STANLEY MOTTA LIMITED

Financial Statements
31 December 2023

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Independent auditor's report

To the Members of Stanley Motta Limited

Report on the audit of the consolidated and stand-alone financial statements

Our opinion

In our opinion, the consolidated financial statements and the stand-alone financial statements give a true and fair view of the consolidated financial position of Stanley Motta Limited (the Company) and its subsidiary (together 'the Group') and the stand-alone financial position of the Company as at 31 December 2023, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with IFRS Accounting Standards and with the requirements of the Jamaican Companies Act.

What we have audited

The Group's consolidated and stand-alone financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the company statement of financial position as at 31 December 2023;
- the company statement of comprehensive income for the year then ended;
- the company statement of changes in equity for the year then ended;
- the company statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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 *Auditor's responsibilities for the audit of the consolidated and stand-alone financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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B.L. Scott B.J. Denning G.A. Reece P.A. Williams R.S. Nathan C.I. Bell-Wisdom G.K. Moore T.N. Smith DaSilva K.D. Powell

Our audit approach

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and stand-alone financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group comprises the parent, Stanley Motta Limited, and a wholly-owned subsidiary, Unity Capital Incorporated, which are incorporated in Jamaica and St. Lucia respectively. A full scope audit was performed for both entities as they were determined to be individually financially significant. Unity Capital Incorporated is audited by a non-PwC firm. In establishing the overall Group audit strategy and plan, the Group engagement team determined the type of work needed to be performed at the subsidiary level which included a review of the Unity Capital Incorporated component team's audit working papers by the Group engagement team.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and stand-alone financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and stand-alone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of Investment Properties (Group & Company) *Refer to notes 2 (g), 4 and 15 to the consolidated and stand-alone financial statements for disclosures of related accounting policies, judgments, estimates and balances.* Investment properties represented $9,553 million or 97.9% of total assets for the Group and $8,158 million or 95.8% of total assets for the Company as at 31 December 2023. The determination of the fair value of investment properties requires significant judgement and is inherently subjective due to, among other factors, the individual nature of each property, their location and the expected future rental for each property. This, combined with the fact that a small percentage difference in individual property valuation assumptions, when aggregated, could result in a material misstatement, is why we focused on this area.	Our approach to addressing the matter, with the assistance of our valuation expert, involved the following procedures, amongst others: • Evaluated the competence and objectivity of management's experts. This included confirming that they are appropriately qualified and not affiliated to the Group. • Obtained an understanding of the valuation methods used by management along with significant developments within the industry. • Evaluated the appropriateness of the valuation methodology used and its suitability for determining market value in accordance with the financial reporting framework.

Key audit matter	How our audit addressed the key audit matter
Management, with the assistance of independent valuation experts, used the income capitalisation approach, which consists of a discounted cash flow forecast to value the investment properties. The income capitalisation approach considers the following key assumptions, and changes to these may have a significant impact on the carrying value of the investment properties: • capitalisation rate; • discount rate; and • estimation of rental income.	• Agreed rental income to signed rental agreements and other supporting documents including renewal terms for a sample of contracts. • Compared management's discount and capitalization rates to those of comparable companies taking into account entity and industry risk factors as well as historical financial information. Based on the procedures performed, management's assumptions and judgements relating to the valuation of investment properties were not unreasonable.

Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated and stand-alone financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and stand-alone 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 consolidated and stand-alone 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 consolidated and stand-alone 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 consolidated and stand-alone financial statements

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

In preparing the consolidated and stand-alone financial statements, management is responsible for assessing the Group and 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 Group or the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor’s responsibilities for the audit of the consolidated and stand-alone financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and stand-alone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s 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 consolidated and stand-alone financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and stand-alone 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 Group and 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 Group or 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 auditor’s report to the related disclosures in the consolidated and stand-alone 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 auditor’s report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 consolidated and stand-alone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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 kept, so far as appears from our examination of those records, and the accompanying consolidated and stand-alone financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

The engagement partner on the audit resulting in this independent auditor's report is Tricia-Ann Smith DaSilva.

PricewaterhouseCoopers

Chartered Accountants
Kingston, Jamaica
28 March 2024

Stanley Motta Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Revenue	6	527,454	499,370
Other operating income	7	5,387	11,791
Fair value gain on investment properties	15	1,511,156	616,834
Administrative expenses	8	(186,966)	(179,773)
Operating Profit		1,857,031	948,222
Finance cost	10	(84,539)	(89,648)
Profit before Taxation		1,772,492	858,574
Taxation	11	(7,047)	(9,993)
Net Profit		1,765,445	848,581
Other Comprehensive Income			
Items that may be reclassified to profit or loss			
Currency translation difference on net asset of foreign subsidiary		9,500	(8,015)
Total Comprehensive Income		1,774,945	840,566
Earning per stock unit for profit attributable to the equity holders of the Company during the year	12	2.33	1.12

Stanley Motta Limited

Consolidated Statement of Financial Position

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Non-Current Assets			
Property, plant and equipment	14	4,683	9,660
Investment properties	15	9,552,709	6,860,231
Right-of-use assets	16	138,997	172,235
		9,696,389	7,042,126
Current Assets			
Receivables	18	25,607	8,426
Cash and cash equivalents	19	38,265	143,308
		63,872	151,734
Current Liabilities			
Payables	20	157,697	84,627
Due to related parties	24	22,574	3,516
Taxation payable		-	12,485
Deferred income		30,462	-
Current portion of borrowings	26	39,224	36,525
Current portion lease liabilities	16	21,683	16,557
		271,640	153,710
Net Current Liabilities		(207,768)	(1,976)
		9,488,621	7,040,150
Shareholders' Equity			
Share capital	21	811,933	811,933
Capital reserve	22	238,379	238,379
Cumulative translation reserve	23	131,582	122,082
Retained earnings	13	6,482,248	4,908,533
		7,664,142	6,080,927
Non-Current Liabilities			
Borrowings	26	1,657,105	773,340
Lease liabilities	16	138,827	157,953
Long term payables	27	28,547	27,930
		1,824,479	959,223
		9,488,621	7,040,150

Approved for issue by the Board of Directors 27 March 2024 and signed on its behalf by:

Melanie

Melaine Subratie Director

Blondell Walker Director

Stanley Motta Limited

Consolidated Statement of Changes in Equity

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Number of shares	Share Capital	Capital Reserve	Cumulative Translation Reserve	Retained Earnings	Total
		‘000	$’000	$’000	$’000	$’000	$’000
Balance at 31 December 2021		757,828	811,933	238,379	130,097	4,251,683	5,432,092
Net profit for the year			-	-	-	848,581	848,581
Currency translation difference on net asset of foreign subsidiary			-	-	(8,015)	-	(8,015)
Total comprehensive income			-	-	(8,015)	848,581	840,566
Transactions with owners of the company:							
Dividends paid	28		-	-	-	(191,731)	(191,731)
Balance at 31 December 2022		757,828	811,933	238,379	122,082	4,908,533	6,080,927
Net profit for the year			-	-	-	1,765,445	1,765,445
Currency translation difference on net asset of foreign subsidiary			-	-	9,500	-	9,500
Total comprehensive income			-	-	9,500	1,765,445	1,774,945
Transactions with owners of the company:							
Dividends paid	28		-	-	-	(191,730)	(191,730)
Balance at 31 December 2023		757,828	811,933	238,379	131,582	6,482,248	7,664,142

