recognised in profit or loss unless it is included in the carrying amount of another asset.

This business recognises depreciation under the expense heading of "depreciation."

The depreciable amount of an asset shall be allocated on a systematic basis over its useful life.

The depreciation method used by the company is the straight-line basis and is designed to write off the assets over its useful live.

Computer	20%
Furniture & fixtures	10%
Machinery and equipment	10%
Buildings	2.5%
Motor vehicle	12.5%

Land is not depreciated

Repairs and Maintenance expenditures are charged to the Profit or Loss in the Statement of Comprehensive Income during the financial period in which they are incurred.

(d) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a moving average basis for its motor vehicles and the weighted average basis for its parts. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(e) Cash and Cash Equivalents

Cash and Cash Equivalents are held for the purposes of meeting short-term commitments rather than for investments or other purposes. For an investment to qualify it must be convertible to a known amount of cash and be subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent when it has a short maturity of 3 months or less from the date of acquisition.

(f) Borrowing Costs

Loans are initially recognised at the fair value of the proceeds, net of related transaction costs. These transaction costs and any discount or premium on issue are subsequently reduced by the principal payment. The company does not recognise the interest expense as the loans presented on the Statement of Financial Position is repaid to the company by the related party.

(g) Related party disclosures

The objective of this Standard is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties.

A **related party** is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity').

(a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control of the reporting entity;
- (ii) has significant influence over the reporting entity; or

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

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

(g) Related party disclosures cont'd

(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 for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

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

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

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

(h) Trade and Other Payables

Trade payables are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(i) Foreign Currency Transactions and Balances

The company is subject to changes in foreign currency rates as it relates to the United States dollar. It is recorded initially in the functional currency using the spot exchange rate of the Jamaican dollar to the United States dollar at the date of the transaction. At the end of the period, the foreign currency is converted to the functional currency using the closing rate for the period. Exchange differences arising from the conversion of the rates used for initial recording and at the end of the period are recognised in the profit or loss statement.

(j) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for allowances.

i. Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that
- the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably

ii. Interest Income

The Company recognises interest earned on its cash and cash equivalents held at financial institutions in qualifying accounts.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

(k) Leases

The Company has elected to recognize right-of-use assets and lease liabilities for leases of its motor vehicles, using the modified retrospective approach, whereby the comparative periods are not restated. The asset will be depreciated over the term of the lease. This depreciation is charged to depreciation expense, while the payments made to the lease are charged against the lease liability and any interest charges, charged to administrative expense.

5 Financial Instruments: Disclosures

(a) Interest rate risk

This standard requires disclosure of information about the significance of financial instruments to an entity, and the nature and extent of risks arising from those financial instruments, both in qualitative and quantitative terms. Specific disclosures are required in relation to transferred financial assets and a number of other matters.

Interest rate risk is the risk of loss from fluctuations in the future cash flows or fair values of financial instrument because of a change in market interest rates. It arises when there is a mismatch between interest-earning assets and interest-bearing liabilities which are subject to interest rate adjustments within a specified period. It can be reflected as a loss of future net interest income and or a loss of current market values. Interest rate risk is managed by holding primarily fixed rate financial instruments.

(b) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the company's investment securities, loans receivable, receivables from customers, and from resale agreements. There is also credit risk exposure in respect of instruments such as loan commitments and guarantees which may not be stated on the Statement of Financial Position. They expose the Company to similar risks as loans and are managed in a similar manner.

The Company is exposed to credit risk as at November 30, 2023 in respect to Receivables from other companies

(c) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations for its financial liabilities. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal or stressed conditions. Prudent liquidity risk management which the company uses includes maintaining sufficient cash and marketable securities.

As at November 30, 2023 the company faced liquidity risk

AMG Packaging & Paper Company Limited
Notes to the Financial Statements
November 30, 2023

(c) Liquidity risk cont'd

	Within 3 Months	3 to 12 Months	1 to 5 years	Over 5 years	Total
Balance as at November 30, 2023					
Assets					
Cash resources	361,117,236	-	-	-	361,117,236
Other Assets	414,538,169	2,051,234	-	-	416,589,403
Total Assets	<u>775,655,405</u>	<u>2,051,234</u>	<u>-</u>	<u>-</u>	<u>777,706,639</u>
Liabilities					
Loans	2,500,000	7,500,000	65,000,000	-	75,000,000
Lease Liabilities	991,884	3,166,547	8,574,084	-	12,732,515
Payables	192,280,667	21,416,913	-	-	213,697,580
Total Liabilities	<u>195,772,551</u>	<u>32,083,460</u>	<u>73,574,084</u>	<u>-</u>	<u>301,430,095</u>
Total Liability Gap	<u>579,882,854</u>	<u>(30,032,226)</u>	<u>(73,574,084)</u>	<u>-</u>	<u>476,276,544</u>
Cumulative Asset-Liability Gap	<u>579,882,854</u>	<u>549,850,628</u>	<u>476,276,544</u>	<u>476,276,544</u>	<u>-</u>
 Balance as at November 30, 2022					
Total Liability Gap	<u>422,351,145</u>	<u>(19,605,030)</u>	<u>(87,732,520)</u>	<u>-</u>	<u>315,013,595</u>
Cumulative Asset-Liability Gap	<u>422,351,145</u>	<u>402,746,115</u>	<u>315,013,595</u>	<u>315,013,595</u>	<u>-</u>

AMG Packaging & Paper Company Limited
Notes to the Financial Statements
November 30, 2023

