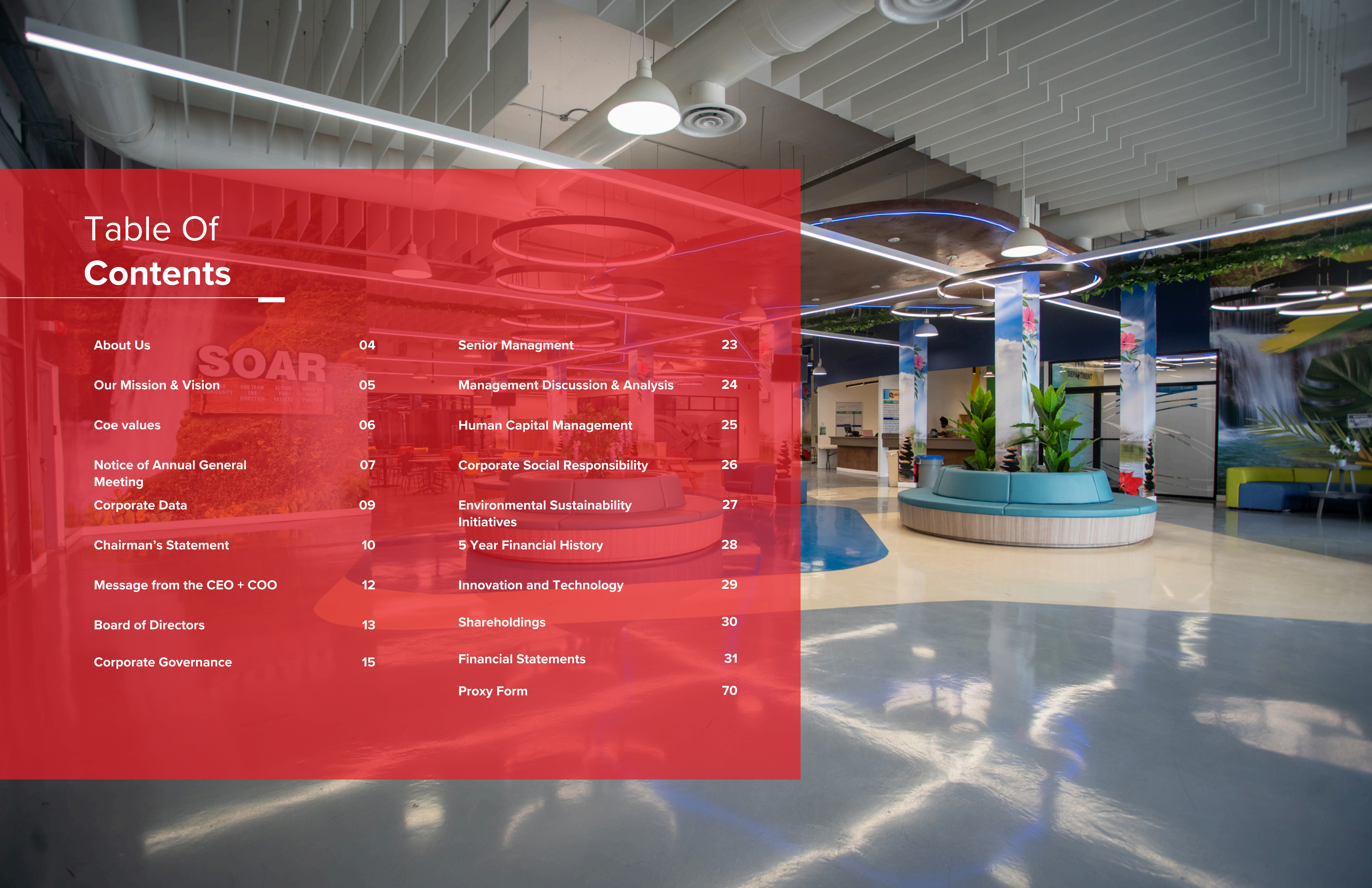
ANNUAL REPORT

20

A YEAR OF RESILIENCE

23

JFP COMMERCIAL CONTRACT FURNITURE MANUFACTURERS



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About Us

Founder Stephen Sirgany's passion for race cars is what propelled him into business. Having learned the trade of molding fibreglass in Florida, he gained the experience to produce a body kit for his private car, which drew the attention of Alfa Romeo of North America. He was able to secure an order to provide those kits for their limited edition car called the 'Maratona'. What an exciting feeling that was for him! With his new vision and given the labour-intensive nature of the work and the size of the order, he opted to move to Jamaica.

Stephen joined forces with his cousin Ray producing the interior of fridges as well as the body kits. Developing new products and garnering new customers within the automotive industry was intriguing. He then manufactured three prototypes of vending carts and filled them with merchandise, jerk chicken and cold drinks to showcase for a government tender. The determination to excite recipients with his creativity was high, so much so that he pushed them across the street from his workshop to make the presentation at Jamaica House. It was well worth it as the contract was awarded which saw the birth of JFP Limited (formerly Jamaica Fibreglass Products Ltd).

It's a proud feeling to see JFP grow from its humble beginnings, which started with a couple of employees working under a mango tree, to a 75,000sq.ft facility employing approximately 92 employees.

At the time of inception, JFP was primarily a fibreglass furniture manufacturing company, but over the years transitioned into woodwork, metalwork, upholstery, solid surface and acrylic. The six forms of manufacturing when combined, produces interior decor packages for commercial entities and allows JFP to provide unique services/settings, such as the retrofitting of buses for National Housing Trust, Ministry of Health and Wellness, Human Employment and Resource Training (HEART), Child Development Agency, Stewarts Industrial among others. The company occupies 75,000sq.ft of factory space and currently employs approximately 92 persons full time, some of whom have been with the company since the inception of the company. JFP prides itself on creating and maintaining a positive working environment for employees while keeping a keen interest in its environs and surrounding communities.

JFP has the industry's most up-to-date equipment, such as computerized CNC Routers among others and designs, develops, manufactures, installs, and offers after-sales service on all products sold, thus providing the customers with support for the life of the product. JFP's products are of the highest quality and can compete on any international market.

Some of JFP's customers include:
Mothers, Tastee, Starbucks, KFC, Pizza Hut, TGIF, JDF, Toyota, LIME, Digicel, Spanish Court Hotel, S Hotel Montego Bay, Courtyard Marriott, AC by Marriott Hotel, ROK Hotel Kingston, PF Chang, Decameron Hotel, PICA, among others.

JFP Exports to the Caribbean and Latin America and USA
Countries include:
Trinidad, Barbados, Antigua, Saint Vincent and the Grenadines, St. Lucia, Dominica, Bermuda, Guyana, Panama and USA to name a few.

Types of Products
Restaurant Décor Packages: tables, chairs, planters, garbage bins, counters, divider walls
Office Furniture: desks, workstations, chairs, file cabinets, computer desks
Hotel Furnishing: Bed base with headboard, nightstands, luggage racks, tv units, desks, patio, pool and seaside furniture, lobby furniture, common area furniture, restaurant furnishing
tables, chest of drawers, closets, sofa chairs, molding, valance
Retrofit of Buses, Ambulances: desks, booths, benches, partition system
Point of Sale Display: display units, charging stations

Our **Mission**

To design and manufacture the highest quality commercial furnishings for local and overseas markets, on time and within budget. To create and maintain a positive working environment for our employees whilst keeping a keen interest in the environment and communities that we live and work in. To make our country proud, by being a leading exporter of fine workmanship and design to all corners of the world.

Our **Vision**

"To manufacture the highest quality products."

JFP'S CORE VALUES

EMPLOYEES

Employee Value and Well-being: We believe that our employees are our most valuable asset. We are committed to providing a safe, healthy, and inclusive work environment that promotes personal and professional growth, and fosters a culture of respect, teamwork, and excellence.

CUSTOMERS

Customer Satisfaction: We are dedicated to delivering high-quality products and services that meet and exceed our customers' expectations. We listen to our customers' needs, continuously improve our processes to ensure their satisfaction and provide a world class service.

COMMUNITY

Community Development: We recognize the importance of giving back to our community. We actively support initiatives that promote education, health, and social welfare, and collaborate with local organizations to create a positive impact on the lives of those around us.

SHAREHOLDERS

Shareholder Commitment/Value: We are committed to creating sustainable value for our shareholders. We operate with transparency, integrity, and accountability., and strive to achieve profitable growth while managing risks and maximizing returns.

COUNTRY

Corporate Social Responsibility: We understand the importance of responsible business practices. We integrate environmental, social, and governance considerations into our operations, and work to minimize our impact on the environment, respect human rights, and contribute to the well-being of our stakeholders.

At JFP Limited, we are guided by a set of core values that drive our decisions, actions, and interactions. Our commitment to these values allows is to create a positive impact on the lives of our stakeholders, contribute to the development of our community, and achieve sustainable growth.

Notice of Annual **General Meeting**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **JFP Limited** will be held on.

DATE: Wednesday, June 5, 2024
TIME: 10:00 a.m.
PLACE: JFP Limited, 155 Spanish Town Road, Kingston 11

The purpose of the meeting is for transacting the following business:

1. To receive the Audited Financial Statements for the Year Ended December 31, 2023 together with the Reports of the Directors and Auditors thereon.

The Shareholders are asked to consider, and if thought fit, approve the following Resolution:

Ordinary Resolution No. 1

“That the Audited Financial Statements for the Year Ended December 31, 2023 together with the Reports of the Directors and Auditors thereon, be and are hereby adopted.”

1. To elect Directors

The Directors retiring by rotation in accordance with Regulation 113 of the company's Articles of Incorporation are Mr. Richard Sirgany and Dr. Adrian Mitchell, who being eligible for re- election, offer themselves for re-election.
The shareholders are being asked to consider, and if thought fit, approve the following Resolutions:

Ordinary Resolution No. 2

“That the Directors retiring by rotation be re-elected by a single resolution.”

Ordinary Resolution No. 3

“That Mr. Richard Sirgany and Dr. Adrian Mitchell, who are retiring by rotation in accordance with Regulation 113 of the Articles of Incorporation be and are hereby re-elected as Directors of the Company.”

1. To approve the remuneration of the non-executive Directors

The Shareholders are asked to consider, and if thought fit, approve the following Resolution:

Ordinary Resolution No. 4

“That the amount shown in the Audited Financial Statements for the Year Ended December 31, 2023 as fees paid to the non-executive Directors for their services as Directors, be and is hereby approved.”

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

The Shareholders are asked to consider, and if thought fit, approve the following Resolution:

Ordinary Resolution No.5

“That the remuneration of the Auditors, McKenley and Associates, who have signified their willingness to continue in office, be such as may be agreed between the Directors of the Company and the Auditors.”
Dated the 16th day of April, 2024

....
Cristina Matalon
Company Secretary
155 Spanish Town Road Kingston 11

IMPORTANT NOTICE TO THE SHAREHOLDERS UNABLE TO ATTEND THE ANNUAL GENERAL MEETING

A shareholder entitled to attend the meeting and to vote may appoint a proxy to attend on his/her behalf, and to vote (on a poll) on his/her behalf. A proxy need not be a shareholder of the Company.

A suitable Form of Proxy is enclosed. Forms of Proxy must be lodged at the Company's Office at 155 Spanish Town Road, Kingston 11, Attention: The Company Secretary, not less than 48 hours before the time of the meeting.

Proxy Forms submitted by Corporate Shareholders must be duly executed under the Common Seal of the company.


FLOW
RETENTION

Corporate Data

DIRECTORS
CHAIRMAN
Mrs. Lisa Simone Bell

EXECUTIVE
Mr. Metry Seaga
Mr. Stephen Sirgany

NON-EXECUTIVE
Richard Sirgany
Dr. Adrian Mitchell
Chantal Bennett
Lissant Mitchell

COMPANY SECRETARY
Mrs. Cristina Matalon

LIST OF SENIOR OFFICERS
Mr. Metry Seaga - Chief Executive Officer
Mr. Stephen Sirgany – Chief Operating Officer
Mrs. Lisa Sirgany – General Manager
Mrs. Maria Harvey – Chief Accountant
Mr. Steve Peart – Sales Manager

ATTORNEYS- AT-LAW
MH&CO
7 Barbados Avenue
Kingston 5

Phillipson Partners
48 Constant Spring Road
Kingston 10

BANKERS
National Commercial Bank
94 Half-Way-Tree Road
Kingston 10

AUDITOR
McKenley & Associates
Unit 11, Seymour Park
2 Seymour Park
Kingston 6, Jamaica

REGISTRAR AND TRANSFER AGENT
Jamaica Central Securities Depository
40 Harbour Street
Kingston, Jamaica

JFP LIMITED
REGISTERED OFFICE
155 Spanish Town Road
Kingston 11, Jamaica W.I.
(876) 758-3735
info@jfpmfg.com
www.jfpmfg.com

JFP
COMMERCIAL
CONTRACT
FURNITURE
MANUFACTURERS

Chairman's **Statement**

Dear Shareholders,

It is my pleasure to present to you the annual report for JFP Limited for fiscal year 2023. As the newly appointed Chairman, I am proud to lead a team dedicated to unlocking the full potential of this dynamic company. This means navigating the challenges of the manufacturing industry while leveraging opportunities for growth and innovation.

As we emerge from a period of disruption caused by the Covid 19 Pandemic, this year has been one of strategic reevaluation and laying the groundwork for future growth and sustainability. During this period, JFP continued its journey as a leading manufacturing business, serving diverse industries with our comprehensive range of products and services. Despite the inherent volatility in our sales, our commitment to operational excellence and customer satisfaction remained unwavering.
The year 2023 presented both challenges and opportunities for our company. Despite the global economic uncertainties and industry-specific challenges, we remained committed to our vision of being a solution provider in the manufacturing sector.

- **Revenue**: This decline can be attributed to several factors including increased competition and supply chain disruptions but our team is actively strategizing to address these issues and identify new revenue streams.

- **Tax Expense**: There was a noticeable increase in tax expenses during the fiscal year. This increase is primarily due to an outstanding tax obligation, one which has since been settled.

- **Net Loss**: Unfortunately, the culmination of these factors resulted in the company reporting a net loss for the fiscal year. While this is certainly a setback, it is also an opportunity for introspection and realignment of our business strategies.