Stanley Motta Limited
Consolidated Statement of Cash Flows
Year ended 31 December 2023
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Cash Flows from Operating Activities			
Net profit for the year		1,765,445	848,581
Adjusted for:			
Taxation	11	7,047	9,993
Depreciation	8	38,215	46,640
Interest income	7	(39)	(77)
Interest expense	10	75,068	62,669
Fair value gain on investment properties	15	(1,511,156)	(616,834)
Exchange (gain)/loss on foreign currency balances		(1,030)	18,938
		373,550	369,910
Changes in operating assets and liabilities			
Receivables		(17,181)	28,764
Long term payable		617	(6,728)
Due to other related parties		19,058	3,516
Payables		129,907	11,753
Deferred income		30,462	-
Cash generated from operations		536,413	407,215
Taxation paid		(19,534)	-
Cash provided by operating activities		516,879	407,215
Cash Flows from Investing Activities			
Additions to investment properties	15	(1,170,792)	(83,355)
Interest received		39	77
Cash used in investing activities		(1,170,753)	(83,278)
Cash Flows from Financing Activities			
Repayment of long-term loan	26	(53,295)	(753,776)
Long term loan received	26	925,390	698,396
Dividend paid	28	(248,567)	(134,894)
Interest paid		(75,067)	(62,670)
Cash provided by/(used) in financing activities		548,461	(252,944)
Effect of exchange rate changes on cash and cash equivalents		370	(9,381)
(Decrease)/Increase in cash and cash equivalents		(105,413)	70,993
Cash and cash equivalents at beginning of year		143,308	81,696
Cash and Cash Equivalents at End of Year	19	38,265	143,308

Stanley Motta Limited

Company Statement of Comprehensive Income

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Revenue	6	452,549	421,120
Other operating income	7	2,521	11,348
Fair value gains on investment properties	15	1,371,665	324,823
Administrative expenses	8	(156,791)	(154,605)
Operating Profit		1,669,944	602,686
Finance cost	10	(71,993)	(76,417)
Profit before Taxation		1,597,951	526,269
Taxation	11	(724)	(1,192)
Net Profit, being Total Comprehensive Income		1,597,227	525,077

Stanley Motta Limited

Company Statement of Financial Position

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Non-Current Assets			
Property, plant and equipment	14	4,683	9,528
Investment properties	15	8,157,799	5,615,342
Right-of-use assets	16	138,997	172,235
Investment in subsidiary	17	151,765	151,765
		8,453,244	5,948,870
Current Assets			
Receivables	18	21,422	6,581
Cash and cash equivalents	19	36,371	95,697
		57,793	102,278
Current Liabilities			
Payables	20	150,000	76,836
Due to related parties	24	136,187	35,207
Taxation payable		-	2,938
Current portion of borrowings	26	30,418	28,821
Current portion of lease liabilities	16	21,683	16,557
		338,288	160,359
Net Current Liabilities		(280,495)	(58,081)
		8,172,749	5,890,789
Shareholders' Equity			
Share capital	21	811,933	811,933
Retained earnings		5,651,283	4,245,786
		6,463,216	5,057,719
Non-Current Liabilities			
Borrowings	26	1,542,158	647,187
Lease liabilities	16	138,827	157,953
Long term payables	27	28,548	27,930
		1,709,533	833,070
		8,172,749	5,890,789

Approved for issue by the Board of Directors on 27 March 2024 and signed on its behalf by:

Melaine Subratie — Director

Blondell Walker — Director

Stanley Motta Limited

Company Statement of Changes in Equity

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Number of shares	Share Capital	Retained Earnings	Total
		‘000	$'000	$'000	$'000
Balance at 31 December 2021		757,828	811,933	3,912,440	4,724,373
Net profit, being Total Comprehensive Income for the Year		-	-	525,077	525,077
Transactions with owners of the company:					
Dividends paid	28	-	-	(191,731)	(191,731)
Balance at 31 December 2022		757,828	811,933	4,245,786	5,057,719
Net profit, being Total Comprehensive Income for the Year		-	-	1,597,227	1,597,227
Transactions with owners of the company:					
Dividends paid	28	-	-	(191,730)	(191,730)
Balance at 31 December 2023		757,828	811,933	5,651,283	6,463,216

Stanley Motta Limited

Company Statement of Cash Flows

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Cash Flows from Operating Activities			
Net profit for the year		1,597,227	525,077
Adjusted for:			
Taxation	11	724	1,192
Depreciation	8	38,084	43,457
Interest income	7	(30)	(37)
Interest expense	10	62,522	49,439
Fair value gain on investment properties	15	(1,371,665)	(324,823)
Exchange losses on foreign currency balances		6,154	9,036
		333,016	303,341
Changes in operating assets and liabilities			
Receivables		(14,841)	30,409
Due to related parties	24	92,811	17,860
Long term payable		618	(3,646)
Payables		138,171	3,606
Taxation paid		(3,662)	-
Cash provided by operating activities		549,775	351,570
Cash Flows from Investing Activities			
Additions to investment properties	15	(1,170,792)	(83,355)
Interest received		30	38
Cash used in investing activities		(1,170,762)	(83,317)
Cash Flows from Financing Activities			
Repayment of long-term loan	26	(42,822)	(746,307)
Addition of long term loan		925,390	698,396
Dividend paid	28	(248,567)	(134,894)
Interest paid		(62,521)	(49,439)
Cash provided by/(used in) financing activities		571,480	(232,244)
Effect of exchange rate changes on cash and cash equivalents		(6,157)	450
(Decrease)/Increase in cash and cash equivalents		(53,169)	36,009
Cash and cash equivalents at beginning of year		95,697	59,238
Cash and Cash Equivalents at End of Year	19	36,371	95,697

1. Identification and Principal Activity

Stanley Motta Limited, (the Company) is a company limited by shares incorporated and domiciled in Jamaica. The Company is publicly listed on the Jamaica Stock Exchange and its registered office is located at 58 Halfway Tree Road, Kingston 10, Jamaica.

The company together with wholly owned subsidiary, Unity Capital Incorporated, incorporated and resident in St. Lucia, is referred to as 'the Group'. The principal activities of the Group are the rental and management of commercial real estate.

2. Material Accounting Policy Information

(a) Basis of preparation

These financial statements have been prepared in accordance with IFRS® Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS® Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC® Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC® Interpretations).

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain items of Investment Properties.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Although these estimates are based on managements' best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Standards, interpretations and amendments to existing standards effective in the current year
Certain new standards, amendments and interpretations to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of all such new standards, interpretations and amendments and has affected the following, which are immediately relevant to its operations:

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8', (effective for annual periods beginning on or after 1 January 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies The amendment did not have a significant impact on the Group's financial statements.

2. Material Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to existing standards effective in the current year (continued)

Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction, (effective for annual periods beginning on or after 1 January 2023). These amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendment did not have a significant impact on the Group's financial statements.

Amendment to IAS 12 - International tax reform, (effective for annual periods beginning on or after 1 January 2023). These amendments give companies temporary relief from accounting for deferred taxes arising from the Minimum Tax Implementation Handbook international tax reform. The amendments also introduce targeted disclosure requirements for affected companies. The amendment did not have a significant impact on the Group's financial statements.

There are no other IFRSs or IFRIC interpretations effective in the current year which are expected to have a significant impact on the accounting policies or financial disclosures of the Group.

