



QUARTERLY REPORT

AS AT DECEMBER 31, 2023

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MFS Capital Partners Limited is pleased to present its unaudited financial results for the quarter ended December 31, 2023. This report has been prepared in accordance with International Financial Reporting Standards (IFRS). These unaudited results are accompanied by a summary, management discussion and analysis. As we move forward, the company intends to focus on generating increased revenues and in acquiring additional companies to boost the holding company's portfolio.

Presently, the company is in negotiations with potential buyers regarding the sale of its two dormant subsidiaries: Bar Central Limited and Muse 360 Limited.

The team is committed to exceeding expectations and driving sustained growth in shareholder value.

Upcoming Events

- The Company will provide a final update on the acquisition of Microfinancing Solutions Limited.

MANAGEMENT DISCUSSION & ANALYSIS

MFS Capital Partners Limited (MFS CAP) has recorded a net loss of \$9.24 million for the quarter ending December 31, 2023. The core revenues generated during this period were \$63,600. In contrast, for the same period ending on December 31, 2022, the company had recorded revenues of \$2 million.

For the period, the company's earnings per share (EPS) increased to (\$0.023) from (\$0.019) for the financial quarter ended September 30, 2023. EPS for the period ended December 31, 2022 was \$0.001.

INCOME PERFORMANCE

For the quarter ended December 31, 2022, the company reported profit of \$.524 million, when compared to the current reported quarter ending December 31, 2023 there was a decline of \$9.76 million in profits.

The decline in income performance was affected primarily by the dormancy of the current portfolio-holding subsidiary during the period and a general increase in operating expenses, incurred due to overhead costs.

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



		Unaudited Quarter 31-Dec-23	Unaudited Quarter 31-Dec-22	Unaudited YTD 31-Dec-23	Audited YTD Jun-23
	Notes	\$	\$	\$	\$
Revenue/ Sales	8	63,600	2,029,000	360,600	
Less Cost of Sales/Adjustment		-	-	-	-
Gross Profit		63,600	2,029,000	360,600	-
Add Other Income	9	1,772,760	2,969,303	4,545,717	32,901,138
Less General & Administration Expenses	10	(11,078,028)	(4,311,560)	(22,534,414)	(23,096,813)
Loss/Profit before Finance Costs		(9,241,668)	686,743	(17,628,097)	9,804,325
Less Finance Costs		-	(80,000)	-	(238,215)
Loss/Profit before taxes		(9,241,668)	606,743	(17,628,097)	9,566,110
Taxation		-	(81,982)	-	(823,170)
Loss/Profit after taxation		(9,241,668)	524,761	(17,628,097)	8,742,940

OPERATIONAL EXPENSES

December expenses decrease slightly by \$.378 million, or 3.3%, when compared to the last quarter.

However, compared to the December 2022 period, there was an increase of \$6.76 million or 157%

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL POSITION

MFS CAP's total assets increased by \$5.16 million to \$54.74 million at the end of December 31, 2023, compared to last year's corresponding period ending December 31, 2022. This represents an increase of 10.4%. However, compared to the quarter ended September 30, 2023, the decline in assets was recorded at \$2.44 million, which represented a 4.13% decline.

Total liabilities as at December 31, 2023 stood at \$70.16 million versus \$50.04 million for the corresponding period ended December 31, 2022, representing an increase of \$20.11 million.

Shareholders' Equity

Total shareholders' equity was recorded at negative \$15.42 million as at December 31, 2023, compared to the previous quarter's negative equity of \$6.26 million, representing an increase in accumulated losses of \$ 9.14 million quarter over quarter.

STRATEGIC OUTLOOK

As the year progresses, the company's strategic approach will focus on exploring the market for profitable acquisitions to increase the company's portfolio. This will drive heightened growth and profitability for the organisation and its shareholders.