Despite the financial challenges, we made progress on various operational fronts:

- **Innovation and R&D**: We intensified our efforts in research and development to stay ahead of the curve. Our investments in innovation aim to enhance product offerings, improve quality, and drive customer satisfaction.

- **Client Base Expansion**: found new customers in our largest industries; restaurant franchises and hospitality franchises. In the year 2023 we secured contracts for the first PF Chang's in the Caribbean and to supply Decameron with furnishings for their hotel rooms at their Montego Bay location. We are delighted to report that our sales team has been actively engaging with potential clients to identify emerging opportunities and address their evolving needs.

Looking ahead, our strategic priorities for the upcoming fiscal year include:

- Revenue Diversification: We will focus on diversifying our revenue streams by expanding into adjacent markets and introducing new product lines.

- Cost containment: We remain committed to cost reduction initiatives to improve profitability and operational resilience.

- Customer-Centric Approach: Our unwavering commitment to delivering value to our customers will continue to drive our decision-making processes and product/service development efforts.
- Sustainable Growth: We are mindful of the environmental and social impacts of our operations and will strive for sustainable growth that benefits all stakeholders.

In closing, while the fiscal year 2023 presented its share of challenges, it also provided us with valuable insights and opportunities for growth. Fueled by positive changes in the economy and with a clear strategic direction, a dedicated team, and the support of our shareholders, I am confident that we will emerge stronger and more resilient than ever before.
Thank you for your continued trust and support.

Lisa Simone Bell
Chairman


sagility™
EARTHQUAKE EMERGENCY RESPONSE PLAN

Message from the
CEO + COO

Dear Shareholders and Stakeholders,

We are honored to present to you the annual report for JFP Limited for the fiscal year 2023. It is our privilege to outline the challenges we have faced and the strategies we are implementing to navigate through these turbulent times, ensuring a path to enhanced efficiency and sustained growth.

Over the past year, JFP Limited has encountered operational challenges that have tested our resilience and adaptability. Despite the lingering effects of the pandemic, we have remained steadfast in our commitment to excellence, striving to overcome obstacles and optimize our performance.
One of the most persistent challenges we have faced is the shortage of skilled labor. Despite our efforts to recruit and train new personnel, filling key positions, especially in specialized areas such as carpentry, has proven to be a daunting task. However, we are actively exploring innovative solutions to address this issue and strengthen our workforce.

The introduction of new equipment and software has been instrumental in enhancing our manufacturing capabilities and streamlining processes. However, the learning curve associated with these technologies has temporarily impacted production as our employees adapt to unfamiliar systems and procedures. Nevertheless, we are confident that these investments will yield long-term benefits and position us for greater efficiency and productivity.

Furthermore, while we endeavor to accommodate design modifications to meet customer satisfaction, frequent changes have resulted in delays in production schedules. Each modification necessitates adjustments to workflow, materials, and scheduling, leading to disruptions in the manufacturing process. Nonetheless, we are implementing measures to improve communication and collaboration between departments to mitigate these delays and ensure smoother operations.

Shipping and clearance delays have also posed significant challenges, impacting the timely delivery of finished products to our customers. Despite logistical hurdles and transportation disruptions, we are actively addressing these issues through strategic partnerships and process improvements to minimize delays and enhance customer satisfaction.

Amidst these challenges, we are pleased to report that our intensified recruitment efforts and partnership with vocational school HEART Trust NTA have yielded positive results, with new recruits joining our workforce. This strategic collaboration reflects our commitment to investing in talent development and ensuring a sustainable pipeline of skilled professionals.

As we continue to navigate these operational challenges, we remain steadfast in our commitment to excellence. By adopting a multifaceted approach that combines strategic recruitment, comprehensive training, streamlined processes, and proactive analysis, we are confident that we will overcome current obstacles and position JFP Limited for sustained growth and success in the manufacturing industry. Thank you for your continued support and confidence in JFP Limited.

Warm regards,

Metry Seaga
Chief Executive Officer

Warm regards,

Stephen Sirgany
Chief Operating Officer

BOARD OF DIRECTORS

Mrs. Bell boasts over thirty years experience in providing financial, analytical, project and general management expertise. She has held key managerial positions in the financial services sector and within the public sector. Along with her stellar management performance, Mrs. Bell has a wealth of knowledge in credit and financial services especially as it relates to SMEs and the Export Sector.

Her most recent executive appointment was as Managing Director of the National Export-Import Bank of Jamaica (EXIM Bank). In this role, she led a team responsible for the overall management, business development, loan financing and general operations of the Bank, ensuring that EXIM Bank delivered on its mandate to promote sustainable economic growth and development for Jamaica's exporters and potential exporters.

Prior to joining EXIM Bank Mrs. Bell held the position of Deputy President of the Jamaica Trade and Invest (JAMPRO) where she contributed over eight years of service to the national investment and export agency. She also held executive appointments in the local financial services sector including at Alpha Financial Services Limited, Victoria Mutual Investments Limited and Citizens Bank . Mrs. Bell also worked overseas with both Anderson Consulting and the City of Miami Department of Management & Budget after completing her formal education.

As an experienced Board director, she has held several board appointments in both the private and public sector including at the regional level.

Mrs. Bell holds a Master of Business of Administration with a specialization in Finance, and a Bachelors of Business Administration from the University of Miami, Florida, USA.

Lisa S. Bell
Chairman

Metry Seaga (CEO) B.Sc. Degree in Business Administration
Metry Seaga, studied at Florida International university , graduated with a bachelor's in business administration in 1984. He returned home to run the family business, Compact Car Rental. He became involved in JUDA and served on the board first as a director then VP to Mike Campbell then became the youngest president of the esteemed Association.

He oversaw the merger of the JMA and the Jamaica Exporters Association to form the JMEA where he served as the first president for 4 years. He previously served as the first chairman of the Jamaica Special economic Zone Authority. He now serves as Chairman of E Learning Jamaica, Universal Service fund and is also the Deputy Chairman of PETROJAM, three of Jamaica's premier government agencies. He currently serves in the private sector as Chairman of AMG Packaging, Spur Tree Spices and is a board member of Paramount Trading, three publicly traded companies.

He is married with 2 children, 1 grandchild and two stepchildren. He enjoys playing golf in his limited spare time .

Metry Seaga
CEO

Stephen Sirgany is a seasoned and accomplished business leader with over 40 years of experience in the fiberglass and manufacturing industry. As the founder and Director of Operations, Production, and Finance of JFP Ltd, Mr. Sirgany has been instrumental in driving the company's success and growth.

With a strong history of devising precise and targeted business operations plans, Mr. Sirgany has successfully managed and led factory activities, overseeing all aspects of operations, including production, personnel, and finance.

His forward-thinking leadership style has been pivotal in setting goals, defining quality standards, and implementing effective marketing initiatives, resulting in the quick and efficient attainment of objectives.

Steve Sirgany
COO

Mr. Lissant I. Mitchell
Independent Director & Mentor

Mr. Lissant I. Mitchell, is an experienced financial services executive with a successful career spanning over twenty-five years at the senior management and executive levels. With tenures at local institutions as well as regional and international financial groups, he has a proven track record in designing and executing long term sustainable strategic priorities, change management, divestitures, mergers, acquisitions and share ownership privatization.

Mr. Mitchell has a Master's in Business Administration - Finance from the University of Manchester in the United Kingdom and a Bachelor of Science (Hons.) - Accounting with Economics from the University of the West Indies Mona, Jamaica.

A former Senior Vice President of Wealth Management at Scotiabank Group Jamaica Limited & former Chief Executive Officer at Scotia Investments Jamaica Limited (SIJL), Mr. Mitchell currently serves as a director of the National Insurance Fund Advisory Board in the capacity of the Chair of its Investment and Real Estate Committee, Indies Pharma Jamaica Limited in the capacity of the Chair of Its Audit and Finance Committee, and Consolidated Bakeries Limited (PURITY). He is the Jamaica Stock Exchange Mentor for the two latter entities as well as Future Energy Source Company Limited (FESCO). He has held directorships with the Jamaica Stock Exchange, SIJL and a number of companies within the Scotiabank Group locally and regionally.

Dr. Adrian Mitchell
Independent Director

Dr Mitchell is a medical and business professional. A current Fellow in the Gynaecology and Oncology Programme at the University of the West Indies, Mona, Dr. Mitchell is responsible for diagnosing and treating patients with Gynaecological cancers, teaching medical students in gynae oncologic disorders and overseeing Residents and Senior House Officers in the gynaecology oncology unit.

He is a also a Partner/Gynaecologist at the Winchester Gynae Centre, where in addition to diagnosing and managing obstetric and gynaecological patients, he is also responsible for spearheading the implementation of technology into the practice by way of procuring efficient, technologically advanced equipment that negates the need for outsourcing certain offices procedures, thereby increasing revenue and procuring a digital platform that allows for improved efficiency in the handling of patients dockets and time management of patient visits. Dr. Mitchell is the Co- Owner and Co- Founder of BAM Cosmetics, and the Co-owner and Co-Founder of MSS Cesspool and Sanitation Ltd, a company that specialises in the sanitisation of commercial and residential units, cesspool maintenance, corporate courier and bed and breakfast solutions in Montego Bay.

Chantal Bennett
Independent Director

Chantal Bennett is an Attorney-at-Law with the firm of DunnCox, where she works in the firm's Commercial Department and previously worked in the Civil and Commercial Litigation Department from 2020 to 2023. Her practice focuses on a wide array of matters that span admiralty law, employment law, competition law, arbitration law, trade law, corporate governance, regulatory compliance, environmental law, and property law.

Chantal has extensive experience advising major private and public entities on complex Special Economic Zone ("SEZ") transactions. Her work in this field has substantively contributed to the transition of over 100 Free Zone corporate entities, into the relatively new SEZ regime in Jamaica.

Previously Chantal worked at the SEZ Authority in the capacity of Head of the Legal Unit and Corporate Secretary. Chantal also worked as an Assistant Crown Counsel at the Attorney-General's ("AG") Chambers, in its International Affairs Division. She has also served as a representative for the AG's Chambers on the National Council on Coastal Zone Management, and the Council on Trade and Economic Development of CARICOM. In this capacity, Chantal advised on environmental law, trade law and maritime law.

Prior to practicing in Jamaica, Chantal received training in investment and commercial arbitration and maritime law at the international law firm McDermott, Will and Emery and at the International Tribunal for the Law of The Sea respectively. Through Chantal's professional and educational experience, she has developed knowledge in corporate governance, dispute resolution, trade law, maritime law and commercial law. Her broad range of professional experience provides a unique slant to her practice, as Chantal applies pragmatic public-policy considerations to commercial issues.
Chantal holds a Bachelor of Science in International Relations and Politics, a Bachelor of Laws, a Certificate of Legal Education and a Masters of Law in Corporate and Commercial law.

Richard Sirgany
Non-Independent Director

Mr. Sirgany has over thirty (30) years' experience in the manufacturing industry, with special focus on woodwork and metal fabrication.

Mr. Sirgany was responsible for overseeing and managing the production process and lead times on the Company's projects until he retired in December of 2020.

Mr. Sirgany has been a director of the Company since its inception in 1985.

Corporate Governance

The Board of Directors of JFP Limited being a prominent player in the Manufacturing Industry, understands the paramount significance of adhering to robust governance principles in fostering the trust and confidence of our shareholders, valued customers, dedicated employees, and other stakeholders. In this Annual Report for 2023, we outline the Corporate Governance framework, which serves as a compass for our decision-making processes, ensures rigorous compliance with laws and regulations, and promotes the highest standards of integrity and excellence across all facets of our business operations. Our governance framework, anchored in the principles of people, process, performance, and purpose, serves as a blueprint for ethical conduct and effective decision-making.

BOARD

Role and Responsibilities of the Board

The Board of Directors ("the Board") of JFP Limited ("the Company") is primarily responsible for corporate policy and strategy, including risk management, financial reporting, compliance, corporate social responsibility, compensation, succession planning, and organizational structure. Board decisions are made directly or indirectly through its sub-committees, including the Audit Committee and the Remuneration and Corporate Governance Committee.

Comprising of a diverse mix of individuals with varied backgrounds and experiences, the Board is committed to setting and maintaining the Company's strategic direction, fostering sustainable financial stability, and building community relationships.

Board Composition

The Board consists of a total of seven (7) members: two (2) Non-Independent Executive Directors, four (4) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. Independent Non-executive directors are not employees of the company and hence have no executive management responsibilities. They are primarily concerned with corporate policy and strategy. Their duties include the monitoring of the performance of management in meeting the company's goals and objectives. Creating a balanced board allows for fair decision making. Board decisions are made directly or indirectly through its sub-committees- the Audit Committee, and the Remuneration and Corporate Governance Committee. The board has responsibility for effectively promoting the success of JFP by its review and approval process in relation to key policies, business strategies and business development initiatives involving the Company' affairs.

Board Responsibilities

The main functions of the Board are:

- Risk management and internal accounting control measures to mitigate against fraud.
- Financial Reporting.
- Compliance with applicable laws and regulations and codes of ethical business practices.
- Corporate social responsibility.
- Compensation (to include directors, executives and employee remuneration and benefits);
- Succession planning and organizational structure.
- Timely, accurate and balanced disclosure of material information to shareholders, stakeholders, and regulatory agencies.
- Identification, selection, and assessment of suitable candidates for the Board.
- Asset acquisition, expansion plane and mergers

Chairman

The Chairman is the presiding head of the Board and chairs Board meetings, drives the strategic/foundational plans and ensures that adequate resource material is provided to steer board decisions. In conjunction with the Chief Executive Officer and the Company Secretary, the Chairman collaborates on setting the agenda for board meetings.

Board of Directors

Directors are required to attend Board meetings, Annual General meetings and Committee meetings. There is a minimum of five Board meetings per year during which all pertinent information relating to the meetings must be shared and ample time given to allow for the review of said documents. However, if the need arises outside of the established schedule, then a request can be made to convene for discussion. It is the responsibility of the Directors to familiarize themselves with the operations of JFP and their duties based on their areas of expertise to provide the management team with efficient support. The directors are required to conduct reviews of the Board's performance and committees' performance at least once per year. The Chairman shall act on the presented results of the evaluation by acknowledging the strengths and addressing the weaknesses of the Board.