2. Material Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective

The Group has concluded that the following standards which are published but not yet effective, are relevant to its operations and will impact the Group's accounting policies and financial disclosures as discussed below. These standards and amendments to existing standards are mandatory for the Group's accounting periods beginning after 1 January 2024, but the Group has not early adopted them:

Amendment to IFRS 16 – Leases on sale and leaseback (effective for annual periods beginning on or after 1 January 2024). These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Amendment to IAS 7 and IFRS 7 - Supplier finance (effective for annual periods beginning on or after 1 January 2024 (with transitional reliefs in the first year). These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

IFRS S1, 'General requirements for disclosure of sustainability-related financial information (effective for reporting periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local jurisdictions). This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain

Amendments to IAS 1, 'Presentation of financial statements' (effective for accounting periods starting not earlier than 1 January 2024; previously 1 January 2023). These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

On 31 October 2022, the IASB has issued a new exposure draft proposing change to this amendment. This was in response to concerns raised on applying previous amendments to the classification of liabilities as current or non-current that would have become effective for reporting periods beginning on or after 2023. The new amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period. The new amendments are effective for annual reporting periods beginning on or after 1 January 2024 and override the previous amendments.

Amendments to IAS 21 – Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025). An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

There are no other IFRS, IFRIC interpretations or IFRS sustainability standards that are not yet effective that would be expected to have a material impact on the Group.

Stanley Motta Limited
Notes to the Financial Statements
31 December 2023
(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(b) Consolidation

Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

In the company stand-alone financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The Group's subsidiary, country of incorporation, and the Group's percentage interest are as follows:

	Country of incorporation	**Group's Percentage Interest**	
		2023	**2022**
Unity Capital Incorporated	St. Lucia	100%	100%

2. Material Accounting Policies (Continued)

(c) Income recognition

(i) Rental income

Revenue comprises the invoiced value of rental and maintenance charges net of General Consumption Tax. Revenue from maintenance charges are recognised in the period earned. Rental income from operating leases is recognised on a straight-line basis over the lease term. The Group currently does not provide incentives to its tenants.

The Group assesses the individual elements of the lease agreements and assesses whether these individual elements are separate performance obligations. Where the contracts include multiple performance obligations, and/or lease and non-lease components, the transaction price is allocated to each performance obligation (lease and non-lease component) based on the stand-alone selling prices. These selling prices are predominantly fixed price per the agreements where the tenant pays the fixed amount based on a payment schedule. If the services rendered should exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Revenue is measured at the transaction price agreed under the contract. The group currently does not have arrangements that include deferred payment terms.

A receivable is recognised when services are provided as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(d) Foreign currency translations

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Jamaican dollars, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the financial period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

At the year end, monetary assets and liabilities denominated in foreign currency are translated using the buying and selling rate of exchange rate of the transactions and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in the statement of comprehensive income.

2. Material Accounting Policies (Continued)

(e) Income taxes

Taxation expense in the statement of comprehensive income comprises current and deferred tax charges.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The group's liability for current tax is calculated at tax rates that have been enacted at the year end.

Deferred tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Current and deferred tax assets and liabilities are offset when they arise from the same taxable entity, relate to the same tax authority and when the legal right of offset exists.

Deferred tax is charged or credited to the statement of comprehensive income, except where it relates to items charged or credited to equity, in which case, deferred tax is also dealt with in equity.

(f) Impairment of non – current assets

Property, plant and equipment and other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

(g) Investment properties

Investment properties comprise land and buildings. Investment properties are carried at fair value, representing the open market value determined annually by external valuers. These valuations are done annually by independent valuators. Changes in fair values are recorded in the statement of comprehensive income.

2. Material Accounting Policies (Continued)

(g) Investment properties (continued)

Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Company expects the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed – whichever is earlier. It might sometimes be difficult to determine reliably the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- the provisions of the construction contract;
- the level of reliability of cash inflows after completion; and
- past experience with similar construction.

(h) Borrowings and borrowings costs

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective yield method.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(i) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

Financial instruments carried on the Statement of Financial Position include cash and cash equivalents, receivables, payables and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. The determination of the fair values of the company's financial instruments is discussed in Note 3(d).

2. Material Accounting Policies (Continued)

(i) Financial instruments (continued)

Financial assets

Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows. The cash flows of the company's trade receivables are solely payments of principal and interest (SPPI). After initial recognition at fair value, the company measures trade receivables at amortised cost using the effective interest method.

Other Financial Assets at Amortised Cost

The Group classifies its other financial assets as at amortised cost only if both the asset is held within a business model the objective of which is to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. Other financial assets at amortised cost include cash and bank balances, balances dues from related parties and other receivables.

Impairment

The Group's trade receivables and other financial assets at amortised cost are subject to the expected credit loss model in the determination of impairment. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles for services provided over a period of 36 months respectively and the corresponding historical credit losses experienced within this period. The Group has identified the GDP and the inflation rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

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2. Material Accounting Policies (Continued)

(i) Financial instruments (continued)

Financial liabilities
The Group's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. At the reporting date, payables and bank overdraft were classified as financial liabilities.

(j) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash and bank balances.

(k) Payables

Trade and other payables are stated at amortised cost.

(l) Share capital

Ordinary shares and non-redeemable cumulative preference shares where the declaration of dividends is discretionary are classified as equity instruments.

(m) Dividends

Dividends are recorded as a deduction from equity in the period in which they are approved.

(n) Related parties

A party is related to the Group, if

(i) Directly, or indirectly through one or more intermediaries, the party:
  - **(a)** is controlled by, or is under common control with the Group;
  - **(b)** has a direct or indirect interest in the Group that gives influence; or
  - **(c)** has joint control over the Group;

(ii) the party is an associate of the Group;
(iii) the party is a joint venture of the Group;
(iv) the party is a member of the key management personnel of the Group;
(v) the party is a close member of the family of any individual referred to in (i) or (iv)
(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv); or
(vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

A related party transaction is a transfer of resources, services or obligated between related parties, regardless of whether a price is charged.

2. Material Accounting Policies (Continued)

(o) Investment in subsidiary
Investment in subsidiary is stated at cost.

(p) Leases
Lessee
The Group leases commercial land and building. Rental contracts are typically made for fixed periods of 1 to 20 years but may have extension options as described below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

2. Material Accounting Policies (Continued)

(p) Leases (continued)

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

3. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Group's risk management activities set risk limits and controls and monitor the risks and adherence to limits.

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

There has been no significant change to the Group's exposure to financial risks or the way it manages and measures risk.

(a) Credit risk

The Group takes on exposure to credit risk, which is the risk that a party to a financial instrument will fail to discharge their contractual obligation and cause the other party to incur a loss. Credit exposures arise principally from receivables and cash at bank.

The company assesses its credit losses, using the expected credit loss model, discussed in Note 2 (i).

(i) Trade and other receivables

The Group and the Company's exposure to credit risk is low.

The Group and the Company's policy are not to give credit. There were no breaches in the prior year. During the year, the Group provided a moratorium to several customers which provided allowed for deferred rental payments. The moratorium arrangement was honoured by the customers.

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

(ii) Cash at bank

Cash is held with high credit quality financial institutions.

Maximum exposure to credit risk

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Receivables	9,270	6,984	8,349	5,139
Cash and cash equivalents	38,265	143,308	36,371	95,697
	47,535	150,292	44,720	100,836

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Loss allowance
Over the term of the financial asset, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of financial assets and adjusts for forward looking macroeconomic data.

Historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the subsidiary to settle the receivables. The Company has identified indicators such as trends, concentration risk and macroeconomic fundamentals, and accordingly adjusts the historical loss rates based on expected changes in these factors.