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

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

	Notes	Unaudited Quarter 31-Dec-23 \$	Unaudited Quarter 31-Dec-22 \$	Audited YTD 30-Jun-23 \$
NON-CURRENT ASSETS				
Property, Plant & Equipment	4	1,683,567	2,469,158	1,825,687
		<u>1,683,567</u>	<u>2,469,158</u>	<u>1,825,687</u>
Current assets				
Inventory		-	26,146	-
Tax Recoverable		6,302,316	4,755,175	3,932,005
Due to/from Related Parties		38,461,582	28,256,500	26,443,900
Receivables- Private Credit		1,605,000	-	-
Receivables		256,321	8,530,802	31,305,241
Cash and Bank Balances		8,368,266	8,560,124	2,135,291
	5	<u>54,993,484</u>	<u>50,128,747</u>	<u>63,816,437</u>
TOTAL ASSETS		<u>56,677,052</u>	<u>52,597,905</u>	<u>65,642,124</u>
EQUITY AND LIABILITIES				
Equity				
Ordinary share capital	6	111,880,297	111,880,297	111,880,297
Retained earnings/(deficit)		(156,327,809)	(141,607,696)	(138,699,712)
Total Equity		(44,447,512)	(29,727,399)	(26,819,415)
Non-Controlling Interest	7	(13,092,576)	(13,043,433)	(13,092,576)
		(57,540,088)	(42,770,832)	(39,911,991)
Non-current Liabilities				
Long-Term Debt		-	27,252,380	-
Total Non-current Liabilities		-	27,252,380	-
Current liabilities				
Payables	12	60,734,978	60,932,991	56,095,124
Related Party	13	50,272,380	5,050,000	47,072,380
Current portion of long-term loan		1,113,192	1,557,057	1,113,192
Director's account		697,110	-	697,110
Taxation		1,399,479	576,309	576,309
		<u>114,217,139</u>	<u>68,116,357</u>	<u>105,554,115</u>
TOTAL EQUITY AND LIABILITIES		<u>56,677,052</u>	<u>52,597,905</u>	<u>65,642,124</u>



Clide Leopold Nesbeth
 Chairman



Dino Hinds
 Director

	Notes	Unaudited Quarter 31-Dec-23 \$	Unaudited Quarter 31-Dec-22 \$	Unaudited YTD 31-Dec-23 \$	Unaudited YTD 31-Dec-22 \$	Audited YTD Jun-23 \$
Revenue/ Sales	8	63,600	2,029,000	360,600	14,589,000	
Less Cost of Sales/Adjustment		-	-			-
Gross Profit		63,600	2,029,000	360,600	14,589,000	-
Add Other Income	9	1,772,760	2,969,303	4,545,717	2,972,369	32,901,138
Less General & Administration Expenses	10	(11,078,028)	(4,311,560)	(22,534,414)	(10,554,993)	(23,096,813)
Loss/Profit before Finance Costs		(9,241,668)	686,743	(17,628,097)	7,006,376	9,804,325
Less Finance Costs		-	(80,000)	-	(230,000)	(238,215)
Loss/Profit before taxes		(9,241,668)	606,743	(17,628,097)	6,776,376	9,566,110
Taxation		-	(81,982)	-	(892,277)	(823,170)
Loss/Profit after taxation		(9,241,668)	524,761	(17,628,097)	5,884,099	8,742,940
Loss/Net Profit Attributable to:						
Stockholders of the Company		(9,241,668)	524,761	(17,628,097)	5,884,099	8,792,083
Non-Controlling interest		-	-	-	-	(49,143)
		(9,241,668)	524,761	(17,628,097)	5,884,099	8,742,940
Earnings per ordinary stock unit attributable to shareholders of the company	11	(0.023)	0.001	(0.044)	0.015	0.022

	Number of Shares	Share Capital	Accumulated Profits/(Deficit)	Total	Non- Controlling Interest	Total Equity
		\$	\$	\$	\$	\$
Audited Balances as at 30 Jun 2022	400,000,000	111,880,297	(147,491,795)	(35,611,498)	(13,043,433)	(48,654,931)
Total Comprehensive profits	-	-	5,884,099	5,884,099	-	5,884,099
Unaudited Balances as at 31 Dec 2022	400,000,000	111,880,297	(141,607,696)	(29,727,399)	(13,043,433)	(42,770,832)
Audited Balances as at 30 Jun 2023	400,000,000	111,880,297	(138,699,712)	(26,819,415)	(13,092,576)	(39,911,991)
Total Comprehensive losses	-	-	(17,628,097)	(17,628,097)	-	(17,628,097)
Unaudited Balances as at 31 Dec 2023	400,000,000	111,880,297	(156,327,809)	(44,447,512)	(13,092,576)	(57,540,088)