6 Schedule of Property, Plant & Equipment

	Land, Buildings & Leasehold Improvement	Equipment	Right of Use Asset	Computer & Equipment	Furniture & Fixtures	Total
	\$	\$	\$	\$	\$	\$
Cost/Valuation						
Balance as at September 1, 2023	944,800,000	148,583,279	24,038,963	8,372,618	14,327,388	1,140,122,248
Disposal	-	-	-	-	(191,398)	(191,398)
Additions	-	1,333,994	-	75,145	1,233,061	2,642,200
Balance as at November 30, 2023	<u>944,800,000</u>	<u>149,917,273</u>	<u>24,038,963</u>	<u>8,447,763</u>	<u>15,369,051</u>	<u>1,142,573,050</u>
Accumulated Depreciation						
Balance as at September 1, 2023	22,325,791	35,437,502	14,431,469	4,711,725	10,168,454	87,074,941
Disposal	-	-	-	-	(191,398)	(191,398)
Charge for the year	5,581,449	5,748,812	1,201,949	95,989	115,824	12,744,023
Balance as at November 30, 2023	<u>27,907,240</u>	<u>41,186,314</u>	<u>15,633,418</u>	<u>4,807,714</u>	<u>10,092,880</u>	<u>99,627,566</u>
Net Book Value						
Balance as at November 30, 2023	<u>916,892,760</u>	<u>106,730,959</u>	<u>8,405,545</u>	<u>3,640,049</u>	<u>5,276,171</u>	<u>1,042,945,484</u>
Balance as at November 30, 2022	<u>939,218,552</u>	<u>120,979,442</u>	<u>13,213,338</u>	<u>2,062,874</u>	<u>3,403,685</u>	<u>1,078,877,891</u>

7 Inventory

	Q1-2024	Q1-2023
	\$	\$
Raw Materials	231,184,659	299,929,772
Finished Goods	9,878,496	10,602,218
Spare Parts	16,649,161	6,796,942
	<u>257,712,316</u>	<u>317,328,932</u>

8 Trade and other Receivables

	\$	\$
Current		
Trade Receivables	115,132,004	95,822,976
Less: Provision for Doubtful Accounts	<u>(1,654,568)</u>	<u>(5,137,614)</u>
	113,477,436	90,685,362
Other receivables	43,745,084	31,744,675
Total Trade and other Receivables	<u>157,222,520</u>	<u>122,430,037</u>

AMG Packaging & Paper Company Limited
Notes to the Financial Statements
November 30, 2023

8 Trade and other Receivables cont'd

Aged Trade Receivables

<u>Balance at:</u>	Within 1 Month \$	31 to 60 Days \$	Over 60 Days \$	Carrying Value \$
November 30, 2023	<u>106,572,696</u>	<u>6,508,075</u>	<u>2,051,234</u>	<u>115,132,004</u>
November 30, 2022	<u>90,369,129</u>	<u>4,277,822</u>	<u>1,176,025</u>	<u>95,822,976</u>

9 Cash & Cash Equivalents

	Q1-2024 \$	Q1-2023 \$
Cash on hand	162,800	50,000
Bank accounts denominated in United States currency		
Bank of Nova Scotia Jamaica Limited - Savings Account	79,209,634	14,459,128
Bank accounts denominated in Jamaican Dollar		
Bank of Nova Scotia Jamaica Limited - Current Accounts	103,817,900	28,204,602
National Commercial Bank Jamaica Limited - Current Account	15,070,036	7,856,214
JN Fund Managers Limited - Savings Account	712,879	706,124
Repurchase agreements		
Sagicor Investment - denominated in United States Currency	9,042,074	8,838,137
Sagicor Investment - denominated in Jamaican Currency	1,226,293	1,131,986
Proven Wealth Limited	151,875,620	-
	<u>361,117,236</u>	<u>61,246,191</u>

10 Share Capital

A. Share Capital

	<u>2024</u> \$	<u>2023</u> \$
In issue at September 1,	63,250,029	63,250,029
Issue for cash	-	-
In issue at August 31, - Fully paid	<u>63,250,029</u>	<u>63,250,029</u>
Authorised at no par	<u>700,000,000</u>	<u>700,000,000</u>

AMG Packaging & Paper Company Limited
Notes to the Financial Statements
November 30, 2023

11 Loans

	Q1-2024	Q1-2023
	\$	\$
Secured liabilities:		
Proven Wealth	75,000,000	85,000,000
Total borrowings	75,000,000	85,000,000
Total Current Loans	10,000,000	10,000,000
Total Non -Current Loans	65,000,000	75,000,000

- Board approved issue of unsecured Bonds bearing interest at a fixed rate of 7.20% per annum and maturing 84 months following the issue. Proven Wealth Limited is listed as “the Trustee”. The Bonds are valued at 100 million Jamaican Dollars.

12. Accounts Payable & Accruals

	Q1-2024	Q1-2023
	\$	\$
Trade Payables	165,045,619	44,558,920
Accruals	26,540,991	27,174,943
Other Payables	18,524,422	14,203,935
Statutory Payables	3,222,243	3,274,019
Dividends	364,304	364,304
	213,697,579	89,576,121

Aged Trade Payables

	Within 1 Month	31 to 60 Days	Over 60 Days	Amount Due
<u>Balance at:</u>	\$	\$	\$	\$
November 30, 2023	163,995,160	697,945	352,514	165,045,619
November 30, 2022	43,827,248	-	731,672	44,558,920