	The Group					
	2023			2022		
	Gross Carrying Amount $'000	Loss Allowance $'000	Expected loss rate	Gross Carrying Amount $'000	Loss Allowance $'000	Expected loss rate
90 days or more	5,002	2,567	51.32%	7,092	3,890	54.85%
	5,005	2,567		7,092	3,890	

	The Company					
	2023			2022		
	Gross Carrying Amount $'000	Loss Allowance $'000	Expected loss rate	Gross Carrying Amount $'000	Loss Allowance $'000	Expected loss rate
90 days or more	4,081	2,567	62.90%	5,247	3,890	74.14%
	4,081	2,567		5,247	3,890	

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Loss allowance (continued)

Movements on the provision for impairment of trade receivables are as follows:

	The Group and Company	
	2023	**2022**
	$'000	**$'000**
At 1 January	3,890	3,890
Decrease in expected credit loss	(1,323)	-
At 31 December	2,567	3,890

Assets written off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. The company categorises receivables for write off when a debtor fails to make contractual payments, even after several attempts at enforcement and/or recovery efforts. Where receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

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3. Financial Risk Management (Continued)

(b) Liquidity risk
Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due. The Group manages its liquidity risk through monitoring outstanding balances and accessing funding, if necessary, from its former parent company, in advance of amounts becoming due.

Liquidity risk management process

The Group's and Company's liquidity management process includes:

(i) Monitoring future cash flows and liquidity on a regular basis. This incorporates an assessment of expected cash flows and the availability of high-grade collateral which could be used to secure funding if required; and
(ii) Managing the concentration and profile of debt maturities

Undiscounted cash flows of financial liabilities
The maturity profile of the Group's and the Company's financial liabilities at year end based on contractual undiscounted payments was as follows:

	The Group					
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
	$'000	$'000	$'000	$'000	$'000	$'000
	2023					
Liabilities						
Payables	109,334	48,363	-	-	-	157,697
Due to related parties	-	22,574	-	-	-	22,574
Borrowings	-	24,093	147,860	809,415	1,024,541	2,005,909
Lease liability	-	-	28,567	114,619	121,433	264,619
Long-term payables	-	-	-	28,547	-	28,547
Total financial liabilities	109,334	95,030	176,427	952,581	1,145,974	2,479,346

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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Undiscounted cash flows of financial liabilities (continued)

	The Group					
	Within 1 Month	**1 to 3 Months**	**3 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
				2022		
Liabilities						
Payables	58,977	17,859	7,791	-	-	84,627
Borrowings	5,652	16,238	49,944	326,671	875,698	1,274,203
Lease liability	-	-	-	28,216	180,540	208,756
Long-term payable	-	-	-	27,930	-	27,930
Total financial liabilities	64,629	34,097	57,735	382,817	1,056,238	1,595,516

	The Company					
	Within 1 Month	**1 to 3 Months**	**3 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
				2023		
Liabilities						
Payables	107,411	42,589	-	-	-	150,000
Due to related parties	-	136,187	-	-	-	136,187
Borrowings	-	18,979	137,632	707,139	942,720	1,806,470
Lease liability	-	-	28,567	114,619	121,433	264,619
Long-term payables	-	-	-	28,548	-	28,548
Total financial liabilities	107,411	197,755	166,199	850,306	1,064,153	2,385,824

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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Undiscounted cash flows of financial liabilities (continued)

	The Company					
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
	$'000	$'000	$'000	$'000	$'000	$'000
			2022			
Liabilities						
Payables	58,977	17,859	-	-	-	76,836
Due to related parties	-	35,207	-	-	-	35,207
Borrowings	4,014	12,000	35,241	230,075	798,151	1,079,481
Lease liability	-	-	-	28,216	180,540	208,756
Long-term payable		-	-	27,930	-	27,930
Total financial liabilities	62,991	65,066	35,241	286,221	978,691	1,428,210

3. Financial Risk Management (Continued)

(c) Market risk

The Company takes on exposure to market risks, which is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The group is exposed to foreign exchange risk primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

The group manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The group further manages this risk by maximising foreign currency earnings and holding foreign currency balances.

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Concentrations of currency risk

	The Group		
	Jamaican$	**US$**	**Total**
	J$'000	**J$'000**	**J$'000**
	2023		
Financial Assets			
Receivables	7,405	1,865	9,270
Cash and cash equivalents	250	38,015	38,265
Total financial assets	7,655	39,880	47,535
Financial Liabilities			
Payables	156,037	1,660	157,697
Long term payable	-	28,547	28,547
Due to related parties	-	22,574	22,574
Borrowings	770,939	925,390	1,696,329
Lease liability	155,713	4,797	160,510
Total financial liabilities	1,082,689	982,968	2,065,657
Net financial position	(1,075,034)	(943,088)	(2,108,122)

	The Group		
	Jamaican$	**US$**	**Total**
	J$'000	**J$'000**	**J$'000**
	2022		
Financial Assets			
Receivables	1,408	5,576	6,984
Cash and cash equivalents	2,727	140,581	143,308
Total financial assets	4,135	146,157	150,292
Financial Liabilities			
Payables	24,783	59,844	84,627
Long term payable	-	27,930	27,930
Due to related parties	-	3,516	3,516
Borrowings	676,007	133,858	809,865
Lease liability	169,713	4,797	174,510
Total financial liabilities	870,503	229,945	1,100,448
Net financial position	(866,368)	(83,788)	(950,156)

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Concentrations of currency risk (continued)

	The Company		
	Jamaican$	**US$**	**Total**
	J$'000	**J$'000**	**J$'000**
	2023		
Financial Assets			
Receivables	7,404	945	8,349
Cash and cash equivalents	20	36,351	36,371
Total financial assets	7,424	37,296	44,720
Financial Liabilities			
Payables	148,658	1,342	150,000
Due to related parties	-	136,187	136,187
Long term payable	-	28,548	28,548
Borrowings	647,186	925,390	1,572,576
Lease	155,713	4,797	160,510
Total financial liabilities	951,557	1,096,264	2,047,821
Net financial position	(944,133)	(1,058,968)	(2,003,101)

	The Company		
	Jamaican$	**US$**	**Total**
	J$'000	**J$'000**	**J$'000**
	2022		
Financial Assets			
Receivables	1,406	3,731	5,137
Cash and cash equivalents	2,728	92,969	95,697
Total financial assets	4,134	96,700	100,834
Financial Liabilities			
Payables	16,992	59,844	76,836
Due to related parties	-	35,207	35,207
Long term payable	-	27,930	27,930
Borrowings	676,008	-	676,008
Lease	169,714	4,796	174,510
Total financial liabilities	862,714	127,777	990,491
Net financial position	(858,580)	(31,077)	(889,657)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

The following table indicates the currencies to which the Company had significant exposure on its monetary assets and liabilities and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for the percentage change in foreign exchange rates as noted below. The sensitivity of the profit was mainly as a result of foreign exchange gains on translation of foreign currency-denominated trade receivables, cash, short-term deposits, trade payables and borrowings. The percentage change in the currency rate will impact each financial asset/liability included in the sensitivity analysis differently. Consequently, individual sensitivity analyses were performed.

	The Group			
	% Change in Currency Rate	**Effect on profit before tax 2023 $'000**	**% Change in Currency Rate**	**Effect on profit before tax 2022 $'000**
Currency:				
USD – Revaluation	1	9,431	1	838
USD – Devaluation	(4)	(37,734)	(4)	(3,352)

	The Company			
	% Change in Currency Rate	**Effect on profit before tax 2023 $'000**	**% Change in Currency Rate**	**Effect on profit before tax 2022 $'000**
Currency:				
USD – Revaluation	1	10,590	1	311
USD – Devaluation	(4)	(42,359)	(4)	(1,243)

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the group to cash flow interest risk, whereas fixed interest rate instruments expose the group to fair value interest risk.

The group's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-bearing financial assets and interest-bearing financial liabilities.