	Unaudited Quarter 31-Dec-23 \$	Unaudited Quarter 31-Dec-22 \$	Audited YTD 30-Jun-23 \$
Cash flow from operating activities:			
Loss/Profit before taxation for the period/year	(9,241,668)	6,776,376	9,296,457
Adjustment for:			
Depreciation and amortization	111,829	83,265	142,387
Loss on Disposal of assets	-	366,399	340,102
Foreign Exchange losses	-	-	2,675
Interest expense	-	230,000	-
Interest income	(3,410)	(12,369)	(17,705)
Operating cash flows before movements in working capital	(9,133,249)	7,443,671	9,763,916
Changes in working capital:			
(Increase)/decrease in Accounts receivable	489,770	(6,240,487)	(29,014,927)
(Increase)/decrease in Receivables Private Credit Related Parties net	3,395,000	-	-
Increase/(Decrease) in Accounts Payables	4,777,597	4,294,143	1,508,245
Cash provided/(used) by operations	(470,882)	4,543,207	(2,114,286)
Taxes paid	-	-	-
Interest paid	-	(230,000)	-
Interest received	3,410	12,369	17,705
Net cash provided/(used) by operating activities	(467,472)	4,325,576	(2,096,581)
Investing Activities			
Acquisition of subsidiaries- adjustment	-	-	-
Proceeds on disposal	-	20,000	20,000
Purchase of Equipment	-	(266,734)	(266,735)
	-	(246,734)	(246,735)
Financing Activities			
Loans repayment	-	-	-
Due to Related companies, net	-	-	-
Loans payables, net	-	-	-
	-	-	-
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	(467,472)	4,078,842	(2,343,316)
Effects of changes in exchange rates on cash and cash equivalents	-	-	(2,675)
CASH AND BANK BALANCES AT BEGINNING OF PERIOD	8,835,738	4,481,282	4,481,282
CASH AND BANK BALANCES AT THE END OF PERIOD	8,368,266	8,560,124	2,135,291
Represented by Cash & Bank	8,368,266	8,560,124	2,135,291

	Notes	Unaudited Quarter 31-Dec-23 \$	Unaudited Quarter 31-Dec-22 \$	Audited YTD 30-Jun-23 \$
<u>NON-CURRENT ASSETS</u>				
Property, Plant & Equipment	4	568,046	661,543	628,718
		<u>568,046</u>	<u>661,543</u>	<u>628,718</u>
<u>Current assets</u>				
Tax Recoverable		5,479,145	4,755,175	3,932,005
Due to/from Related Parties		38,461,582	28,256,500	26,443,900
Receivables- Private Credit		1,605,000	-	-
Receivables		256,321	7,347,472	31,305,241
Cash and Bank Balances		8,368,266	8,560,124	2,135,291
	5	<u>54,170,313</u>	<u>48,919,271</u>	<u>63,816,437</u>
TOTAL ASSETS		<u>54,738,359</u>	<u>49,580,814</u>	<u>64,445,155</u>
<u>EQUITY AND LIABILITIES</u>				
<u>Equity</u>				
Ordinary share capital	6	111,880,297	111,880,297	111,880,297
Retained earnings/(deficit)		(127,303,587)	(112,346,226)	(109,757,038)
		<u>(15,423,290)</u>	<u>(465,929)</u>	<u>2,123,259</u>
<u>Non-current Liabilities</u>				
Long-Term Debt		-	27,252,380	-
Total Non-current Liabilities		<u>-</u>	<u>27,252,380</u>	<u>-</u>
<u>Current liabilities</u>				
Trade payables		390,374	52,977	193,950
Related Party	12	50,272,380	5,050,000	47,072,380
Other payables and accruals		11,149,004	9,059,723	6,751,120
Payroll liabilities		8,349,892	8,631,663	8,304,446
	13	<u>70,161,649</u>	<u>22,794,363</u>	<u>62,321,896</u>
TOTAL EQUITY AND LIABILITIES		<u>54,738,359</u>	<u>49,580,814</u>	<u>64,445,155</u>