Company Secretary

The Company Secretary has direct responsibility for recording the minutes of the Board and subcommittee meetings and for managing agreed policies to support the decisions made to ensure good corporate governance.

Company Mentor

In keeping with the JSE's Junior Market Rule 505 (4) - Mentor Requirements: The Mentor has responsibility for oversight of procedures, systems and controls for the purpose of compliance with good standards of corporate governance including but not limited to the holding of regular board meetings, the establishment of appropriate committees of the board including the Audit Committee and the Remuneration Committee, due diligence enquires, good fiscal discipline and adherence to junior market rules.

Directors Remuneration

Remuneration for directors is built on a transparent and clearly defined framework for calculating the fees paid to directors for their services.

The current fees are as follows:

Board of Directors

- Chairman: $75,000 per meeting.
- Non-Executive Directors $75,000 per meeting.

Audit Committee

- Audit Committee Chairperson $25,000 per meeting.
- Non-executive directors receive $25,000 per meeting.

Remuneration and Corporate Governance Committee

- Remuneration and Corporate Governance Chairperson $25,000 per meeting.
- Non-executive directors receive $25,000 per meeting

Disclosures
The sale or purchase of shares in JFP by any Director must be immediately communicated to the Company Secretary who is required to disclose such information to the JSE. No Director should trade in company shares during “black-out” periods which include:

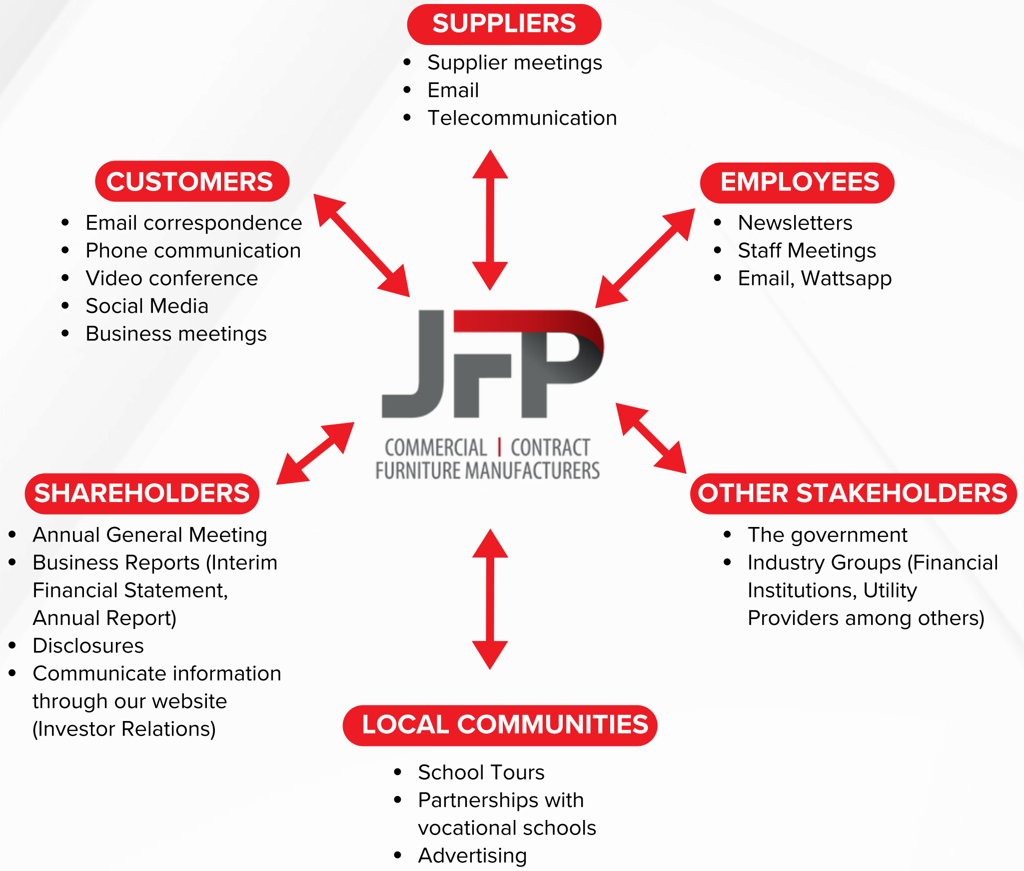
- 30 days before the quarterly financials are published
- 60 days before the audited financials are published
- 30 days immediately preceding any dividends or distribution to be paid or where the Directors may be in possession of sensitive information not yet available to the public.

The designated authorised person to make public statements on behalf of JFP is its CEO.

Conflicts of Interest
Any Director who has a personal interest in any transaction with JFP that could create or appear to create a conflict of interest must declare such interests in writing to either the Company Secretary or the Chairman. Transactions to be disclosed include but are not restricted to:

- Interest in contracts or proposed contracts with JFP or in a company that does business with JFP.
- Transactions involving securities held in JFP.
- Loan/s or guarantees granted by JFP to/for any Director
- Charitable donations to any company of which the JFP Director is also a director

Communication with **Stakeholders**



Board Training
The board recognizes the importance of training for its directors and in keeping with requirements, arranged a Corporate Governance Training with presenters Gina Phillips Black and Joanna Marzouca of Myers, Fletcher and Gordon which was conducted on December 12, 2023. We are pleased to advise that all directors were in attendance.

Board Evaluations
At JFP Ltd., we recognize the importance of evaluating the effectiveness of our Board of Directors on an annual basis. This process will enable us to assess our organizational structure, operational efficiency, scope of responsibilities, information flow, and management support. By conducting thorough evaluations, we seek to identify areas for improvement and reinforce our commitment to best practices in corporate governance.

Our Board Evaluations process encompasses a comprehensive review of key areas critical to our governance framework:

- Appraising the Basic Organization of the Board of Directors: We will assess the composition, diversity, and structure of our Board to ensure it is well-equipped to fulfill its responsibilities effectively.
- Surveying the Effectiveness and Efficiency of Board Operations: We will evaluate the efficiency of our Board and committee meetings, decision-making processes, and overall operational effectiveness.
- Assessing the Board's Overall Scope of Responsibilities: We will review the Board's role in setting strategic direction, overseeing risk management, and monitoring performance against key objectives.
- Evaluating the Flow of Information: We will examine the quality, timeliness, and relevance of information provided to the Board to support informed decision-making.
- Validating the Support and Information Provided by Management: We will assess the effectiveness of management support in facilitating Board operations and decision-making processes.

As part of our commitment to transparency and accountability, the results of the Board Evaluations will be reviewed annually by the Board. Any recommendations for improvement will be considered and implemented as appropriate to enhance our governance practices and drive sustainable value creation for our stakeholders.

We are excited to embark on this journey of continuous improvement and look forward to leveraging the insights gained from our inaugural Board Evaluations to strengthen our governance framework and enhance our performance as a responsible corporate citizen.

Annual General Meetings
JFP Ltd. conducts Annual General Meetings (AGMs) to provide shareholders with the opportunity to engage with the Board and management, share their views, and participate in corporate decisions. AGMs are structured to facilitate shareholder input and ensure transparency and accountability.
During AGMs, Directors convene to discuss shareholder concerns and views, which are considered in decision-making processes and future planning.

At JFP Ltd., we are committed to fostering a culture of accountability, transparency, and continuous improvement in corporate governance. Our Board evaluations and AGMs reflect our dedication to upholding the highest standards of integrity and effectiveness in serving the interests of our shareholders and stakeholders.

Code of Conduct and Ethics
At JFP Ltd., we uphold the highest standards of integrity, transparency, and ethical behavior. Our commitment to ethical conduct is fundamental to maintaining trust with our shareholders, stakeholders, clients, and the communities we serve. The Board of Directors, executives, and employees are expected to adhere to the following Code of Conduct and Ethics, which outlines our guiding principles and practices:

- Compliance with the Law: We are committed to full compliance with all applicable laws, regulations, and legal requirements in every jurisdiction where we operate. We do not engage in any activities that violate laws or regulations, and we promptly address any legal concerns or issues that may arise.
- Business and Financial Records: Accurate and transparent financial reporting is essential to our credibility and reputation. We maintain complete and accurate records of all financial transactions, ensuring they reflect the true financial position of the company.
- Occupational Health and Safety: We prioritize the health, safety, and well-being of our employees, customers, and communities. We provide a safe and healthy work environment, comply with occupational health and safety regulations, and promote a culture of safety awareness and responsibility.
- Confidentiality and Use of Information: We respect the confidentiality of proprietary information, trade secrets, and personal data entrusted to us. We handle sensitive information with care, only disclosing it as necessary and in accordance with applicable privacy laws and regulations.
- Conflict of Interest: We avoid situations where personal interests conflict with the interests of the company. Directors, executives, and employees must disclose any actual or potential conflicts of interest and refrain from engaging in activities that could compromise their objectivity or loyalty to the company.
- Whistleblowing: We encourage open communication and transparency. Individuals are encouraged to report any violations of the Code of Conduct and Ethics, unethical behavior, or illegal activities through the appropriate channels, including supervisors, the human resources department.
- Dealings with Third Parties: We conduct business with integrity and fairness in all interactions with customers, suppliers, partners, and other third parties. We do not engage in bribery, kickbacks, or other corrupt practices, and we expect our business partners to uphold similar ethical standards.
- Data Protection and Privacy: We respect the privacy rights of individuals and safeguard personal data collected, processed, or stored by the company. We comply with data protection laws and regulations, implement appropriate security measures, and obtain consent when necessary for the collection and use of personal information.

The Code of Conduct and Ethics applies to all directors, executives, employees, contractors, vendors, and representatives of JFP Ltd. It is the responsibility of each individual to understand and comply with this Code, fostering a culture of integrity, accountability, and respect throughout the organization.
Any breaches of the Code will be thoroughly investigated, and appropriate disciplinary action will be taken, up to and including termination of employment or contract. By upholding these principles and values, we reaffirm our commitment to ethical behavior and responsible business practices.

COMMITTEES OF THE BOARD
The Board has two Committees: Remuneration and Corporate Governance Committee. The members of these committees are appointed by the Board of Directors.
Each committee has its own Charter which has been approved by the Board. The Committee's have the responsibility to review and revise Policies/Charters for the Boards approval. These charters can be viewed on the company's website at https://www.jfpmfg.com

AUDIT COMMITTEE

Purpose
The Audit Committee shall assist the Board of Directors ("the Board") of JFP Limited ("the Company") in the oversight of the integrity of the financial statements of the Company, the effectiveness of the internal control over financial reporting, the independent Auditor's qualifications and independence, the performance of the Company's Internal Audit function and the Company's compliance with legal and regulatory requirements.

Membership
The Audit committee shall be appointed by the Board. The committee shall consist of not less than three members, with the majority of members at any one time being independent non-executive directors of the Company. A quorum shall be two members. The committee chairperson shall be appointed by the Board from among the independent non-executive directors.

Attendance
The Chief Executive Officer ('CEO'), the General Manager and the Chief Accountant will attend meetings of the Committee as Invitees. A representative of the external Auditors of the Company shall attend the meetings at the invitation of the committee. The Board Chairperson shall attend as an Invitee but will not be a Member of the Committee. Other Board members shall attend if invited by the committee. There should be at least one meeting a year where the external Auditors attend the committee meeting without management present. The Company Secretary shall be secretary of the committee.

Responsibilities
The committee's responsibilities shall be:

- to appoint, recommend the retention of and oversee the work of the independent external Auditor employed to conduct the annual Audit (including resolution of disagreements between the Auditors and management regarding financial reporting), assess the independence of the external Auditor, ensuring that Audit partners are rotated at appropriate intervals.
- to recommend to the Board the approval of the Audit fee and to pre-approve any fees in respect of non-Audit services provided by the external Auditor and to ensure that the provision of non-Audit services does not impair the external Auditors' independence or objectivity.
- to discuss with the external Auditor, before the Audit commences, the nature and scope of the Audit and to review the Auditors' quality control procedures and steps taken by the Auditor to respond to changes in accounting standards and other regulatory requirements.
- to oversee the process for selecting the external Auditor and make appropriate recommendations through the Board to the shareholders to consider at the annual general meeting.
- to review the external Auditor's management letter and management's response.
- following completion of the annual Audit, review separately with the external Auditor any significant difficulties encountered during the course of the Audit, including any restrictions on the scope of activities or access to required information, and any accounting adjustments that were noted or proposed by the Auditor and were unrecorded as immaterial or otherwise.
- to ensure that an internal Audit function is adequately resourced or is outsourced.
- to review management's and the internal Auditor's reports on the effectiveness of systems for internal financial control, financial reporting and risk management.
- to review, and challenge where necessary, the actions and judgments of management, in relation to the monthly and annual financial statements before submission to the Board, paying particular attention to:

1. critical accounting policies and practices, and any changes in them.
2. decisions requiring a major element of judgment.
3. the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed.
4. the clarity of disclosures.
5. significant adjustments resulting from the Audit and
6. the going concern assumption.

- The Audit Committee shall provide assistance to the Board of Directors of the Company in fulfilling its responsibility to the shareholders in respect of the policies, practices, and strategies that relate to the management of the financial affairs of the Company.
- The Audit Committee also shall perform such other functions and exercise such other powers as may be delegated to it from time to time by the Board of Directors.
- The Audit Committee's primary purpose is to:

7. Review management's plans to manage the Company's exposure to financial risk.
8. Review the Company's cash plan, balance sheet, and capital structure.
9. Review the Budget for the upcoming financial year.
10. Review the Company's capital allocation strategy, including the cost of capital; and
11. Recommend dividend actions to the Board of Directors.