The following tables summarises the exposure to interest rate risk. It includes the financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	The Group						
	Within 1 Month $'000	**1 to 3 Months $'000**	**3 to 12 Months $'000**	**1 to 5 Years $'000**	**Over 5 Years $'000**	**Non – Interest Bearing $'000**	**Total $'000**
				2023			
Financial Assets							
Receivables	-	-	-	-	-	9,270	9,270
Cash and cash equivalent	38,245	-	-	-	-	20	38,265
Total financial assets	38,245	-	-	-	-	9,290	47,535
Financial Liabilities							
Payables	-	-	-	-	-	157,697	157,697
Due to related parties	-	-	-	-	-	22,574	22,574
Long term payable	-	-	-	-	-	28,547	28,547
Borrowings	-	-	-	232,299	1,464,030	-	1,696,329
Lease liability	-	-	-	91,066	69,444	-	160,510
Total financial liabilities	-	-	-	323,365	1,533,474	208,818	2,065,657
Total interest repricing gap				(323,365)	(1,533,474)	(199,528)	(2,018,122)

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	The Group						
	Within 1 Month $'000	**1 to 3 Months $'000**	**3 to 12 Months $'000**	**1 to 5 Years $'000**	**Over 5 Years $'000**	**Non – Interest Bearing $'000**	**Total $'000**
				2022			
Financial Assets							
Receivables	1,845	-	-	-	-	5,139	6,984
Cash and cash equivalent	143,288	-	-	-	-	20	143,308
Total financial assets	145,133	-	-	-	-	5,159	150,292
Financial Liabilities							
Payables	7,791	-	-	-	-	76,836	84,627
Due to related parties	-	-	-	-	-	3,516	3,516
Long term payable	-	-	-	-	-	27,930	27,930
Borrowings	656	1,328	6,247	84,410	717,224	-	809,865
Lease liability	-	-	-	16,558	157,952	-	174,510
Total financial liabilities	8,447	1,328	6,247	100,968	875,176	108,282	1,100,448
Total interest repricing gap	136,686	(1,328)	(6,247)	(100,968)	(875,176)	(103,123)	(950,156)

	The Company						
	Within 1 Month $'000	**1 to 3 Months $'000**	**3 to 12 Months $'000**	**1 to 5 Years $'000**	**Over 5 Years $'000**	**Non – Interest Bearing $'000**	**Total $'000**
				2023			
Financial Assets							
Receivables	-	-	-	-	-	8,349	8,349
Cash and cash equivalent	36,351	-	-	-	-	20	36,371
Total financial assets	36,351	-	-	-	-	8,369	44,720
Financial Liabilities							
Payables	-	-	-	-	-	150,000	150,000
Due to related parties	-	-	-	-	-	136,187	136,187
Long term payable	-	-	-	-	-	28,548	28,548
Borrowings	-	-	-	178,323	1,394,253	-	1,572,576
Lease liability	-	-	-	91,066	69,444	-	160,510
Total financial liabilities	-	-	-	269,389	1,463,697	314,735	2,047,821
Total interest repricing gap	36,351	-	-	(269,389)	(1,463,697)	(306,366)	(2,003,101)

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) *Interest rate risk (continued)*

	The Company						
	Within 1 Month $'000	**1 to 3 Months $'000**	**3 to 12 Months $'000**	**1 to 5 Years $'000**	**Over 5 Years $'000**	**Non – Interest Bearing $'000**	**Total $'000**
				2022			
Financial Assets							
Receivables	-	-	-	-	-	5,139	5,139
Cash and cash equivalent	95,677	-	-	-	-	20	95,697
Total financial assets	95,677	-	-	-	-	5,159	100,836
Financial Liabilities							
Payables	-	-	-	-	-	76,836	76,836
Due to related parties						35,207	35,207
Long term payable	-	-	-	-	-	27,930	27,930
Borrowings				28,821	647,187	-	676,008
Lease liability	-	-	-	16,558	157,952	-	174,510
Total financial liabilities	-	-	-	45,379	805,139	139,973	990,491
Total interest repricing gap	95,677	-	-	(45,379)	(805,139)	(134,814)	(889,655)

Interest rate sensitivity

The group and company have no significant sensitivity to interest rate risk.

3. Financial Risk Management (Continued)

(d) Fair values of investments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The following tables provide an analysis of financial assets held as at the year-end that, subsequent to initial recognition, are measured at fair value. The financial assets are grouped into levels 1 to 3 based on the degree to which the fair value is observable, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical instruments.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the instrument, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the instrument that are not based on observable market data (unobservable inputs).

The amounts included in the financial statements for cash and cash equivalents, receivables, payables, and due to related party reflect their approximate fair values because of the short-term maturity of these instruments.

3. Financial Risk Management (Continued)

(e) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
Gearing ratio	19%	12%	21%	13%

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has not made any judgements that would have a significant impact on the amounts recognised in the financial statements.

(b) Key Sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

i. Valuation of investment properties

Investment properties are carried in the statement of financial position at market value. The Group used independent qualified property appraisers to value its investment properties annually, generally using the income capitalisation approach. This approach takes into consideration various assumptions and factors that require estimation and judgement. Assumptions are made about key factors, in particular rental income, capitalisation rate and discount rate. A change in any of these assumptions and factors could have a significant impact on the carrying value of the investment properties.

ii. Determination of the classification of right-of-use asset

The Company leases commercial property from its former parent company. As a condition of its license under the Special Economic Zone Act, it was required that the leased commercial property be included in the designated special economic zone based upon the landholdings and its previous inclusion as part of the Free Zone. In order to satisfy this requirement, the Company entered into a leasing arrangement for the full square footage of the commercial property and all existing leases in relation to the commercial property were assigned to the Company. The effect of this arrangement is that the Company holds a building under a lease and sub-lets square footage under operating leases.

The right-of-use asset that is recognised in relation to the head lease is not held for the intention of earning rent or holding for capital appreciation. The right-of-use asset is held for administrative purposes to satisfy the requirements of its business as a multi-purpose developer within the real estate management and development sector. As a result of this, the right-of-use asset is classified a property, plant and equipment.

5. Segment Financial Reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The main activities of the Group comprise the rental of properties in Kingston, Jamaica. These activities are organised and reported on as one main business segment.

The Group operates in one geographical segment - Jamaica. It operates in the provision of rental properties to the BPO sector. The majority of the revenue earned by the Group is obtained from one main tenant which accounts for approximately 80% (2022 – 78%) of the total revenue for the Group and 94% (2022-93%) of the total revenue for the company.

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6. Revenue

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Business process outsourcing sector	423,554	390,182	423,554	390,182
Other	103,900	109,188	28,995	30,938
	527,454	499,370	452,549	421,120

Revenue is earned on a monthly basis based on the contract terms with the customers.

7. Other Operating Income

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Interest income	39	77	30	37
Foreign exchange gain	1,929	403	-	-
Other Income	3,419	11,311	2,491	11,311
	5,387	11,791	2,521	11,348

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8. Expenses by Nature

Total direct, administration, other operating expenses and net impairment losses on financial assets:

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Administration fees	2,988	3,477	2,497	3,306
Auditors' remuneration	4,326	5,208	2,826	3,364
Depreciation (Notes 14 and 16)	38,215	46,640	38,084	43,457
Directors Expenses	1,725	2,100	1,725	2,100
Electricity	1,475	3,459	1,475	3,459
Insurance	16,310	11,525	10,293	6,805
Legal and professional fees	1,045	2,677	1,035	2,677
Other	8,717	3,579	8,397	3,314
Property Management Fees	47,390	49,131	38,898	42,133
Rates and taxes	1,178	8,969	381	8,569
Registration and subscription fees	12,937	4,000	12,937	4,000
Rental Expenses	6,809	-	6,809	-
Repair and maintenance	3,835	12,260	3,642	11,391
Salaries and related costs (Note 9)	2,813	2,282	2,813	2,282
Security	37,203	23,528	24,979	16,810
Telephone	-	680	-	680
Travelling and entertainment	-	258	-	258
Total Administration Expenses	186,966	179,773	156,791	154,605
Net impairment losses on financial assets	-	-	-	-
	186,966	179,773	156,791	154,605

Audit fees for the year ended 31 December 2023 totalled $4,326,000(2022: $5,208,000). Other fees paid to the auditor (and related network firms) for non-assurance services totalled $532,000 (2022: $718,000).