		Unaudited Quarter 31-Dec-23	Unaudited Quarter 31-Dec-22	Unaudited YTD 31-Dec-23	Unaudited YTD 31-Dec-22	Audited YTD 30-Jun-23
	Notes	\$	\$	\$	\$	\$
Revenue/ Sales	8	63,600	2,012,500	360,600	14,589,000	
Less Cost of Sales/Adjustment		-	-			-
Gross Profit		63,600	2,012,500	360,600	14,589,000	-
Add Other Income		1,772,760	2,977,697	4,545,717	2,972,369	30,265,796
Less General & Administration Expenses	9	(11,078,028)	(4,383,454)	(22,534,414)	(10,554,993)	(20,984,369)
Loss/Profit before Finance Costs		(9,241,668)	606,744	(17,628,097)	7,006,376	9,281,427
Less Finance Costs		-	-	-	(230,000)	15,030
Loss/Profit before taxes		(9,241,668)	606,744	(17,628,097)	6,776,376	9,296,457
Taxation			(81,982)		(892,277)	(823,170)
Loss/Profit after taxation		(9,241,668)	524,762	(17,628,097)	5,884,099	8,473,287

	Number of Shares	Share Capital \$	Accumulated profit/(Loss) \$	Total \$
Audited Balances as at 30 June 2022	111,880,297	111,880,297	(118,230,325)	(6,350,028)
Total Comprehensive Profit	-	-	5,884,099	5,884,099
Unaudited Balances as at 30 Sep 2022	111,880,297	111,880,297	(112,346,226)	(465,929)
Audited Balances as at 30 June 2023	111,880,297	111,880,297	(109,757,038)	2,123,259
Total Comprehensive Loss Period July-Dec 2023	-	-	(17,628,097)	(17,628,097)
Unaudited Balances as at 31 Dec 2023	111,880,297	111,880,297	(127,385,135)	(15,504,838)

	Unaudited Quarter 31-Dec-23	Unaudited Quarter 31-Dec-22	Audited YTD 30-Jun-23
	\$	\$	\$
Cash flow from operating activities:			
Profit before taxation for the period/year	(9,160,121)	6,776,376	9,296,457
Adjustment for:			
Depreciation and amortization	30,282	83,265	142,387
Loss on Disposal of assets	-	366,399	340,102
Foreign Exchange losses	-	-	2,675
Interest expense	-	230,000	-
Interest income	(3,410)	(12,369)	(17,705)
Operating cash flows before movements in working capital	(9,133,249)	7,443,671	9,763,916
Changes in working capital:			
(Increase)/decrease in Accounts receivable	489,770	(5,057,158)	(29,014,927)
(Increase)/decrease in Receivables Private Credit Related Parties net	3,395,000	-	-
Increase/(Decrease) in Accounts Payables	-	(954,120)	15,628,480
Cash provided/(used) by operations	4,777,597	3,110,813	1,508,245
Taxes paid	(470,882)	4,543,206	(2,114,286)
Interest paid	-	-	-
Interest received	-	(230,000)	-
Net cash provided/(used) by operating activities	3,410	12,369	17,705
Investing Activities	(467,472)	4,325,575	(2,096,581)
Acquisition of subsidiaries- adjustment	-	-	-
Proceeds on disposal	-	20,000	20,000
Purchase of Equipment	-	(266,734)	(266,735)
	-	(246,734)	(246,735)
Financing Activities			
Loans repayment	-	-	-
Due to Related companies, net	-	-	-
Loans payables, net	-	-	-
	-	-	-
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	(467,472)	4,078,841	(2,343,316)
Effects of changes in exchange rates on cash and cash equivalents	-	-	(2,675)
CASH AND BANK BALANCES AT BEGINNING OF PERIOD	8,835,738	4,481,282	4,481,282
CASH AND BANK BALANCES AT THE END OF PERIOD	8,368,266	8,560,123	2,135,291
Represented by Cash & Bank	8,368,266	8,560,124	2,135,291

1. Identification and principal activities

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

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

The Company's core business model focuses on investments in entities that are mature in their lifecycle, and have shown a track record for strong performance, as well as companies that have demonstrated the potential for sustained growth and development for the medium or long term. The Company's subsidiaries collectively referred to as "the Group," include the following:

- July 2, 2018 | Bar Central Limited | distribution and provision of branding services | 75% (2022: 75%)
- July 20, 2018 | Muse 360 Integrated Limited | marketing and commercial solutions | 51% (2022: 51%)

All of the Company's subsidiaries are incorporated and based in Jamaica. Bar Central Limited ceased its operational activities as of December 31, 2019, while Muse 360 Integrated Limited ceased operations as of August 31, 2019.