Risk Management

At JFP Limited, we recognize the importance of identifying, assessing, and mitigating risks to ensure the sustained success and resilience of our business operations. In today's dynamic business environment, it is imperative to proactively address potential challenges that may arise in various facets of our operations. Below, we outline key risks and corresponding mitigation measures to safeguard our business interests and enhance stakeholder value:

1. **Talent and People Engagement**
   - *Risk*: Attrition of skilled employees, lack of employee engagement.
   - *Mitigation Measures*: Implement robust talent retention strategies, offer competitive compensation and benefits packages, foster a culture of continuous learning and development, enhance communication channels between management and employees.
2. **Product Quality**
   - *Risk*: Potential quality issues leading to customer dissatisfaction and reputational damage.
   - *Mitigation Measures*: Implement stringent quality control measures throughout the production process, invest in advanced technologies for quality assurance, conduct regular audits and inspections, solicit customer feedback for continuous improvement.
3. **Business Operations**
   - *Risk*: Disruptions in supply chain, regulatory changes impacting operations.
   - *Mitigation Measures*: Diversify supplier base to mitigate supply chain risks, closely monitor regulatory developments and ensure compliance, develop contingency plans for potential disruptions, invest in technology for operational efficiency.
4. **Environmental Issues**
   - *Risk*: Environmental regulations, climate change impacts.
   - *Mitigation Measures*: Adhere to environmental laws and regulations, implement sustainable practices in manufacturing processes, invest in eco-friendly technologies, conduct environmental impact assessments regularly.
5. **Information Technology Plan**
   - *Risk*: Cybersecurity threats, system failures.
   - *Mitigation Measures*: Implement robust cybersecurity protocols, conduct regular IT audits and vulnerability assessments, invest in backup and recovery systems, provide ongoing training to employees on IT security best practices.
6. **Health and Safety**
   - *Risk*: Workplace accidents, health hazards.
   - *Mitigation Measures*: Implement comprehensive health and safety policies and procedures, conduct regular safety training for employees, maintain a safe working environment, comply with occupational health and safety regulations.
7. **Disaster Recovery Plan**
   - *Risk*: Natural disasters, system outages.
   - *Mitigation Measures*: Develop and implement a robust disaster recovery plan, establish backup systems and redundancies, conduct regular drills and simulations, maintain communication channels for emergency response.

Additionally, we employ a SWOT analysis framework to evaluate internal strengths and weaknesses, as well as external opportunities and threats. This strategic assessment allows us to leverage our strengths, address weaknesses, capitalize on opportunities, and mitigate threats effectively.
By actively managing risks and implementing appropriate mitigation measures, we strive to uphold the highest standards of corporate governance, ensure business continuity, and deliver sustainable value to our shareholders, stakeholders, and clients.

Frequency of Meetings
Meetings shall be held not less than five times per year and should coincide with key dates in the Company's

Authority
The committee is authorized by the Board to:

- investigate any activity within its terms of reference.
- seek any information that it requires from any employee of the Company and all employees are directed to cooperate with any request made by the committee; and
- obtain outside legal or independent professional advice, and such advisors may attend meetings as necessary.

DIRECTOR'S COMPATENCY	Finance	Legal	Governance	Accounting	Risk Management	Manufacturing	Business
Lisa Bell							
Chantel Bennett							
Adrian Mitchell							
Lissant Mitchell							
Metry Seaga							
Richard Sirgany							
Stephen Sirgany							

Attendance
Board And Committee Meetings 2023

ATTENDANCE - BOARD AND COMMITTEE MEETINGS 2023

	Board of Directors' Meetings	Audit Committee Meetings	Remuneration & Corporate Governance Committee Meetings
# of Meetings in 2023	6	5	3
Ian Levy ****	2	*****	*****
Lisa Simone Bell *	3	*****	*****
Metry Seaga	6	*****	*****
Stephen Sirgany	6	*****	3
Richard Sirgany	6	*****	*****
Adrian Mitchell	6	4	3
Marie McMorris ***	4	4	*****
Chantal Bennett	6	4	3
Lissant Mitchell **	2	1	*****

* Ms. Lisa Simone Bell joined the Board of Directors on June 30, 2023
** Mr Lissant Mitchell joined the Board of Directors on October 31, 2023
*** Ms. Marie McMorris resigned on August 18, 2023
**** Mr. Ian Levy resigned on June 30, 2023

***** Not a Member of The Committee

Purpose

The purpose of the Corporate Governance, Remuneration and Nomination Committee of the Board of Directors ("the Board") of JFP Limited ("the Company") is to assist the Board in ensuring that its composition, structure, policies and processes meet all relevant legal and regulatory requirements, and to ensure that the Board strives to achieve global corporate governance best practice standards, facilitating the Board and management's objective of increasing the long-term value of the Company.

Committee Membership

The Remuneration and Corporate Governance Committee, shall consist of at least three members of the Board. Members of the Committee shall be appointed by the Board. All members of the Committee shall be chosen for their competence and experience and the majority shall be independent directors. The Chairperson of the Committee shall be an independent director. A quorum shall be two members.

Attendance at meetings

The Chief Executive Officer ('CEO'), the General Manager and the Chief Accountant will attend meetings of the Committee as Invitees. The Board Chairperson and other Board members shall attend if invited by the committee. The Company Secretary shall be secretary of the committee.

Committee Authority and Responsibilities

In order to fulfil its purpose, the Committee shall have the following authorities and responsibilities:

Corporate Governance

The Committee shall:

- Develop for the Board's approval the Company's corporate governance charter.
- Conduct an annual review of the Company's corporate governance charter.
- Consider possible conflicts of interests of directors and any related party transactions of directors and make relevant proposals to the Board in accordance with the Company's corporate governance charter. • Report to the Board on any conflicts of interest that may arise if a member of the Board accepts a position on another Company's Board.
- Review any change in status (including fulfilment of independence requirements) and professional affiliation of current directors and make relevant proposals to the Board in accordance with the Company's corporate governance charter.
- Oversee the development and implementation of a Board induction process for new directors and a programme of continuing director development, as needed.
- Develop a process for evaluating Board effectiveness and co-ordinate the annual Board evaluation exercise.

Nomination of Directors

The Committee shall:

- Prepare the criteria and procedure for selecting new Board members.
- Prepare the criteria and procedure by which the Board makes nominations for new members.
- Assess, at least once a year, the size and composition of the Board.

Remuneration

The Committee shall:

- Conduct evaluations and make recommendations to the Board regarding compensation for the CEO and other Executive management.
- Review and make recommendations to the Board regarding goals and objectives for the CEO and consider the evaluations of the CEO against such goals and objectives.
- Review and make recommendations to the Board regarding the evaluations of the other executive management conducted by the CEO.
- Review and make recommendations to the Board regarding the annual compensation framework for the CEO and the other executive officers.
- Make recommendations to the Board regarding the compensation framework, including salary, target performance incentive, short and long-term incentive awards, perquisite/fringe benefits, and other forms of compensation. In setting such compensation programmes, review the compensation practices of comparable companies, and seek to set the appropriate financial performance targets and goals for the CEO and executive management.
- Report to the Board on the foregoing annual compensation framework and details of the compensation for the CEO and executive management.
- Board Compensation: review and recommend to the Board any changes to the components and amount of compensation for its members.
- Employee Plans: Review, approve and report to the Board when materially modifying any compensation programmes that yield payments and benefits that are not reasonably related to the employees' performance and that have a material cost impact to the Company or, to the extent required by law, have a significant impact to employees, including fringe benefit programmes.
- Executive Agreements: Review, approve and report to the Board with input from the CEO, all newly hired executives' offer packages and new and existing executives' employment contracts.

Reporting tasks of the Committee

The Committee shall review the corporate governance framework annually and submit a relevant report to the Board. On the basis of this review, it will make recommendations to the Board for amendments to the Company's Articles of Incorporation, corporate governance charter, management delegation, and committee charters and practices.

The Committee shall present to the Board a brief annual report of its own work. In this context, the Committee shall review annually the adequacy of this charter and recommend any changes that it deems appropriate to the Board for approval.

The Functioning of the Committee

The Committee shall meet as often as required and at least twice a year, keep minutes of its proceedings and report regularly to the Board. Meetings shall be scheduled annually in advance where possible. Minutes will be signed by the chairperson of the Committee and each member of the Committee will receive a copy before the next meeting of the Committee.

The quorum necessary for the transaction of business shall be two directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities and responsibilities of the Committee.

The Company Secretary, at the request of the chairperson, shall summon meetings of the Committee. Notice shall be given to each member of the venue, time and date of each meeting. The agenda of items to be considered at each meeting, together with supporting papers, will normally be furnished to each member at least three working days in advance of the meeting. Documents may be circulated via e-mail.

The Committee may invite to its meetings any director or such other person as it deems appropriate to assist it in performing its responsibilities. All persons have an obligation to appear before the Committee once an invitation has been issued. Any member of the Board may attend meetings of the Committee. The chairperson of the Committee will report to the Board after each meeting of the Committee on its findings and on any actions taken by it. Board members shall have access to all records of the Committee.

Reporting procedures

The Company Secretary shall prepare minutes of the Committee meetings containing information regarding actions, discussions and decisions taken at the meeting and submit to the Board at its next meeting.

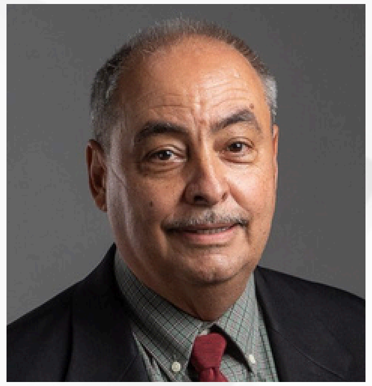
The committee members shall participate in the annual review of their work as part of the Board evaluation process.

Senior **Management**

Metry Seaga, studied at Florida International university , graduated with a bachelors in business administration in 1984. He returned home to run the family business, Compact Car Rental. he became involved in the JUDA and served on the board first as a director then VP to Mike Campbell then became the youngest president of the esteemed Association. Metry started his own business in the manufacturing sector and became the President of the Jamaica Manufacturers Association.

Metry Seaga B.Sc. Degree in Business Administration

CEO



Stephen Sirgany is a seasoned and accomplished business leader with over 40 years of experience in the fiberglass and manufacturing industry. As the founder and Director of Operations, Production, and Finance of JFP Ltd, Mr. Sirgany has been instrumental in driving the company's success and growth.

With a strong history of devising precise and targeted business operations plans, Mr. Sirgany has successfully managed and led factory activities, overseeing all aspects of operations, including production, personnel, and finance. His forward-thinking leadership style has been pivotal in setting goals, defining quality standards, and implementing effective marketing initiatives, resulting in the quick and efficient attainment of objectives.

Stephen Sirgany

COO

Lisa Sirgany is an accomplished Operations Manager with over 35 years of experience and a proven track record of success in administration, quality assurance, and leadership. As the General Manager of JFP Ltd. since 2021, Lisa has played a pivotal role in driving the company's growth and success.

With a keen focus on streamlining operations and improving efficiency through continuous process improvement and cross-functional collaboration, Lisa has successfully enhanced JFP's organizational operations, resulting in increased efficiency and responsiveness to demands. She has implemented best business practices throughout the organization, ensuring compliance with regulatory requirements and fostering good manufacturing practices

Lisa Sirgany

GM

Maria holds a Bachelor of Science Degree in accounting from the University of the West Indies along with a Master of Business Administration from Florida International University. She is also a member of the Association of Chartered Certified Accountants. She is a highly skilled and accomplished Chief Accountant with JFP Ltd, where she plays a critical role in maintaining the company's financial stability and driving its strategic objectives.

With expertise in financial reporting, tax compliance, budgeting, inventory analysis, and team management, Maria has consistently delivered outstanding results.

Marias meticulous attention to detail and deep understanding of local and international standards have ensured that our financial statements are prepared with utmost accuracy and transparency. Her presentations of quarterly financial statements to our Board of Directors provide crucial insights and analysis, empowering them to make informed decisions.

Maria Harvey-Edwards B.Sc. Degree in Accounting & MBA

Chief Accountant

Steve Peart, is a dynamic and results-driven Sales Manager at JFP Ltd, leading the charge in the sales division. With over twenty years of experience in sales management and planning, Steve has a proven track record of delivering outstanding results in commercial business/sales activities. His ability to build and maintain strong relationships with key accounts, identify lucrative business opportunities, and optimize accounts for growth and profitability sets him apart. He instills a culture of operational excellence and fosters a proactive and self-motivated team, ensuring strict adherence to company policies and procedures.

Steve Peart

Sales Manager

Management Discussion & Analysis

The year 2023 presented JFP Limited with a series of challenges amidst economic uncertainties, resulting in declines in sales, productivity, and profits. Despite these obstacles, the executive team remains committed to orchestrating a turnaround in 2024, leveraging strategic initiatives and collective expertise to ensure sustained success.

Revenue: The financial overview for 2023 revealed a decline in sales by $65 million or 14%, primarily attributed to delays in projects due to construction and contractual issues. However, amidst these challenges, JFP Limited secured pivotal contracts with esteemed clients, showcasing resilience and determination in a dynamic market environment.

Gross Profit: Gross Profit for the twelve- month period reflected a decline of $23 million over the previous year because of low sales volumes. JFP Limited maintained a strong focus on cost management and operational efficiency. Despite challenges, the organization remained resilient in preserving gross profit margins amidst a challenging economic landscape.

Operating Expenses: Operational expenses remained stable throughout the year, reflecting prudent financial management amidst economic uncertainties. Strategic investments in workforce development and technology were made to enhance operational efficiency and productivity.

Non-Operating Expenses: Administrative expenses increased by 24% or $47 million compared to the corresponding period due primarily to an outstanding tax obligation to the tax authority which the company has made arrangements to settle. Selling and distribution expenses declined by 40% which is attributable to reduction in sales-related commissions paid to external sales representatives.

Net Profit: The extraordinary tax expense resulted in a significant loss for JFP Limited of $58 million. However, proactive measures are being taken to mitigate future tax liabilities and improve profitability in the coming years.

Balance Sheet: Property, plant, and equipment increased by 68%, reflecting significant investments in cutting-edge tools and equipment which has already enhanced and streamlined the automation processes. Inventory increased by 26%, a strategic decision to guard against supply chain challenges while ensuring uninterrupted operations. Receivables showed an 8% decline, reflecting the new initiatives to ensure timely collection of receivables. Cash and cash equivalents increased by 10%, indicating improved collections and foreign exchange gains on investments. Shareholders' equity declined by 27% primarily due to losses in previous quarters. Non-current liabilities increased, reflecting a new loan facility from EXIM Bank of Jamaica to fund investments in machinery and equipment.

Future Plans: Looking ahead, JFP Limited remains committed to operational excellence and strategic growth initiatives. Investments in technology, workforce development, and asset optimization will continue to drive efficiency and innovation across the organization. Additionally, ongoing efforts to expand the sales pipeline and secure new contracts have already yielded results as we expand our client base by securing contracts with renowned restaurant and hospitality franchises.