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9. Salaries and Related Costs

	The Group and The Company	
	2023	**2022**
	$'000	**$'000**
Salaries	2,242	2,074
Payroll taxes – employer portion	336	208
Other	235	-
	2,813	2,282

10. Finance Costs

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Exchange losses	7,671	19,119	7,671	19,119
Interest on lease liability (Note 16d)	14,910	10,658	14,910	10,658
Loan processing fee	-	7,860	-	7,860
Financing charge	1,800	-	1,800	-
Loan interest	60,158	52,011	47,612	38,780
	84,539	89,648	71,993	76,417

11. Taxation

(a) Taxation comprises income tax at 12.5% (2022: 25%) on the profit for the year, adjusted for tax purposes:

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Current income tax	7,047	9,993	724	1,192

(b) The tax on the Group's profit before tax differs from the theoretical amount that would arise using the statutory tax rate as follows:

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Profit before tax	1,772,492	858,574	1,597,951	526,269
Tax calculated at 12.5% (2022: 25%)	199,744	214,644	199,744	131,567
Income taxed at 25%	43,902	-	-	-
Income not subject to tax	(209,907)	(208,828)	(174,820)	(97,545)
Amount not deemed taxable under the Special Economic Zone Act	(37,665)	(45,228)	(37,665)	(45,228)
Deferred tax asset (liabilities) not recognised	923	14,355	923	2,763
Expenses not deductible for tax	6,742	2,056	6,742	2,056
Other	3,308	24,193	5,800	7,579
	7,047	9,993	724	1,192

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11. Taxation (Continued)

The company was granted special economic zone status under the Special Economic Zone Act of Jamaica effective on 1 January 2022. Based on the company's tax status resulting in uncertainty of its ability to utilize tax losses in the foreseeable future, deferred taxes resulting therefrom are not recognised. The tax rate applied to entities within the SEZ act is 12.5% and it is applied once the company is not renting space to entities with which they share common control. In the prior year the company earned rental income from entities with which they shared common control, hence the 25% tax rate was applicable during the period. In the current period they were no longer renting space to entities under common control making them applicable to apply the 12.5% rate. The group's subsidiary, Unity Capital Incorporated is not a part of the Special Economic Zone Act and as such is taxed at a rate of 25%.

12. Earnings per Stock Unit

	2023 $'000	2022 $'000
Profit for the year attributable to ordinary stockholders	1,765,445	848,581
Weighted average number of shares	757,828	757,828
Total basic and diluted earnings per stock unit attributable to ordinary shareholders	2.33	1.12

13. Net Profit and Retained Earnings

The net profit and retained earnings attributable to the shareholders of the Group are reflected in the accounts of the Company and its subsidiaries as follows:

	2023 $'000	2022 $'000
Net Profit		
The Company	1,597,227	525,077
Subsidiary	168,218	323,504
	1,765,445	848,581

	2023 $'000	2022 $'000
Retained Earnings		
The Company	5,651,283	4,245,786
Subsidiary	830,965	662,747
	6,482,248	4,908,533

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14 Property, Plant and Equipment

	The Group		
	Leasehold Improvements	Machinery and Equipment	Total
	$'000	$'000	$'000
Cost -			
1 January 2022	316	62,587	62,903
Exchange rate adjustment	-	145	145
31 December 2022 and 2023	316	62,732	63,048
Accumulated Depreciation -			
1 January 2022	316	44,691	45,007
Charge for the year	-	8,205	8,205
Exchange rate adjustment	-	31	31
31 December 2022	316	52,927	53,243
Charge for the year	-	4,978	4,978
Exchange rate adjustment	-	(144)	(144)
31 December 2023	316	57,761	58,077
Net Book Value -			
31 December 2023	-	4,683	4,683
31 December 2022	-	9,660	9,660

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14. Property, Plant and Equipment (Continued)

	The Company		
	Leasehold Improvements	**Machinery and Equipment**	**Total**
Cost -	**$'000**	**$'000**	**$'000**
31 December 2022 and 31 December 2023	316	44,943	45,259
Accumulated Depreciation -			
1 January 2022	316	30,393	30,709
Charge for the year	-	5,022	5,022
31 December 2022	316	35,415	35,731
Charge for the year	-	4,845	4,845
31 December 2023	316	40,260	40,576
Net Book Value -			
31 December 2023	-	4,683	4,683
31 December 2022	-	9,528	9,528

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15. Investment Properties

	The Group		
	Land	**Building**	**Total**
	$'000	**$'000**	**$'000**
Fair value -			
1 January 2022	1,562,507	4,606,587	6,169,094
Capitalised subsequent expenditure	-	83,355	83,355
Net gain from fair value adjustment	184,090	432,744	616,834
Exchange differences	(4,078)	(4,974)	(9,052)
31 December 2022	1,742,519	5,117,712	6,860,231
Capitalised subsequent expenditure	-	1,170,792	1,170,792
Net gain from fair value adjustment	29,450	1,481,706	1,511,156
Exchange differences	3,640	6,890	10,530
31 December 2023	1,775,609	7,777,100	9,552,709

	The Company		
	Land	**Building**	**Total**
	$'000	**$'000**	**$'000**
Fair value -			
1 January 2022	1,128,089	4,079,075	5,207,164
Capitalised subsequent expenditure	-	83,355	83,355
Net gain from fair value adjustment	184,100	140,723	324,823
31 December 2022	1,312,189	4,303,153	5,615,342
Capitalised subsequent expenditure	-	1,170,792	1,170,792
Net gain from fair value adjustment	29,450	1,342,215	1,371,665
31 December 2023	1,341,639	6,816,160	8,157,799

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15. Investment Properties (Continued)

i. Amounts recognised in profit or loss for investment properties

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Rental income from operating lease	527,454	499,370	452,549	421,120
Direct operating expenses from property that generated rental income	56,727	72,659	47,543	58,943
Direct operating expenses from property that did not generate rental income	33,382	23,006	21,158	18,196
Fair value gain recognised	1,511,156	616,834	1,371,665	324,823

ii. Measuring investment properties at fair value

Investment properties were valued at current market value as at 31 December 2023 by NAI Jamaica Langford and Brown, independent qualified property appraisers and valuators. The values of the properties have been established using the income capitalisation approach, which uses as key inputs rental income from existing contracts, discount rate and a capitalisation rate, reflective of a rate of return. The company has opted to present the fair values of its land and building separately.

The fair values on the investment properties are at level 3 in the fair value hierarchy, as, consistent with the requirements of IFRS 13, certain of the inputs into the valuation process are deemed to be unobservable; those being the discount rate and capitalisation rate. Management considers the rental rates used in the calculations to be observable as they represent actual rentals which are unadjusted. An explanation of each level is provided in note 3.

During the year, a certain piece of Investment property under construction has been measured at fair value as it is considered to be reliably determinable due to construction being substantially completed. In the prior year, the Group commenced construction of the same said investment property. Management concluded that the fair value of this property could not reliably be determined. In the prior year, this property was measured at cost.