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

2. Summary of significant accounting policies

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

a) Basis of Preparation

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

b) Basis of Consolidation

The consolidated financial statements encompass the financial statements of both the company and its subsidiaries as of December 31, 2023. A subsidiary is an entity under the control of the company. Control is realised when the group is exposed to variable returns from its association with the investee or holds rights in that regard and possesses the capability to influence these returns through its authority over the investee.

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

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

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

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

c) Going concern

The Group for the quarter was non-operating as there is a firm commitment to sell the subsidiaries. The Company however reported a net loss of \$9,241,668 in 2023. The Group and the Company as at December 31, 2023, have accumulated losses of \$156,327,809 (December 2022: \$141,607,696) and \$127,303,587 (December 2022: \$112,346,226) respectively.

Further, as at December 31, 2023, current liabilities for the Group and the Company exceeded their current assets by \$57,540,088 (December 2022: \$42,770,832) and \$15,423,290 (December 2022: \$465,929) respectively. This indicates a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Property, Plant and Equipment

Owned Assets: Property, plant and equipment items are reported at their initial cost or deemed cost, reduced by the cumulative depreciation and any impairment losses. The cost comprises expenses that are directly linked to the acquisition of these assets. For self-constructed assets, the cost includes the expenses for materials, direct labour, and related costs necessary to put the asset into operational use. Depreciation is recorded as the cost minus the cumulative depreciation and any impairment losses (as detailed below).

Depreciation is computed using a straight-line method, with rates designed to amortise the carrying values of assets over their expected useful life. The annual depreciation rates are as follows:

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

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

e) Intangible Assets

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

f) Inventories

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

g) Cash and Bank Balances

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

h) Receivables

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

i) Payables

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

j) Revenue Recognition

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

- Sales of goods: sales of goods are acknowledged upon the delivery of goods and the acceptance or performance of services.
- Interest income: interest income is recognised in the statement of comprehensive income for all interest-bearing instruments on an accrual basis using the effective yield method, which is based on the actual purchase price.

k) Related Parties

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

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

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

l) Foreign Currencies

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

m) Financial Instruments

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

n) Taxation

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

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

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

4. PROPERTY, PLANT & EQUIPMENT

The Group

	Leasehold Improvements	Computer Equipment	Furniture & Fixtures	Office Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
<u>Cost</u>						
1-Jul-23	78,000	2,940,609	1,446,580	638,786	1,023,852	6,127,827
Additions						
Disposals						
31-Dec-23	78,000	2,940,609	1,446,580	638,786	1,023,852	6,127,827
Additions						
Disposals						
31-Dec-23	78,000	2,940,609	1,446,580	638,786	1,023,852	6,127,827
<u>Accumulated Depreciation</u>						
1-Jul-23	31,201	2,585,872	463,238	197,977	1,023,852	4,302,140
Charge for the year						
Relieved on disposals						
31-Dec-23	31,201	2,585,872	463,238	197,977	1,023,852	4,302,140
Charge for the year	3,900	91,052	14,365	32,803	-	142,120
Relieved on disposals						
31-Dec-23	35,101	2,676,924	477,603	230,780	1,023,852	4,444,260
<u>Net book value</u>						
31-Dec-23	42,899	263,685	968,977	408,006	-	1,683,567
30-Jun-23	46,799	354,737	983,342	440,809	-	1,825,687

**PROPERTY, PLANT &
EQUIPMENT**

The Company

Cost	Computer Equipment \$	Office Equipment \$	Leasehold \$	Total \$
As at 30/6/23	257,294	638,785	78,000	974,079
Additions/ Transfer	-	-	-	-
Disposals	-	-	-	-
As at 31/12/23	257,294	638,785	78,000	974,079
Depreciation				
As at 30/6/23	116,183	197,978	31,201	345,362
Charge	23,969	32,803	3,900	60,672
Disposal	-	-	-	-
As at 31/12/23	140,152	230,781	35,101	406,033
NBV				
As at 31/12/23	117,142.15	408,004.44	42,899.09	568,045.68
As at 30/6/23	141,221.40	440,807.00	46,799.09	628,717.49

5. RECEIVABLES

Group

	Unaudited Quarter 31-Dec-23 \$	Unaudited Quarter 31-Dec-22 \$	Audited YTD 30-Jun-23 \$
Trade	1,861,321	3,542,726	3,542,726
Other	38,461,582	30,704,447	53,478,885
	<u>40,322,903</u>	<u>34,247,173</u>	<u>57,021,611</u>
Less: Impairment losses	-	(25,716,370)	(25,716,370)
	<u>40,322,903</u>	<u>8,530,803</u>	<u>31,305,241</u>