In conclusion, despite the challenges faced in 2023, JFP Limited remains committed and determined to achieve sustainable growth and success. With a strategic focus on innovation, efficiency, and prudent financial management, the organization is well-positioned to navigate challenges and realize its vision for the future.

Human
Capital Management

At JFP Limited, our workforce is the foundation on which we build success." Fostering a culture of family, community, and teamwork lies at the heart of our values, where respect and inclusion guide our journey together into the future of JFP. Despite challenges, our team remains resilient and committed to the growth of our brand, embodying the spirit of dedication and collaboration.
Building and nurturing a robust company culture is paramount to the success of any organization. It encompasses the tangible elements of engagement, alignment of goals and values, and recognition of accomplishments that drive us to continuously refine our programs collaboratively. Among our cherished traditions, our "Christmas Celebration" stands out as a highlight, fostering the spirit of friendship, community, and joyous camaraderie.

The post-COVID era has reshaped the labor market, presenting unprecedented challenges and opportunities. Worldwide shortages across industries have compelled companies to innovate in attracting and retaining talent. At JFP, we seized this opportunity by partnering with HEART Trust NTA to provide training to students completing their final year of studies. Following successful internships, employment opportunities are extended, creating a sustainable pipeline of skilled labor force for our organization.

Communication:
We have always maintained an open-door policy at JFP as this allows our staff to express their opinions, share views and raise concerns. Our Human Resource strategies are aligned to promote value and inclusion, facilitate dialogue between management and staff, thus creating unity and teamwork. Staff meetings provide a forum to have open dialogue and share valuable insights to enhance the workplace culture. Additionally, our comment box initiative enables staff to provide valuable feedback and make suggestions for continuous improvements.
In line with our commitment to operational excellence, HR initiatives are underway to enhance the employee experience:

- Upgrading payroll software to streamline various processes related to the employee lifecycle.
- Launching newsletters to keep the team informed about company news and current affairs.
- Implementing a health and wellness program encompassing motivational talks, mental health management, and financial literacy sessions.
- Increasing incentive values to recognize and reward outstanding performance.

Motivational Programs:
JFP recognized the need to encourage capacity building throughout the organization to better equip our staff to strive for excellence and increase productivity within their roles. We value their output and contributions and highlight our appreciation through various schemes such as productivity incentives, attendance incentive and year-end bonuses.

Recognition Awards:
Recognition Awards underscore our commitment to creating a culture of appreciation and acknowledgment. By promoting from within and highlighting achievements across the organization, we celebrate the dedication and efforts of our employees. Our annual staff function serves as a platform to honor individuals in categories such as Most Improved Employee, Best Team, Perfect Attendance/Punctuality, Rising Star, Commitment and Loyalty, and Employee of the Year.

Employees were recognized at our annual staff function in the following categories.

- Most improved employee award
- Best team award
- Perfect attendance/punctuality award
- Rising star award
- Commitment and loyalty award
- Employee of the year award

At JFP Limited, our Human Capital Management practices are not just policies; they are a reflection of our values, guiding principles, and unwavering commitment to fostering a workplace where every individual can thrive and contribute to the collective success of our organization.

Corporate **Social Responsibility**

At JFP Limited, we recognize the profound responsibility we hold not only to our shareholders but also to the broader community and our valued workforce. Our commitment to sustainable business practices is not merely a duty; it's a reflection of our core values and our dedication to making a positive impact on people's lives and the environment we share.

Community Involvement: In 2023, we continued our tradition of community engagement and support, endeavoring to make meaningful contributions where they are needed most. Among our initiatives:

Recognizing the needs of individuals in our community, we made a heartfelt donation to Ms. Adams to assist with funeral expenses for her mother, a longstanding member of our community. Our aim is to provide support and comfort during difficult times.

We provided gift baskets to recipients during Health Records Week at the Bustamante Hospital, supporting their efforts to celebrate and uplift parents and patients.

Labour Practices: Employee Engagement and Development: We remain committed to nurturing a supportive and engaging work environment where our employees can thrive both personally and professionally. This year, we are intensifying our efforts to expand our outreach and impact, focusing on three key areas: youth, sports, and health. Our objectives for these CSR initiatives include:

- Supporting Food for The Poor in their mission to end poverty and contribute to the achievement of Sustainable Development Goals, demonstrating our commitment to social impact and community welfare.
- Enhancing JFP's reputation and brand image by showcasing our commitment to social responsibility through tangible actions and partnerships with impactful organizations.

National Tree Planting Initiative Collaboration (Planned): We are excited to announce our intention to collaborate with the National Tree Planting Initiative. By joining efforts to plant three million trees in three years, we aim to align ourselves with national objectives focused on climate change mitigation and reforestation. This collaboration will not only contribute to environmental sustainability but also enhance our brand visibility and boost employee morale.

Internal and External Activities: Within the framework of the National Tree Planting Initiative, we will engage in both internal and external activities. Internally, we will involve our employees in tree planting activities, fostering a sense of pride and ownership in contributing to national and environmental goals. Externally, we will actively participate in community engagement events, strengthening our ties with the communities we serve. Through these activities, we aim to reinforce our reputation as a socially responsible and environmentally conscious organization.

Corporate Blood Donation Partnership (Planned): In line with our commitment to giving back, we are proud to announce our intention to partner with the National Blood Transfusion Service. We will arrange a Blood Drive where members of our staff can participate in saving lives without having to leave the compound. This partnership underscores our dedication to supporting critical healthcare initiatives and making a tangible difference in the lives of others. At JFP Limited, corporate social responsibility is not just a checkbox; it's a fundamental aspect of who we are. As we move forward, we remain steadfast in our commitment to making a positive impact and fostering a better, more sustainable future for all.
Together, we can create meaningful change.

Environmental **Sustainability Initiatives**

At JFP Limited, we recognize the critical importance of environmental sustainability in today's rapidly changing world. As stewards of the planet and responsible corporate citizens, we are committed to reducing our environmental footprint, promoting eco-friendly practices, and contributing to a more sustainable future for generations to come.

Choosing eco-friendly materials is not only a sound business practice but also a moral imperative. By selecting sustainable materials, we can significantly reduce our environmental impact, conserve natural resources, and promote long-term cost savings. At JFP, we understand the profound impact that our operations can have on the environment, and we are dedicated to implementing sustainable practices to minimize harm and maximize positive outcomes.

One of the cornerstones of our environmental sustainability initiatives is recycling. Through our partnership with recycling partners in Jamaica, we are actively engaged in promoting recycling efforts and reducing waste generation. By diverting recyclable materials from landfills and reintroducing them into the production cycle, we not only reduce our environmental footprint but also contribute to the circular economy.

In addition to recycling, we are committed to harnessing renewable energy sources to power our operations. Our investment in solar energy systems demonstrates our commitment to reducing reliance on fossil fuels and mitigating greenhouse gas emissions. By harnessing the power of the sun, we are not only reducing our carbon footprint but also promoting clean, renewable energy solutions.
Furthermore, we recognize the importance of collaborating with suppliers who share our commitment to environmental sustainability.

For instance, we have commissioned the services of a local sculptor to produce a 12ft horse sculpture for a project. This sculpture will be crafted using environmentally friendly materials such as recycled plastic, demonstrating our dedication to sustainable sourcing and production practices. Additionally, we partner with suppliers who prioritize eco-friendly materials and hold cradle-to-cradle certification and this ensures that our supply chain aligns with our sustainability goals.

At JFP Limited, environmental sustainability is not just a buzzword; it is a core value that guides our decision-making processes and shapes our operations. We are proud to be at the forefront of sustainable manufacturing practices and remain committed to continually improving our environmental performance. By embracing eco-friendly materials, promoting recycling efforts, investing in renewable energy, and collaborating with like-minded partners, we are laying the foundation for a more sustainable future for all.
Thank you for your continued support and commitment to environmental sustainability.

5 Year Financial History

PROFIT & LOSS	Year Ended '000				
	Dec 2019	Dec 2020	Dec 2021	Dec 2022	Dec 2023
Sales	503,747	442,760	233,800	476,393	411,154
Percentage increase over prior year	106%	-12%	-47%	104%	-14%
Cost of Sales	-269,584	-210,092	-129,097	-239,601	-197,455
Percentage increase over prior year	191%	-22%	-39%	86%	-18%
Gross Profits	234,163	232,668	104,703	236,792	213,699
Percentage increase over prior year	54%	-1%	-55%	126%	-10%
Percentage of sales	46%	53%	45%	50%	52%
Other Income	7,455	8,342	77308	11753	641
Revenues, net of COGS	241,618	241,011	181,947	248,546	214,340
Admin, Selling & Distribution Expenses	161,934	147,653	155,974	211,869	250,771
Percentage increase over prior year	9%	-9%	6%	36%	18%
Percentage of sales	32%	33%	67%	44%	61%
Operating Profits	79,684	93,358	25,973	36,677	-36,431
Finance Costs, net	-10,683	-10,312	-17,700	-20,540	-22,533
Percentage increase over prior year	-29%	-3%	72%	16%	10%
Profit Before Taxation	69,002	83,046	8,326	16,136	-58,964
Percentage increase over prior year	-3543%	20%	-90%	94%	-465%
Taxation	-11,544	-11,600		-1,129	0
Net Profit	**57,458**	**71,446**	**8,326**	**15,007**	**-58,969**
Balance Sheet					
Current Assets	138,115	229,469	104,856	317,021	342,335
Non-Current Assets	170,493	181,375	252,699	204,327	219,885
Total Assets*	308,608	410,844	357,555	521,348	562,220
Percentage increase over prior year	-22%	33%	-13%	46%	8%
Total Liabilities	176,744	207,535	301,451	328,964	428,802
Current Liabilities	95,500	153,106	157,865	200,253	283,979
Non-Current Liabilities	81,244	54,429	143,586	128,711	144,823
Shareholders' Equity	131,863	203,310	56,103	192,383	133,419
Percentage increase over prior year	81%	54%	-72%	243%	-31%
Total Liabilities and Shareholders' Equity	**308,608**	**410,844**	**357,555**	**521,347**	**562,220**
Ratios					
Current Ratio	1.4	1.5	0.7	1.6	1.2
Quick ratio	1.1	1.3	0.4	1.1	0.8
Total Asset Turnover	1.43	1.23	0.61	1.08	0.76
Gross Profit Margin	46%	53%	45%	50%	52%
Operating Profit Margin	16%	21%	11%	8%	-9%
Return on Capital Employed	187%	122%	-49%	31%	-62%

Innovation and **Technology**

In an era defined by technological advancement and industry evolution, JFP Limited is committed to leveraging innovation and technology to strengthen our competitive edge and enhance operational efficiency. By harnessing market-driven data and embracing cutting-edge solutions, we strive to optimize manufacturing processes, streamline resource management, and drive product development initiatives, all while reducing turnaround time and saving valuable resources.

Research and Analysis: We conducted extensive research utilizing diverse platforms to evaluate various aspects of our operations, including manufacturing processes, machinery and equipment, raw material sourcing, and logistics management. This rigorous analysis provided invaluable insights into areas ripe for improvement and optimization, paving the way for enhanced efficiency and productivity across our organization.

Workflow Optimization: A comprehensive workflow analysis revealed opportunities for process enhancement and automation. Recognizing the need for software-driven solutions to streamline operations, we embarked on the implementation of state-of-the-art equipment and software tools designed to enhance production dynamics and increase output capacity.

BENEFITS

1 **REDUCED COST**
Streamline processes and use predictive

2 **HIGHER EFFICIENCY AND PRODUCTIVITY**
Increase employee engagement

3 **MORE BUSINESS OPPORTUNITIES**
Optimize products by using data

4 **IMPROVED CUSTOMER EXPERIENCE**
Benefit from faster response time

5 **INCREASED MOBILITY AND AGILITY**
Get flexibility to work outside typical work environments

Shareholdings

SHAREHOLDER'S DATA			
AS AT December 31, 2023			
TEN LARGEST SHAREHOLDERS	**Joint Holders**	**NO. of Stock Units**	**% of Shareholding**
JKZ Limited		272,976,394	24.3729%
Eurobian Limited		268,636,393	23.9854%
Richard Sirgany (Mrs. Nicola Sirgany)	Mrs. Nicola Sirgany	190,136,394	16.9765%
Total Office (2006) Limited		108,250,819	9.6653%
GK Investment		81,997,394	7.3212%
JFP Property Investment Ltd		9,539,000	0.8517%
Claudine Murphy		615,177	0.0549%
	Jade A. O. M. Speer	2,536,856	0.2265%
	Chanel Grainger	2,390,027	0.2134%
Stephen Cole		1,498,930	0.1338%
		3,450,000	0.3080%
PAM-Pooled Equity Fund		4,173,525	0.3726%
		165,000	0.0147%
Grace-Ann Cooper		4,159,916	0.371400
SHAREHOLDINGS OF DIRECTORS			
JKZ Limited (Owned by Stephen Sirgany)		272,976,394	24.3729%
Richard Sirgany	Mrs. Nicola Sirgany	190,136,394	16.9765%
Eurobian Limited (Owned by Metry Seaga)		268,636,393	23.9854%
Stephen Sirgany	Mrs. Lisa Sirgany	250,000	0.0223%
Adrian Mitchell		30,000	0.0026%
SHAREHOLDING OF SENIOR OFFICERS			
JKZ Limited (Owned by Stephen Sirgany)		272,976,394	24.3729%
Eurobian Limited (Owned by Metry Seaga)		268,636,393	23.9854%
Stephen Sirgany	Mrs. Lisa Sirgany	250,000	0.0223%

JFP LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023


"WE LIVE IN A WORLD THAT IS FULL OF BEAUTY, CHARM AND ADVENTURE.
THERE IS NO END TO THE ADVENTURES WE CAN HAVE IF ONLY WE SEEK THEM WITH OUR EYES OPEN."
-JAWAHARIAL NEHRU

JFP Limited
Index
31 December 2023

Independent Auditor's Report to the Members

McKENLEY
& ASSOCIATES
CHARTERED ACCOUNTANTS

2 Seymour Avenue, Unit 11
Seymour Park, Kingston 6
Phone: (876) 978-3129 / (876) 978-9789
Fax: (876) 927-6409
Website: www.wmckenley.com

To the Members of
JFP Limited

Independent Auditor's Report

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of JFP Limited (the Company) as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and with the requirements of the Jamaican Companies Act.