The valuations are done in United States dollars which means the exchange rate for the Jamaican dollar against the United States dollar will affect the valuation proportionately. Any percentage change in the exchange rate will affect the valuations proportionately.

The exchange rate used was 154.99 (2022: 149.9643)

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15. Investment Properties (Continued)

ii. Measuring investment properties at fair value (continued)

	The Group			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
	2023			
Investment properties	-	-	9,552,709	9,552,709

	The Group			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
	2022			
Investment properties	-	-	6,860,231	6,860,231

	The Company			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
	2023			
Investment properties	-	-	8,157,799	8,157,799

	The Company			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
	2022			
Investment properties	-	-	5,615,342	5,615,342

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. There were no transfers into and out of level 3 measurements.

The movement analysis table included above shows the changes in Level 3 investment properties for the years ended 31 December 2023 and 31 December 2022.

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15. Investment Properties (Continued)

iii. Significant estimate – fair value of investment property

The assumptions to which the fair values are most sensitive to are the capitalisation rate and the discount rate

The Group

Fair value at December 2023 $'000	Fair value at December 2022 $'000	Valuation Technique	Unobservable Inputs $'000	Value of unobservable inputs 2023	Value of unobservable inputs 2022	Relationship of unobservable inputs to fair values $'000
9,552,709	6,860,231	Investment Approach	Capitalisation Approach	7%	7%	If the capitalization rate increases/ (decreases), the fair value will decrease /increase
			Discount rates	8%	8%	If the discount rate decreases/ increases, the fair value will decrease/increase

The Company

Fair value at December 2023 $'000	Fair value at December 2022 $'000	Valuation Technique	Unobservable Inputs $'000	Value of unobservable inputs 2023	Value of unobservable inputs 2022	Relationship of unobservab le inputs to fair value $'000
8,157,799	5,615,342	Investment Approach	Capitalisation Approach	7%	7%	If the capitalization rate increases/ (decreases), the fair value will decrease /increase
			Discount rates	8%	8%	If the discount rate decreases/ increases, the fair value will decrease/increase

15. Investment Properties (Continued)

iii. Significant estimate – fair value of investment property (continued)

The increase or decrease in the key assumptions would have an effect on the fair value of investment properties as reflected below:

	The Group			
	2023	**2023**	**2022**	**2022**
	Increase	**Decrease**	**Increase**	**Decrease**
	0.50%	0.50%	0.50%	0.50%
	$'000	**$'000**	**$'000**	**$'000**
Capitalisation rate	(323,226)	435,703	(289,338)	332,482
Discount rate	(327,290)	404,155	(294,732)	308,516

	The Company			
	2023	**2023**	**2022**	**2022**
	Increase	**Decrease**	**Increase**	**Decrease**
	0.50%	0.50%	0.50%	0.50%
	$'000	**$'000**	**$'000**	**$'000**
Capitalisation rate	(288,832)	367,930	(288,089)	331,233
Discount rate	(291,173)	339,135	(293,483)	307,267

iv. Non – current assets pledged as security

Refer to note 26 for information on non-current assets pledged as security by the Group.

v. Leasing arrangements

The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease payments for some contracts include an annual increase.

Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

15. Investment Properties (Continued)

vi. Leasing arrangements (continued)

Minimum lease payments receivable on leases of investment properties are as follows:

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Within 1 year	512,081	211,346	431,825	211,283
Between 1 year and 2 years	584,650	126,449	515,019	126,385
Between 2 years and 3 years	561,903	30,380	487,986	30,314
Between 3 years and 4 years	582,107	2,978	505,095	2,911
Between 4 years and 5 years	585,964	1,833	522,916	1,764
	2,826,705	372,986	2,462,841	372,657

16. Leases

This note provides information for leases where the Group and Company are lessees.

(a) Amounts recognised in the statement of financial position

	The Group and Company	
	2023	**2022**
	$'000	**$'000**
Right-of-use asset		
Property, plant and equipment	138,997	172,235

The right-of-use asset in the statement of financial position relate to leased commercial property.

	The Group and Company	
	2023	**2022**
	$'000	**$'000**
Lease liability		
Current	21,683	16,557
Non-current	138,827	157,953
	160,510	174,510

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16. Leases (Continued)

(b) Right-of-use asset

	The Group and Company $'000
Cost-	
At 1 January 2022	229,772
Addition	851
At 31 December 2022 and 2023	230,623
Accumulated Depreciation-	
At 1 January 2022	19,953
Charge for the year	38,435
At 31 December 2022	58,388
Charge for the year	33,238
At 31 December 2023	91,626
Carrying Amount	
31 December 2023	138,997
31 December 2022	172,235

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16. Leases (Continued)

(c) Lease liability

	The Group and Company $'000
At 1 January 2022	214,585
De-recognition of lease liability	(21,926)
Lease payments	(28,498)
Interest	10,348
At 31 December 2022	174,510
Lease payments	(28,910)
Interest	14,910
At 31 December 2023	160,510

The incremental borrowing rate applied to the lease liability is 9.28% (2022 – 9.28%).

(d) Amounts recognised in the statement of profit or loss

	The Group and Company	
	2023 $'000	2022 $'000
Depreciation charge – right-of-use assets	33,238	38,435
Interest expense	14,910	10,658
Income from subleasing right-of-use assets	8,284	12,999

(e) Amounts recognised in statement of cash flows

	The Group and Company	
	2023 $'000	2022 $'000
The total cash outflow for leases	28,910	28,498

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17. Investment in Subsidiary

	The Company	
	2023 $'000	2022 $'000
Unity Capital Incorporated		
Shares, at cost	151,765	151,765

18. Receivables

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Trade receivables	5,002	7,092	4,081	5,247
Less: provision for credit losses	(2,567)	(3,890)	(2,567)	(3,890)
Trade receivables, net	2,435	3,202	1,514	1,357
Other	6,835	3,782	6,835	3,782
General Consumption Tax	4,376	-	4,376	-
Prepayments	11,961	1,442	8,697	1,442
	25,607	8,426	21,422	6,581

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19. Cash and Cash Equivalents

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Cash at bank	38,245	143,288	36,351	95,677
Cash in hand	20	20	20	20
	38,265	143,308	36,371	95,697

Cash at bank includes United States dollar savings account. Interest is currently 0.03% (2022 - 0.10%) per annum for the Group and the Company.

20. Payables

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Accruals	1,531	4,151	1,196	2,405
Audit fees	5,169	4,221	3,524	2,140
General Consumption Tax payable	-	912	-	-
Construction payables	127,640	-	127,640	-
Other Payables	23,357	18,506	17,640	15,454
Dividends payable	-	56,837	-	56,837
	157,697	84,627	150,000	76,836

Construction payables are amounts payable to the contractor and material suppliers.

21. Share Capital

	2023 $'000	2022 $'000
Authorised -		
11,000 (2022 -11,000) 6% Cumulative Preference shares		
757,870,478 (2022 - 757,870,478) Ordinary shares		
Issued and fully paid -		
10,830 (2022 -10,830) 6% Cumulative Preference shares	22	22
757,828,490 (2022 – 757,828,490) Ordinary shares	811,911	811,911
	811,933	811,933

22. Capital Reserve

This represent capital reserve on the acquisition of former fellow subsidiary Unity Capital Incorporated.

23. Cumulative Translation Reserve

The cumulative translation reserve comprises currency translation differences from the unrealised gains and losses on the translation of the net assets of the subsidiary which has a different functional currency from the Company.