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

6. SHARE CAPITAL

	Unaudited Quarter 31-Dec-23 \$	Audited YTD 30-Jun-23 \$
Authorised Capital:		
Ordinary Share at no par value	1,000,000,000	1,000,000,000
Issued and fully paid 400,000,000 Ordinary Share at no par value	111,880,297	111,880,297

7. NON-CONTROLLING INTEREST

The Group

	Unaudited Quarter 31-Dec-23 \$	Unaudited Quarter 31-Dec-22 \$	Audited YTD 30-Jun-23 \$
Balance at beginning of period	(13,092,576.00)	(13,043,433.00)	(13,092,576.00)
Capital Reserves	-	-	-
Share of (loss)/Gain for the year	-	-	-
Balance at end of period	(13,092,576.00)	(13,043,433.00)	(13,092,576.00)

8. REVENUE

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

During the second quarter for the three months ending December 31, 2023, the Company generated a revenue of **\$63,600**. No revenue was generated by the Group.

9. OTHER INCOME

	Unaudited Quarter 31-Dec-23 The Group \$	Unaudited Quarter 31-Dec-23 The Company \$
Private Credit- Interest	1,652,800	1,652,800
Private Credit-Late Fee	116,550	116,550
Interest Credit	3,410	3,410
	1,772,760	1,772,760

10. ADMINISTRATIVE EXPENSES

	The Group			The Company		
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	31-Oct-23	30-Nov-23	31-Dec-23	31-Oct-23	30-Nov-23	31-Dec-23
	\$	\$	\$	\$	\$	\$
Management compensation new	950,000.00	950,000.00	950,000.00	950,000.00	950,000.00	950,000.00
Penalties & Interest on Taxes	-	841,003.67	841,003.68	-	841,003.67	841,003.68
Rent or lease payments new	260,856.00	262,420.00	262,420.00	260,856.00	262,420.00	262,420.00
Registrar & JSE Fees	255,809.93	255,809.93	255,809.93	255,809.93	255,809.93	255,809.93
Accounting Fees	230,000.00	230,000.00	230,000.00	230,000.00	230,000.00	230,000.00
Directors Fees	200,000.00	230,000.00	230,000.00	200,000.00	230,000.00	230,000.00
Audit Fees	182,083.00	182,083.00	182,083.00	182,083.00	182,083.00	182,083.00
Salary expenses	175,000.00	175,000.00	175,000.00	175,000.00	175,000.00	175,000.00
Travel Allowance	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00
Company Secretary Fees	165,805.71	75,805.71	75,805.71	165,805.71	75,805.71	75,805.71
Public Relations	-	-	58,475.98	-	-	58,475.98
Other general and administrative expenses new	986,682.03	336,208.41	53,666.71	986,682.03	336,208.41	53,666.71
Legal & Professional Fees	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
Advertising Expenses	10,350.00	10,350.00	10,350.00	10,350.00	10,350.00	10,350.00
Dues and subscriptions new	8,350.00	18,680.84	8,350.00	8,350.00	18,680.84	8,350.00
IT Services	14,941.67	7,441.67	7,441.67	14,941.67	7,441.67	7,441.67
Payroll Expenses	21,691.25	21,691.25	21,691.25	21,691.25	21,691.25	21,691.25
Bank charges new	6,537.93	5,734.58	4,155.22	6,537.93	5,734.58	4,155.22
Depreciation expense	10,093.97	10,093.97	91,640.97	10,093.97	10,093.97	10,093.97
Exchange Gain or Loss	-	4,609.54	-	-	4,609.54	-
Total Expenses	\$3,653,201.49	\$3,791,932.57	\$3,632,894.12	\$3,653,201.49	\$3,791,932.57	\$3,551,347.12

11. PROFIT/LOSS PER SHARE

	Unaudited Quarter	Audited YTD
	31-Dec-23	30-Jun-23
	\$	\$
(Loss)/ Profit	(9,241,668)	12,838,525
Weighted average number of ordinary shares	400,000,000	400,000,000
Basic profit /(loss) per share	(0.023)	0.013

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