What we have audited:

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2023
- the statement of comprehensive income for the year then ended
- the statement of cash flows for the year then ended
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies 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 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 Company 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.

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatements in the financial statements. In particular, we considered where management made subjective judgments; 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. Key audit matters are selected from the matters communicated with the Audit Committee members (those charged with Governance) but are not intended to represent all matters that were discussed with them. These matters are addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. During our work, we encountered no key audit matter that required disclosure.

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's responsibility for the audit of the financial statements (continued)

- We are not responsible for the direction, supervision, and performance of the Company. We remain solely responsible for our audit opinion.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

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

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 financial statements of the current period and are, therefore, considered the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures 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. During the year, we encountered no key audit matter.

Other Information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the 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 financial statements does not cover the other information, and we do not express any form of assurance thereon.

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

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 our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying 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 Wilfred McKenley.

McKenley & Associates

Chartered Accountants
21 March 2024
Kingston, Jamaica

JFP Limited
Statement of Financial Position
31 December 2023

	Note	2023	2022
		$	$
Non-current assets:			
Property, plant and equipment	8	78,087,635	46,405,187
Right-of-use assets	9	120,110,400	135,282,240
Investments	10	9,448,000	10,400,000
Deferred tax asset	11	12,239,125	12,239,125
Current assets:			
Inventories	12	116,654,207	92,800,610
Receivables	13	147,347,976	166,070,787
Taxation recoverable		1,950,183	1,950,183
Related party balances		8,305,111	2,189,539
Directors' current accounts	14	21,161,384	11,535,546
Cash and cash equivalents	15	46,915,795	42,474,685
		342,334,656	317,021,350
Current liabilities:			
Payables	16	245,624,907	172,295,403
Taxation		-	1,128,709
Current portion of finance lease obligations	17	-	3,163,713
Current portion - rights of use assets	9	34,535,002	23,007,338
Current portion of long-term loans	18	3,818,605	-
		283,978,514	200,253,793
Net current assets		58,356,142	116,767,557
		278,241,302	321,094,109
Shareholders' equity:			
Share capital	19	121,274,271	121,274,271
Retained earnings		12,144,311	71,108,776
		133,418,582	192,383,047
Non-current liabilities			
Long term loans	18	28,492,558	-
Lease liability	8	116,330,162	128,711,062
		278,241,302	321,094,109

Approved and signed on behalf of the Board of Directors on March 21,2024 by:

....
Director

....
Director

JFP Limited
Statement of Comprehensive Income
Year Ended 31 December 2023

	Note	2023	2022
		$	$
Revenue	2	411,154,058	476,393,146
Cost of sales: direct expenses		(197,455,043)	(239,600,604)
Gross Profit		213,699,015	236,792,543
Other income	3	640,747	11,753,106
		214,339,761	248,545,649
Administrative expenses	4	241,419,746	194,562,789
Selling and distribution expenses	4	9,351,576	17,306,982
		250,771,322	211,869,771
Operating (loss) / profit		(36,431,561)	36,675,878
Finance income	5	12,919	49,479
Finance costs	5	(22,545,823)	(20,589,532)
		(22,532,904)	(20,540,053)
Operating (loss) / profit before taxation		(58,964,465)	16,135,824
Taxation	7	-	(1,128,709)
Net (loss)/profit being comprehensive (loss)/ profit for the year		(58,964,465)	15,007,115

	Note	$	$
Earnings per share	21	(0.053)	0.013

JFP Limited
Statement of Cash Flows
Year Ended 31 December 2023

	2023	2022
	$	$
Cash flows from operating activities:		
Net (loss) / profit	(58,964,465)	15,007,116
Items not affecting cash resources:		
Depreciation	7,844,730	9,418,556
Amortization of leases	15,171,840	15,171,840
Interest income	(12,919)	(49,479)
Loss on disposal of assets	56,947	53,408
Interest expense	14,009,003	14,927,728
	(21,894,864)	54,529,169
Changes in operating assets and liabilities:		
Inventories	(23,853,597)	(47,027,765)
Receivables	18,722,811	(129,770,307)
Payables	72,670,874	69,641,725
Related party balances	(6,115,573)	(33,654,159)
Directors current accounts	(9,625,838)	(3,096,328)
Taxation payable	(1,128,709)	80,703
	50,669,969	(143,826,131)
Cash provided by / (used in) operating activities	28,775,105	(89,296,962)
Cash flows from investing activities		
Purchase of property, plant, and equipment	(39,584,126)	(4,936,596)
Investments, proceeds	952,000	28,665,267
Interest received	12,919	49,479
Cash (used in) / provided by investing activities	(38,619,207)	23,778,150
Cash flows from financing activities		
Interest paid	(14,009,003)	(14,927,728)
Proceeds from share issue	-	121,272,291
Finance Lease, payments	(4,016,949)	(7,165,043)
Loan proceeds	32,906,901	-
Loan repayments	(595,738)	-
Cash provided by financing activities	14,285,212	99,179,520
Net increase in cash and cash equivalents	4,441,109	33,660,708
Net cash and cash equivalents at beginning of year	42,474,685	8,813,978
Net cash and cash equivalents at end of the year	46,915,795	42,474,686

JFP Limited
Statement of Changes in Equity
Year ended 31 December 2023

	Number of Shares	Share Capital $	Retained Earnings $	Total $
Balance at 31 December 2020	1,000	1,000	203,308,548	203,309,548
Total comprehensive income	-	-	8,326,441	8,326,441
Movement during the year	979,999,000	980	-	980
Dividends declared	-	-	(155,200,000)	(155,200,000)
Prior year adjustment	-	-	(333,330)	(333,330)
Balance at 31 December 2021	980,000,000	1,980	56,101,660	56,103,640
Total comprehensive income	-	-	15,007,116	15,007,116
Issue of shares during the year	140,000,000	140,000,000	-	140,000,000
Transaction costs	-	(18,727,709)	-	(18,727,709)
Balance at 31 December 2022	1,120,000,00	121,274,271	71,108,776	192,383,047
Total comprehensive loss	-	-	(58,964,465)	(58,964,465)
Balance at 31 December 2023	1,120,000,00	121,274,121	12,144,311	133,418,582

1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

IDENTIFICATION AND PRINCIPAL ACTIVITY

The Company is incorporated and domiciled in Jamaica and its registered office and principal place of business is located at 155 Spanish Town Road, Kingston, Jamaica. The principal activities are the manufacturing and distribution of custom-built commercial furnishings and the financial statements are stated in Jamaica dollars, which is the functional currency of the Company.

Effective 3 December 2021, Under Section 17 of the Companies Act, the Company changed its name from Jamaica Fibreglass Products Limited to JFP Limited.

Effective 14 March 2022, the Company was listed on the Junior Market of the Jamaica Stock Exchange (JSE) and under that regime is subject to tax remission, 100% for the next five (5) years and 50% thereafter for the next five years as long as the Company remains listed on the Jamaican Stock Exchange.

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain buildings and financial assets.

b) Basis of measurement and functional currency

The financial statements is reported in Jamaican dollars which is the functional currency of the company.

c) Accounting estimates and judgments

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 Company's accounting policies. Although these estimates are based on management's 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 noted below:

1. STATEMENT OF COMPLIANCES AND BASIS OF PREPARATION (CONTINUED)

c) Accounting estimates and judgments (continued)

- The application of accounting policies;
- The reported amounts of assets and liabilities;
- Disclosures of contingent assets and liabilities; and
- The reported amounts of revenue and expenses during the reporting periods.

Actual results may differ from estimates made in the financial statements.

Judgments are made in the selection and assessment of the Company's accounting policies. Estimates are used mainly in determining the measurement of recognized transactions and balances. Estimates are based on historical experience, and other factors, including expectations of future events, believed to be reasonable under the circumstances. Judgments and estimates are interrelated. The Management's judgments and estimates are continually re-evaluated to ensure they remain appropriate. Revision to accounting estimates is recognized in the period in which the estimates are revised and in the future periods affected. The use of estimates is an essential part of the preparation of financial statements and does not undermine their reliability.

The following are the accounting policies that are subject to judgments and estimates that the Management believes could have the most significant impact on the amounts recognized in the financial statements.

Financial assets

Judgment – financial assets are classified and subsequently measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss on the basis of (i) the company's business model for managing the financial assets and (ii) the contractual cash flow characteristic of the financial assets. Judgment is required in determining the business model and its objective.

Revenue from contract with customers

Judgment - is required in (i) identifying performance obligations and determining the timing of the satisfaction of the performance obligations and (ii) the transaction price and the amount allocated to the performance obligations.

Estimation – if the consideration promised in a contract includes a variable amount, the company is required to estimate the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to the customer.

Impairment of assets

Judgment has been used, at each reporting date, in determining whether there has been an indication of impairment in the carrying amounts of the Company's tangible and intangible assets, which would require impairment testing to determine whether there is any indication that those assets have suffered impairment losses.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount of an asset is the greater of an asset's fair value less costs to sell or its value in use. Value in use refers to the present value of future cash flows expected to be derived from an asset.

JFP Limited
Notes to the Financial Statements
31 December 2023

1. STATEMENT OF COMPLIANCES AND BASIS OF PREPARATION (CONTINUED)

c) Accounting estimates and judgments (continued)

Inventories

Estimation – Inventories are carried at the lower of cost and net realizable value. The estimation of net realizable value is based on the most reliable evidence available, at the time the estimates are made, of the amount the inventories are expected to realize. Additionally, estimation is required for inventory provision due to shrinkage, slow-moving, and obsolescence.

Income and other taxes

Judgment – Income and other taxes are subject to Government policies. In calculating current and recoverable income and other taxes, Management uses judgment when interpreting the tax rules and in determining the tax position. There are some transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business

Estimation – Income and other taxes are subject to Government policies, and estimates are required in determining the provision. Management recognizes liabilities for possible tax issues based on estimates of whether additional taxes may be due.

Receivables

Estimation – Management's estimate of allowance on accounts receivable is based on analysis of the Expected Credit Loss (ECL) model according to IFRS 9, which takes into account aging of receivables, historical experience with delinquency and default, and forward-looking assumptions. Default rates and the allowance amount are regularly reviewed against the actual outcomes to ensure that they remain appropriate. The company applied a basic expected credit loss model (ECL) based on some of the requirements of IFRS 9 to determine the allowance for doubtful receivables. Management continues to review the model with the intention to fully adopt it in January 2021.

Estimation – Other estimates include determining the useful lives of PPE for depreciation; accounting for and measuring payables and accruals and measuring fair values of financial instruments.

2. REVENUE

(i) Revenue represents the invoiced value of manufactured custom-built commercial furnishings, inclusive of other direct cost and allied services and is recorded net of General Consumption Tax. Jobs in production are not billed until completion.

(ii) Interest income

This income represents interest earned on financial instruments and other investments during the year.

JFP Limited
Notes to the Financial Statements
31 December 2023

3. OTHER OPERATING INCOME

	2023 $	2022 $
Other income	697,694	11,806,515
Loss on sale of assets	(56,947)	(53,408)
	640,747	11,753,106

4. ADMINISTRATIVE, SELLING & DISTRIBUTION

	2023 $	2022 $
Staff costs	92,750,404	96,600,068
Directors' remuneration	31,479,634	26,752,516
Depreciation (Note 8)	7,844,730	9,418,629
Depreciation- right of use(note 9)	15,171,840	15,171,840
Insurance expense	8,348,504	4,695,847
Legal, audit and professional fees	9,413,273	6,391,741
Motor vehicle expenses	4,235,381	4,918,101
Penalty on taxes	32,943,531	133,906
Repairs and maintenance	11,672,538	10,269,848
Office and general expenses	4,441,734	2,631,778
Cleaning and sanitation	735,078	619,568
Property tax	-	217,990
Printing, postage, and stationery	1,140,311	870,484
Utilities, rates, and taxes	10,494,132	10,279,585
Registration and membership	3,000	88,000
Dues and subscription	5,176,252	3,129,355
Bad debt expense	5,172,509	-
Security	396,896	373,532
	241,419,746	194,562,789

Selling & distribution:		
Advertisement and promotion	2,397,809	4,667,071
Travelling and accommodation	3,915,318	5,745,792
Commission	3,038,449	6,799,200
	9,351,576	17,306,982

JFP Limited
Notes to the Financial Statements
31 December 2023

5. FINANCE INCOME & COST

	2023 $	2022 $
Finance Income:		
Interest income	12,919	49,479
	12,919	49,479

Finance cost:		
Bank charges	2,138,620	897,812
Loan interest	14,009,003	14,927,728
Foreign exchange loss	6,398,201	4,763,992
	22,545,823	20,589,532

6. STAFF COSTS

	2023 $	2022 $
Salaries (excluding management remuneration)	66,381,672	69,479,207
Employers' payroll taxes	14,990,322	14,662,843
Staff welfare	11,378,410	12,458,018
	92,750,404	96,600,068

7. TAXATION

a) Taxation is computed on the profit for the year adjusted for taxation purposes and comprises:

	2023 $	2022 $
Current income tax @25% (2022:25%)	-	1,128,709
	-	1,128,709

b) The income tax on the Company's profit differs from the theoretical amount that would arise using the applicable tax rate as follows:

	2023 $	2022 $
(Loss)/ profit before taxation	(58,964,465)	16,135,824
Income tax @ 25 % (2022-25%)	(14,741,116)	4,033,956
Adjusted for difference in treatment of:		
Depreciation and capital allowance	(707,438)	2,663,759
Expenses not deducted for tax purposes	9,835,433	(600,263)
Other net disallowed charges	(1,516,006)	(4,608,894)
Tax remission adjustment	7,129,127	-
Employment Tax Credit	-	(359,849)
	-	1,128,709

7. TAXATION (CONTINUED)

(c) The company's shares were listed on the Junior Market (JM) of the Jamaica Stock Exchange (JSE) on 14 March 2022. Consequently, the company is eligible for remission of income taxes for a period of ten years, provided the following conditions are met:

- The company's shares remain listed for at least 15 years and is not suspended from the JSE for any breaches of its rules.

- The subscribed participating voting share capital of the company does not exceed $500 million.