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24. Related Party Transactions and Balances

(a) Related party transactions

	The Group		The Company	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
Revenue				
Canopy Insurance Limited	17,644	16,685	17,644	16,685
General Accident Insurance Company Limited	57,024	53,817	3,120	600
The Musson Group Foundation	1,226	1,215	1,226	1,215
Transactions E-Pins Limited	-	3,305	-	3,305
Eppley Jamaica Limited	7,652	7,150	-	-
Property Management Fees				
Felton Property Services Limited	47,390	49,131	38,898	42,133

(b) Year-end balances arising from transactions with related parties:

Payable to related parties

	The Group		The Company	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
Unity Capital Incorporated	-	-	113,613	31,691
Felton Property Management Limited	15,247	3,516	15,247	3,516
Eppley Jamaica Limited	7,327	-	7,327	-
	22,574	3,516	136,187	35,207

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24. Related Party Transactions and Balances (Continued)

(c) Key management compensation

	The Group and Company	
	2023	**2022**
	$'000	**$'000**
Directors emoluments:		
Fees	1,725	2,100

(d) Dividends declared

	2023	**2022**
	$'000	**$'000**
Dividends paid	127	127

25. Deferred Income Taxes

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 25%. Due to the fact that the Company was granted special economic zone status, the Group has not recognised deferred taxes. The attributed deferred tax asset that have not been recognised in the statement of financial position is $3,846,000 (2022: $14,354,000) for the Group and ($923,000) (2022: $2,763,000) for the Company.

Deferred income tax assets and liabilities that would have been recognised in the statement of financial position are attributable to the following items:

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Interest payable	-	-	-	1,142
Property, plant and equipment	1,188	1,516	1,188	618
Unrealised foreign exchange gain/(loss)	(265)	12,839	(265)	(1,353)
	923	14,355	923	407

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26. Borrowings

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
First Global Bank-Syndicated Loan Facility (a)	925,390	-	925,390	-
First Global Bank (b)	647,186	676,008	647,186	676,008
Jamaica National Building Society (c)	123,753	133,857	-	-
	1,696,329	809,865	1,572,576	676,008
Current portion	(39,224)	(36,525)	(30,418)	(28,821)
	1,657,105	773,340	1,542,158	647,187

(a) First Global Bank – Syndicated Loan Facility

The loan amount disbursed was US$5,950,280 This loan is repayable over 10 years and is amortised over 13 years with a moratorium of 24 months on principal. The interest rate on this loan is 8.75%. The rate is variable.

The loan is secured by the following:

- Second registered mortgage over Lot B1, Lot B3, Lot 2, Lot 4, Lot 6, and Lot 8 of land situated at 58 Half Way Tree Road, registered at volume 1512 folio 520, volume 1512 folio 522, volume 1496 folio 9, volume 1495 folio 819, volume 1475 folio 670, volume 1496 folio 10 of the Registered Book of Titles,;
- Endorsement of Lender as loss payee in relation to Contractors All Risk Insurance and Fire and Allied Peril Insurance for the full replacement value of all assets the subject;
- Assignment of lease agreements concerning those properties owned by the Company;
- Second Debenture in favour of Syndicated Lenders over real property, other fixed and floating future assets belonging to the borrower

(b) First Global Bank Limited

This loan facility was used to refinance a United States Dollar denominated facility previously granted by the Development Bank of Jamaica Limited for the construction of Unit 4 at 58 Half Way Tree Road, Kingston 10. The total credit facility is J$786,000,000. The loan amount disbursed was $698,395,693 and is repayable over 180 months. The facility has a 7.125% fixed interest rate for three (3) years, thereafter the interest rate is variable at a rate pegged to the six (6) month weighted average treasury bill yield.

The loan is secured by the following;

- First Demand Debenture over all present and future assets of the borrower, stamped to cover J$786,000,000.
- First Legal Mortgage over commercial property located at Building 4, 58 Half Way Tree Road, Kingston 10, registered in the name of the borrower at Volume 1496 Folio 9; Volume 1495 Folio 819; Volume 1475 Folio 670; Volume 1496 Folio 10 and Volume 1512 Folio 522.
- Assignment of Peril Insurance over the mortgaged property for the full replacement value.
- Subordination of loans made to the borrower by its Directors and Shareholders to the facilities extended by the Bank.

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26. Borrowings(Continued)

(c) Jamaica National Building Society

This is secured by a first registered mortgage over Volume 1128 and folio 126, situated at 58 Half Way Tree Road. These land and buildings are owned by Unity Capital Incorporated. The original loan amount is J$170,000,000 and is repayable over 202 months and at an interest rate of 9.75%. The loan matures in December 2032.

(d) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	The Group			The Company		
	Borrowings	**Lease**	**Total**	**Borrowing**	**Lease**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Net debt as at 1 January 2022	817,106	214,585	1,031,691	674,032	214,585	888,617
Loans received	698,396	-	698,396	698,396	-	698,396
Loans repaid	(713,702)	(40,075)	(753,777)	(706,233)	(40,075)	(746,308)
Interest expense	52,010	10,658	62,668	38,779	10,658	49,437
Interest paid	(52,010)	(10,658)	(62,668)	(38,779)	(10,658)	(49,437)
Foreign exchange adjustment (non-cash)	8,065	-	8,065	9,813	-	9,813
Net debt as at 31 December 2022	809,865	174,510	984,375	676,008	174,510	850,518
Loans received	925,390	-	925,390	925,390	-	925,390
Loans repaid	(39,295)	(14,000)	(53,295)	(28,822)	(14,000)	(42,822)
Interest expense	60,157	14,910	75,067	47,611	14,910	62,521
Interest capitalised during the year	22,759	-	22,759	22,759	-	22,759
Interest paid	(82,547)	(14,910)	(97,457)	(70,370)	(14,910)	(85,280)
Foreign exchange adjustment (non-cash)	-	-	-	-	-	-
Net debt as at 31 December 2023	1,696,329	160,510	1,856,839	1,572,576	160,510	1,733,086

26. Borrowings(Continued)

(e) Fair value of Non-current borrowings

The fair values of non-current borrowings are based on discounted cash flows using the current borrowing rate of 8.75% for the First Global Bank Syndicated loan, 7.125% for the First Global Bank loan and 9.75% (2022 - 9.28%) for the Jamaica National Building Society loan. They are classified as level 2 fair values in the fair value hierarchy.

	Group			
	Carrying amount		Fair value	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
First Global Bank – Syndicated	925,390	-	1,139,552	-
First Global Bank	616,768	647,186	605,411	593,472
Jamaica National Building Society	114,947	126,154	185,517	141,453
	1,657,105	773,340	1,930,480	734,925

	Company			
	Carrying amount		Fair value	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
First Global Bank	616,768	647,186	605,411	593,472
First Global Bank – Syndicated	925,390	-	1,139,552	-
	1,542,158	647,186	1,744,963	593,472

27. Long Term Payables

This represents rent deposit payable for leased property rented by the Company. The rent deposit payable becomes due upon the lessee terminating the lease. The lease period attributed with the lease properties is five (5) years with an option to terminate in the fourth year.

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28. Dividends

	2023 $'000	2022 $'000
First interim dividend for 2023 declared 05 October 2023 – 13.5¢	102,306	-
Second interim dividend for 2023 declared 23 November 2023 – 11.8¢	89,424	-
First interim dividend for 2022 declared 31 March 2022 – 11.2¢	-	84,877
Second interim dividend for 2022 declared 08 August 2022 – 6.6¢	-	50,017
Third interim dividend for 2022 declared 15 December 2022 – 7.5¢	-	56,837
	191,730	191,731