The remission will apply in the following proportions:

- Years 1 to 5 (14 March 2022 – 13 March 2027) – 100%
- Years 6 to 10 (14 March 2027 – 13 March 2032) – 50%

The financial statements have been prepared on the basis that the company will have the full benefit of the tax remissions.

JFP Limited
Notes to the Financial Statements
31 December 2023

8. FIXED ASSETS

	Land	Motor Vehicles	Molds & Modules	Furniture & Fixtures	Plant, Tools and Equipment	Solar, Light bulbs, and AC	Computer & software equipment	Total
	2023							
	$	$	$	$	$	$	$	$
At cost-								
At 1 January 2023	12,820,095	37,620,748	41,670,112	2,067,994	71,412,054	25,607,865	16,755,637	207,954,505
Additions	-	-	-	626,924	29,393,650	-	9,563,552	39,584,126
Disposals	-	-	-	(100,735)	(91,420)	-	(1,854,919)	(2,047,074)
31December 2023	12,820,095	37,620,748	41,670,112	2,594,182	100,714,284	25,607,865	24,464,270	245,491,557
Depreciation:								
At 1 January 2023	-	37,610,072	29,516,330	1,732,587	68,957,857	12,163,736	11,568,736	161,549,319
Charge for the year	-	10,676	4,167,011	62,182	126,933	1,920,590	1,557,337	7,844,729
Disposal	-	-	-	(59,025)	(76,183)	-	(1,854,919)	(1,990,127)
31December 2023	-	37,620,748	33,683,341	1,735,745	69,008,607	14,084,326	11,271,155	167,403,922
31 December 2023	12,820,095	-	7,986,771	858,437	31,705,677	11,523,539	13,193,115	78,087,635

JFP Limited
Notes to the Financial Statements
31 December 2023

8. FIXED ASSETS (CONTINUED)

2022

	Land	Motor Vehicles	Molds & Modules	Furniture & Fixtures	Plant, Tools and Equipment	Solar, Light bulbs, and AC	Computer & software equipment	Total
	$	$	$	$	$	$	$	$
At cost-								
At 1 January 2022	12,820,095	37,620,748	41,670,112	1,955,299	70,220,563	25,607,865	13,306,341	203,201,022
Additions	-	-	-	112,696	1,191,491	-	3,632,410	4,936,596
Disposals	-	-	-	-	-	-	(183,114)	(183,114)
31December 2022	12,820,095	37,620,748	41,670,112	2,067,994	71,412,054	25,607,865	16,755,637	207,954,505
Depreciation:								
At 1 January 2022	-	34,959,000	25,349,318	1,685,787	68,830,923	10,243,147	11,192,224	152,260,396
Charge for the year	-	2,651,072	4,167,012	46,800	126,865	1,920,590	506,218	9,418,628
Disposal	-	-	-	-	-	-	(129,706)	(129,706)
31December 2022	-	37,610,072	29,516,330	1,732,587	68,957,857	12,163,736	11,568,736	161,549,319
31 December 2022	12,820,095	10,676	12,153,782	335,407	2,454,197	13,444,129	5,186,901	46,405,187

JFP Limited
Notes to the Financial Statements
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9. RIGHT-OF- USE ASSETS

The Company leased property to conduct its operations over a term of ten (10) years. The arrangement was previously classified as an operating lease under IAS 17, however, under IFRS 16, the transaction was adjusted and treated as a finance lease. The lease rental payments over the next ten years have been computed based on changes in local price indices.

i. Right-of-use assets

	2023 $	2022 $
i. Right-of-use assets:		
Leasehold property [right-to-use upon adoption]	135,282,240	150,454,080
Depreciation charge for the year	(15,171,840)	(15,171,840)
Balance at end of year	120,110,400	135,282,240
ii. Lease liabilities		
Lease liability [upon initiation]	-	151,718,400
Recognized in the year	-	-
Amount recognized in the statement of financial position	-	151,718,400
Maturity analysis contractual undiscounted cash flows:		
Due within one year	34,535,002	23,007,338
Due over one year	116,330,162	128,711,062
	150,865,164	151,718,400
iii. Amount recognized in the statement		-
Interest on lease liability	10,109,687	11,882,975
Depreciation charge for right-of-use	15,171,840	15,171,840

Right-of-use assets are measured at cost based on the amount of the initial measurement of the lease liability. The asset is subsequently depreciated using the straight-line method from the commencement date of the lease term.

iv. Amount recognized in the statement of cash flows:

	2023 $	2022 $
Total cash outflows for leases	15,171,840	15,171,840

JFP limited
Notes to the Financial Statements
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10. INVESTMENTS

	2023	2022
Quoted Securities:	$	$
Designated at fair values through profit or loss:		
Jamaica Public Service Company Limited (1,920 ordinary shares)	5,568,000	5,760,000
RJR (2,000,000 ordinary shares)	3,880,000	4,640,000
	9,448,000	10,400,000

The net increase in the value of the quoted securities, was adjusted through profit or loss account.

11. DEFERRED TAX ASSETS

Management did not consider it prudent to account for deferred tax during the year. The balance will be adjusted in the subsequent year as a result of the Company becoming a public entity under the Junior Market 100% tax remission regime.

	2023	2022
	$	$
Balance b/fwd: as at 1 January	12,239,125	12,239,125
Current charge	-	-
Balance as at 31 December	12,239,125	12,239,125

12. INVENTORIES

	2023	2022
	$	$
Raw materials	63,563,781	68,923,817
Work-in-progress	52,624,661	23,258,601
Import costs	465,765	618,192
	116,654,207	92,800,610

13. RECEIVABLES

	2023	2022
	$	$
Trade receivables	137,589,365	150,766,734
Provision for bad debt	5,172,509	-
	132,416,856	150,766,734
Deposits on equipment	233,150	233,150
Staff loan	6,352,978	9,002,487
Suspense account	1,278,861	96,117
Contractor’s levy	2,645,205	514,185
Prepayments	4,266,037	4,623,431
Withholding tax	67,122	649,936
Other receivables	16,068	16,067
Detention and bid security deposits	71,700	168,680
	152,520,485	166,070,787

JFP Limited
Notes to the Financial Statements
31 December 2023

14. DIRECTORS' CURRENT ACCOUNTS

	2023 $	2022 $
Balance: 1 January	11,535,546	8,439,217
Increase during the year	9,625,838	3,096,328
Balance: 31 December	21,161,384	11,535,546

15. CASH AND CASH EQUIVALENTS

	2023 $	2022 $
Current accounts	11,854,483	8,231,061
Prepaid Credit cards	47,918	-
Savings accounts	62,147	62,147
Deposits	34,873,905	34,160,187
Cash balance	77,342	21,290
	46,915,795	42,474,685

16. TRADE AND OTHER PAYABLES

	2023 $	2022 $
Trade payables	25,393,657	36,724,516
Accruals	28,334,349	16,585,786
Stale dated cheques	260,369	54,558
Customer deposits	125,008,347	73,622,606
Environmental levy	313,384	133,318
Credit card liabilities	6,023,170	10,296,670
Withholding tax payable	38,406,481	-
Statutory liabilities	12,820,082	6,909,989
GCT payable	7,987,490	5,330,036
Other liabilities	1,077,578	23,296,554
	245,624,907	172,954,033

17. FINANCE LEASE OBLIGATIONS

	2023 $	2022 $
9.5 % finance lease obligations	-	3,163,713
Current portion	-	(3,163,713)
	-	-

	2023 $	2022 $
Due in 2020		
✓ 2021	-	-
✓ 2022	-	10,328,856
✓ 2023	-	-
Total minimum lease payments	-	10,328,856
Less: future finance charges	-	(7,165,143)
Present value of minimum lease payments	-	3,163,713
Less: current position	-	(3,163,713)
Non-current position	-	-

The lease was terminated during the year.

18. LONG TERM LOANS

	2023 $	2022 $
EXIM 8.5% loans	32,311,163	-
Less current portion	(3,818,605)	-
	28,492,558	-

The company accessed loan capital during the year by way of National Export-Import Bank of Jamaica Limited (EXIM Bank) loan facility and the proceeds assisted with the financing of capital equipment for the factory. The restrictive security and compliance clauses include:

(i) The term of the loan facilities is for 81 months, commencing September 2023 and maturing July 2030.
(ii) The loan is secured by the property owned by JFP Property Investments Limited, a related party of the company.

The approved loan facility was for $50 Million and the primary use is to provide working capital support to include purchase of raw materials and inventory. There are other regulatory and compliance requirements and special conditions imposed by EXIM bank to ensure there is adequate cashflow to repay the facility. In addition, the company has to comply with the requisite regulations of a Jamaican listed public company, to avoid any breach of the clauses of the loan facility.

19. SHARE CAPITAL

	2023 $	2022 $
Authorized -		
10,000,000,000 (2022 – 10,000,000,000) ordinary shares of no-par value		
Issued and fully paid -		
1,120,000,000 (2022 – 1,120,000,000) shares of no-par value	121,274,271	121,274,271

Issued and fully paid:		
At the beginning of the year	1,120,000,000	980,000,000
Conversion of initial shares	-	-
Issue of new shares in IPO	-	140,000,000
At end of the year	1,120,000,000	1,120,000,000

20. FINANCIAL RISK MANAGEMENT

The company'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 company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the company's financial performance.

The company's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The company regularly reviews its risk management policies and systems to reflect changes in markets, products, and emerging best practices.

The Board of Directors is ultimately responsible for the establishment and oversight of the company'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.

(a) Credit risk

(i) Trade and other receivables

The company takes on exposure to credit risk, which is the risk that its customers, clients, or counterparties will cause a financial loss for the company by failing to discharge their contractual obligations. Credit risk exposures arise principally from the company's receivables from customers. The company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties along with customers within certain geographical areas and industry segments.

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

(i) Trade and other receivables

Credit review process -

Management performs ongoing analyses of the ability of borrowers and other counterparties to meet repayment obligations.

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management has established a credit policy under which each customer is analyzed individually for creditworthiness prior to the company offering them a credit facility.

Customers that fail to meet the company's benchmark creditworthiness may transact business with the company on a cash basis.

The company establishes an allowance for impairment of trade and other receivables that represent its estimate of incurred losses coupled with forward-looking assumptions and guidelines. The company addresses impairment assessment in two areas: individual and collective allowances.

The company's credit policy requires customers to pay a 30% to 50% deposit prior to the commencement of a job. There is another instalment of 40% required prior to delivery and the other 10% becomes due immediately after installation or delivery.

(ii) Cash

Cash transactions are carried out with high-credit quality financial institutions.

Maximum exposure to credit risk -

The company's maximum exposure to credit risk at year-end equals the carrying amount for the assets which provide such exposure for the Company.

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Exposure to credit risk for trade receivables (continued)

Exposure to credit risk for trade receivables -

Trade receivable represents amounts from customers in Jamaica and the Caribbean. The following table summarizes the company's credit exposure for trade receivables at their carrying amounts, as categorized by the customer sector, as follows:

	2023 $	2022 $
Private companies	89,916,235	135,481,818
Government entities	47,673,129	15,284,916
	137,589,365	150,766,734
Less: provision for bad debts	5,172,509	-
	132,416,856	150,766,734

Trade receivables that are less than three months are not considered impaired. As of 31 December 2023, trade receivables of 61,535,814 (2022 - $37,145,836) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. However, based on the impairment calculation computed during the year, no provision was considered necessary (2022 – NIL)

The ageing analysis of these trade receivables, exposed to credit risks was as follows:

	2023 $	2022 $
31 – 60 days	4,411,693	4,007,271
61 – 90 days	1,179,341	13,075
Over 90 days	61,535,814	37,145,836
	67,126,847	41,166,182

The movement on the provision for impairment of trade receivables is noted below:

	2023 $	2022 $
Balance at 1 January:		
Opening provision for receivables impairment	-	5,567,680
Written off during the year	-	(5,567,680)
Additional provision during the year	5,172,509	-
Balance at 31 December	5,172,509	-

The creation and release of provision for impaired receivables have been included in expenses in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk

Liquidity risk is the risk that the company is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions.

Liquidity risk management process

The company's liquidity management process includes 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 at short notice.

With the exception of finance lease liabilities and loan payable, the carrying amounts of all financial liabilities equal the contractual undiscounted values. These are all due to be settled within 12 months of the year-end. The undiscounted value for finance leases is shown in note 18 as total minimum lease payments of Nil (2022 -$10,328,856). The maturity profile is also shown in that note. The maturity profile for the undiscounted cash flow in relation to the long-term loan is shown in the table below.

	2023				
	Carrying amount $	Contractual cash flows $	1 year or less $	1-2 yrs $	2-5 yrs $
Accounts payable	245,624,737	245,624,737	245,624,737	-	-
Long-term liabilities	32,311,163	42,309,084	6,425,065	12,850,131	23,033,888
	277,935,900	286,581,821	250,697,802	12,850,131	23,033,888

	2022				
	Carrying amount $	Contractual cash flows $	1 year or less $	1-2 yrs $	2-5 yrs $
Accounts payable	172,954,033	172,954,033	172,954,033	-	-
Finance lease obligations	3,163,713	3,285,011	3,285,011	-	-
	176,117,746	176,239,044	176,239,044	-	-

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Currency risk

The company 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.

At the end of the financial year, the company had net foreign exchange asset exposure in Jamaican dollars of $36,575,527 (2022 - $32,579,129) analyzed as follows:

- US $279,583 (2022 – $219,943)
- Conversion rate at 31 December 2023: US$1 = Ja$155.0774 (2022 US$1 = JA$152.3094)

Foreign currency sensitivity

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 possible subsequent translation percentage variances after the year-end.

	Change (%) in currency rate	Effect on loss before Taxation	Change (%) in Currency rate	Effect on profit before Taxation
	2023	$	2022	$
US$	1	(1,048,976)	1	150,071
US$	(4)	3,146,287	(4)	(645,433)

(d) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the company to cash flow interest risk, whereas fixed interest rate instruments only expose the company to fair value interest risk changes.

The company has negligible exposure to interest rate risk as the majority of its financial instruments are fixed. The company's finance lease and loan obligations are the company's main financial liabilities which are also at fixed rates.

(e) Capital management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure in order to reduce the cost of capital. The Board of Directors monitors the return on capital, which the Company defines as net operating income divided by total shareholders' equity. The company is not subject to externally imposed capital requirements by any financial institution.

21. EARNINGS PER SHARE

Earnings per stock unit is calculated by dividing the net profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

	2023 $	2022 $
Net profit attributable to stockholders	(58,964,465)	15,007,116
Weighted average number of ordinary shares in issue	1,120,000,000	1,092,383,562
Basic earnings per share	(0.053)	0.013

The weighted average number of shares is based on the issue of new shares to the public, based on its successful Initial Public Offer (IPO) of shares.

22. SUMMARY OF SIGNIFICANT POLICIES

a) Foreign currency transaction and balances

Foreign currency transactions that require settlement in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in currencies other than Jamaican dollars are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary assets and liabilities measured at historical cost denominated in currencies other than Jamaican dollars are translated at the rate of exchange in effect at the date of the transactions or initial recognition. Non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Gains and losses arising from fluctuations in exchange rates are generally included in profit or loss. However, foreign currency differences resulting from the translation of equity investments are recognized in other comprehensive income, except on impairment, in which case the foreign currency differences that have been recognized in other comprehensive income are reclassified to profit or loss.

Exchange rates are determined by the published weighted average rate at which commercial banks trade in foreign currencies.

b) Revenue recognition

(i) Sale of goods

Revenue is recognized when the performance obligation is satisfied at a point-in-time to transfer goods and or services to the customer. Completion is assessed when the customer takes control and or obtains the benefits of the goods and /or services, and the company has a present right to payment as evidence by an invoice or the right to invoice.

(ii) Finance income

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

(iii) Other operating income

Other operating income includes gains on disposal of assets, recognized when the asset is sold, foreign exchange gains and miscellaneous inflows recognized when received.

22. SUMMARY OF SIGNIFICANT POLICIES (CONTINUED)

c) Income taxes

The income tax expense for the year comprises a current and deferred tax. Income tax expense is recognized in net income, except to the extent that it relates to items recognized either in OCI or directly in equity.

I. Current taxation

The current tax charge is the expected tax payable on the taxable income for the year, using tax rates in effect at the reporting date plus any over or under the provision of tax in respect of previous years.

II. Deferred taxation

Deferred tax liabilities are no longer recognized in the financial statements as the Company is subject to 100% tax remission under the junior market regime.

d) Employee benefit costs

Pension obligations

The Company does not participate in a defined contribution pension plan.

Vacation

The Company pays employee vacation pay at the year-end and does not have to carry forward any accrued vacation.

22. SUMMARY OF SIGNIFICANT POLICIES (CONTINUED)

e) Property, plant, and equipment

Property, plant, and equipment are stated at historical cost, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items. The land is carried at cost and is not depreciated.

Depreciation is calculated on a straight-line method at such rates as will write off the carrying value of the assets over the period of their expected useful lives. Current annual rates of depreciation are:

Buildings & building improvements	2.5%
Molds & modules	10 %
Plant, tools, and equipment	10 %
Solar, air condition units & light bulbs	7.5 %
Computer software & equipment	12.5 %
Furniture, fixtures & display units	10 %

The assets' residual values and useful lives are reviewed periodically for impairment. Where the assets' carrying amount is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant, and equipment are determined by comparing the proceeds with the carrying amount and are recognized in other income in the statement of comprehensive income.

Repairs and maintenance expenditure are included in the statement of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that the future economic benefits in excess of the initially assessed standard of performance of the existing asset will flow to the Company.

The cost of self-constructed assets includes the cost of materials, direct labour, and related cost to put the asset into service. Borrowing costs, including but not limited to, interest on borrowings and exchange differences arising on such borrowings, that are directly attributable to the acquisition and/or construction of a qualifying asset are capitalized as part of the cost of that asset.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its use are complete. Thereafter, borrowing costs are recognized in profit or loss when they are incurred.

22. SUMMARY OF SIGNIFICANT POLICIES (CONTINUED)

f) Impairment

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating units' fair value less costs to sell and its value in use. It is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in comprehensive income.

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. Impairment losses recognized in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

g) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the first in first out basis. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses. Work-in-progress includes all direct costs, relative to the level of completion of the unfinished products at the end of the financial year.

h) Trade and other receivables

Trade and other receivables are measured at amortized cost less impairment losses.

i) Credit risk and expected loss

The Company is primarily exposed to credit risk on its trade receivables and does not provide for any lifetime expected credit loss (LECL). It applies the practical experience of not adjusting the promised consideration receivable because the credit period is less than 12 months. The Company recognizes a loss allowance based on historical trends and current economic circumstances. The Company continues to incorporate forward-looking assumption to improve its basic expected credit model (ECL) which is principally based on historical information and current market conditions.

22. SUMMARY OF SIGNIFICANT POLICIES (CONTINUED)

j) Cash and cash equivalents

Cash and cash equivalents are carried on the statement of financial position at amortized cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash and bank balances. For the purposes of the statement of cash flows, bank overdraft, if any, that is repayable on demand and form an integral part of cash management activities, is included as part of cash and cash equivalents.

k) Trade and other payables

Trade and other payables are measured at amortized cost.

l) Leases

Leases of property, plant, and equipment where the Company has substantially taken over all the risks and rewards of ownership are classified as finance leases. Finance leases are recognized at the inception of the lease at the lower of the fair value of the leased asset or the present value of minimum lease payments. Each lease payment is allocated between the liability and interest charges to produce a constant rate of charge on the lease obligation. The interest element of the lease payments is charged to comprehensive income over the lease period.

Property, plant, and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Prior to 1 January 2019, assets held under other leases were classified as operating leases and were recognized in the Statement of Financial Position. Payments made under operating leases were recognized in the Statement of Comprehensive Income on a straight-line basis over the term of the respective lease.

From 1 June 2019, the Company has adopted IFRS 16 and will recognize in the Statement of Financial Position right of use assets and lease liabilities, where applicable.

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

(1) The amount of initial measurement of the lease liability
(2) Any lease payments made at or before the commencement date less any lease incentives received.
(3) Any initial direct cost, and
(4) Restoration cost

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.

22. SUMMARY OF SIGNIFICANT POLICIES (CONTINUED)

m) Debt: borrowings and borrowing costs

Debt is classified as current when the Company expects to settle the liability in its normal operating cycle, it holds the liability primarily for trading, the liability is due to be settled within 12 months after the date of the statement of financial position, or it does not have an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position; Otherwise, it is classified as long-term. After initial recognition, Debt is measured at amortized cost using the effective interest rate method, less any impairment, with gains and losses recognized in net income in the period that the liability is derecognized.

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are capitalized as part of the cost of these assets. Capitalization of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

n) Financial instruments – recognition and measurement

A financial instrument is any contract that gives rise to a receipt or payment in cash or its equivalents and a financial asset of one party and a financial liability or equity instrument of another party. Financial assets and financial liabilities are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of a financial instrument. All financial instruments are measured at fair value on initial recognition. Subsequent measurement of these assets and liabilities is based on fair value or amortized cost using the effective interest method.

Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities, other than financial assets and financial liabilities classified as fair value through profit or loss (FVTPL) are added to or deducted from the fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in net income.

Classification and subsequent measurement -

Financial instruments - assets

The Company classifies financial assets according to its business model for managing the financial assets and the contractual terms of the cash flows. Classification choices for financial assets are:

- Amortized cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL)

Classification choices for financial liabilities are:

- Amortized cost
- FVTPL

22. SUMMARY OF SIGNIFICANT POLICIES (CONTINUED)

n) Financial instruments – recognition and measurement (continued)

Amortized cost

Financial assets are classified as amortized cost because the financial assets are held within a business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding. These assets are measured at amortized cost using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified, or impaired.

Fair value through other comprehensive income (FVTOCI)

Financial assets are classified as FVTOCI because the financial assets are held with a business model with the objective to hold financial assets in order to collect contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are measured at amortized cost using the effective interest method and are subject to impairment. Gains and losses are recognized in other comprehensive income when the asset is modified or impaired and subsequently to profit or loss on derecognition.

Fair value through profit or *loss (*FVTPL)

Financial assets are classified as FVTPL unless they are classified as amortized cost or fair value through other comprehensive income. Gains and losses are recognized in other comprehensive income when the asset is modified or impaired and subsequently to profit or loss on derecognition.

Derecognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flow from the assets expire or when the Company transfers the financial asset to another party without retaining control or substantially all the risks and rewards of ownership of the asset. Any interest in transferred financial assets created or retained by the Company is recognized as a separate asset or liability.

A financial liability is derecognized when the contractual obligations are discharged, canceled, or expires.

o) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is charged to the statement of comprehensive income net of any reimbursement.

22. SUMMARY OF SIGNIFICANT POLICIES (CONTINUED)

p) Related party disclosure

Related parties are identified and disclosed to allow users of the financial statements to be aware of the possibilities that the financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties.

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the “reporting entity”)

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

- Has control or joint control over the reporting entity;
- Has significant influence over the reporting entity; or
- Is a member of the key management personnel of the reporting entity or a parent of the reporting entity.

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

- The Company and the reporting entity are members of the same group (which means that each parent, subsidiary, and fellow subsidiary is related to the others).
- One company is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both companies are joint ventures of the same third party.
- One company is a joint venture of a third entity, and the other entity is an associate of the third entity.
- The company is a post-employment benefit plan for the benefit of the employees of either the reporting entity or an entity related to the reporting entity.
- The company is controlled, or jointly controlled by a person identified in (a) above.
- A person identified in ((a) (i)) above has significant influence over the company or is a member of the key management personnel of the company (or of a parent of the company).

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

q) Expenses

(i) Expenses are recognized on an accrual basis.
(ii) Finance costs comprise interest incurred on borrowings, calculated using the effective interest method, foreign exchange losses, and bank-related charges.
(iii) Payments under leases are recognized in profit or loss on a straight-line basis over the term of the lease.

22. SUMMARY OF SIGNIFICANT POLICIES (CONTINUED)

r) Investments

Certificate of Deposits, quoted shares, and other investments are recognized at fair value. Incomes from these investments are accounted for based on the accrual basis.

s) Dividends

Dividends on ordinary shares are recognized in equity in the period in which they are approved. Dividends for the financial year that are declared after the reporting date are dealt with in the subsequent event note.

23. FAIR VALUES OF FINANCIAL INSTRUMENTS

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 fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

(i) The fair value of trade and other receivables, balances with related parties, cash and bank balances, trade and other payables, and short-term loan reflect their approximate carrying values because of the short-term maturity of these instruments.
(ii) The finance lease obligation incurs interest at prevailing market rates and reflects the company's contractual obligation.

The carrying value of this liability closely approximates amortized cost and is estimated to be the fair value of such liability as it attracts terms and conditions available in the market for similar transactions.

	Carrying Amount		Fair Value	
	2023 $	2022 $	2023 $	2022 $
EXIM bank loan	32,311,163	-	29,779,874	-

24. CONTINGENCIES AND COMMITMENTS

(i) The Company's attorney by letter dated January 15, 2024 regarding the year ended December 31, 2023 reported as follows:

- there are no judgments or settlements of any actual, pending or threatened litigation claims relating to the year ended December 31, 2023 and up to the date of this letter
- there are no judgments rendered or settlements made during the said period either in favour of or against the Company
- there are no impending liabilities, direct claims, or contingent liabilities (i.e. matters in which there is a reasonable possibility of an outcome that might materially affect the Company's financial position or reported results of operations)
- there are no unpaid bills and/or invoices owed by the Company to us, and
- there is no other relevant information that would require disclosure for these purposes.

The Company's senior management team at a meeting dated March 21,2024, indicated that:

- They have not instructed any attorneys to act on behalf of the Company in respect of any litigation or claim in which the Company was involved.
- They were not aware of significant judgment rendered for or against the Company during the year ended 31 December 2023.
- They were not aware of any other information of a similar nature which have come to their attention and which, in their opinion, requires disclosure in the Company's financial statements.

25. SIGNIFICANT ACCOUNTING POLICIES

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE IN THE CURRENT YEAR.

Certain new accounting standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Company has assessed the relevance of all such new standards, interpretations and amendments and has adopted the following which are relevant to its operations.

Amendments to IFRS 3, IAS 16, IAS 17 and some annual improvements on IFRS 1, IFRS 9, and IFRS 16, (effective for annual periods beginning on or after 1 January 2022). Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss. Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making. Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', and the illustrative examples accompanying IFRS 16, 'Leases

The adoption of these new standards, amendments to existing standards or interpretations to published standards did not have a material impact on the operations of the Company.

26. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED BY THE COMPANY.

At the date of authorisation of these financial statements, certain new accounting standards, amendments and interpretation to existing standards have been issued which are not yet effective, and which the Company has not early adopted. The Company has assessed the relevance of all such new standards, interpretations and amendments and has determined that the following may be relevant to its operations.

- Amendments to IAS 1, Non-current liabilities with covenants (deferred until accounting periods starting not earlier than 1 January 2024). These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

- 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.

- 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 recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

- 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.

Management has determined that the impact of the changes, will not be significant to the financial statements. There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a material impact on the operations of the Company.

27. IMPACT OF COVID 19

During the year, mangement did not experienced any significant impact from the waning COVID 19 virus. The Jamaican economy continues to recover and it is expected that pre covid 19 levels will be attained by the country soon after the year end.

28. SUBSEQUENT EVENT

At 31 December 2023, except for any potential future uncertainties relating to global logistics and disruptions in the supply chain, along with the risks posed by the warlike geo-political environment, management to the best of their knowledge and belief, are not aware of any other event that occurred after the statement of financial position date and through to the date of approval and signing of these financial statements that would require adjustment to or disclosure in the aforementioned financial statements.

FORM OF PROXY

JFP LIMITED

(‘the Company’)

I/We, ……………………………………………………………………………………………………….
(name of shareholder)

of ……………………………………………………………………………………………………....
(address of shareholder)

being a shareholder / shareholders of the above-names Company, hereby appoint

……….
(name of proxy)

or failing him/her ………………………………………………………………………………...
(name of alternate proxy)

as my/our proxy to vote for me /us on my/our behalf at the Annual General Meeting of the Company to be held on the 5th day of June, 2024 and at any adjournment thereof.

………………………………………… ………………………………….
(signature of shareholder) (date)


MAKE PAYMENTS
MAKE PAYMENTS
FLOW