Jamaican Teas LTD.

ANNUAL REPORT 2023

Mission

We aim to grow our business by producing high quality products that are safe, healthy and economical, while simultaneously being an exemplary corporate citizen, ensuring sustainable returns to our customers, shareholders and staff.

Vision

To become a leading producer of consumer goods within the Latin American and Caribbean region, through innovation, growth in exports and people centred values.

Contents

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of the members of Jamaican Teas Limited (the "Company") will be held at 12 noon on Thursday, 25 April 2024 at the Courtleigh Hotel and Suites, 85 Knutsford Boulevard, Kingston 5, for the purpose of transacting the following business:

1. **To receive and approve the Audited Financial Statements for the year ended 30 September 2023 and the reports of the Directors and the Auditors circulated herewith.**

To consider and, if thought fit, pass the following resolution: -

Resolution No. 1

"THAT the Audited Financial Statements for the year ended 30 September 2023 and the reports of the Directors and the Auditors circulated with the Notice convening the meeting, be and are hereby received."

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

To consider and, if thought fit, pass the following resolution: -

Resolution No. 2

"THAT Baker Tilly, Chartered Accountants, having signified their willingness to be appointed, be and are hereby appointed Auditors of the Company to hold office until the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company."

3. **To declare no dividend for the year ended 30 September 2023.**

To consider and, if thought fit, pass the following resolution: -

Resolution No. 3

"THAT no dividend be paid in respect of the year ended 30 September 2023."

4. **To approve the remuneration of the Directors.**

To consider, and if thought fit, pass the following resolution: -

Resolution No. 4

"THAT the amount of $7,458,000 for the year ended 30 September 2023 as fees to the Directors for services as Directors, be and is hereby approved."

5. **To re-elect Directors**

a) i) John Jackson retires by rotation as a Director in accordance with the Company's Articles of Association, and being eligible, offers himself for re-election.

ii) John Mahfood retires by rotation as a Director in accordance with the Company's Articles of Association, and being eligible, offers himself for re-election.

b) To consider and, if thought fit, pass the following resolutions:

Resolution No. 5

i) "That John Jackson, who is retiring by rotation in accordance with a) i) above, be and is hereby re-elected a Director of the Company."

ii) "That John Mahfood, who is retiring by rotation in accordance with a) ii) above, be and is hereby re-elected a Director of the Company."

Dated the 1st day of February 2024.

By Order of the Board

Cameron Burnet
Company Secretary

*Please see proxy and notes thereto

NOTICE TO ALL MEMBERS:

The following shall apply to this AGM:

(1) Attendance

All members of the Company and persons entitled to attend the AGM may join the AGM in person or by electronic means.

(2) Electronic Access To AGM

www.jamaicanteas.com/agm

(3) Proxy Forms

The Proxy Forms must be downloaded from

www.jamstockex.com

www.jamaicanteas.com

Corporate Data

BANKERS

Bank of Nova Scotia Ja. Ltd.
Scotiabank Centre
Cnr. Duke & Port Royal Streets
P. O. Box 709, Kingston

National Commercial Bank Ja. Ltd.
The Atrium
32 Trafalgar Road
Kingston 10

Sagicor Bank Ja. Ltd.
Head Office
17 Dominica Drive
Kingston 5

REGISTRAR & PAYING AGENT

Jamaica Central Securities Depository
40 Harbour Street
Kingston

ATTORNEYS-AT-LAW

Hart Muirhead Fatta
2nd Floor
The Victoria Mutual Building
53 Knutsford Boulevard
Kingston 5

AUDITORS

Baker Tilly
9 Cargill Avenue
Kingston 10

JTL Clipboard

REVENUE

J$2.7B

INVESTMENTS

$2B

GROWTH

- Export Sales 8%
- Supermarket Sales 22%

MANUFACTURING & FOOD TRADE

- CDFL purchased new factory at Temple Hall
- Dry Pack operations & Tea Factory to relocate in 2024

REAL ESTATE

Belvedere Residential Development completed

- 13 One-Bedroom Apartments
- 17 Studio Apartments

Sales in train

AWARDS

- Tetley Super Teas cops Best New Packaging at the 2023 Jamaica Manufacturers and Exporters Association (JMEA) Expo

NEW DISTRIBUTORS

- Wisynco sole distributor in Jamaica
- AMCO exclusive distributor in Trinidad and Tobago

CERTIFICATION

- SQF
- HACCP
- FDA

CARIBBEAN DREAMS BRAND AMBASSADOR

Avid tea drinker and cricketer, Brandon King, endorsed as brand ambassador. The 28-year-old is the 2nd highest (#1) ranked International Club player for the West Indies.

COMPLIANCE

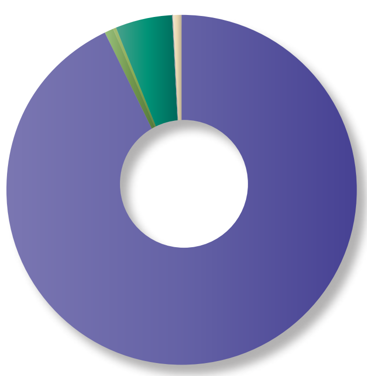
Member of the Authorised Economic Operator (AEO) Programme

Shareholdings of Note

10 LARGEST PRIMARY ACCOUNT HOLDERS

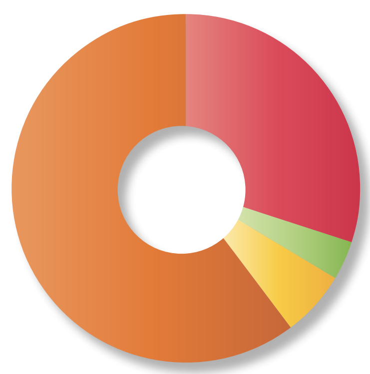
Name	Units
Violet Helen Mahfood	602,378,520
John Mahfood	523,498,839
Jennifer Ann Mahfood	43,642,063
Combined Holdings	567,140,902
Nancy D. Milne	117,750,000
Mayberry Jamaican Equities Limited	82,093,934
SJIML A/C 3119	59,545,070
PAM - Pooled Equity Fund	52,927,368
JCSD Trustee Services Ltd. A/C 76579-02	49,646,940
SJLIC for Scotiabridge Retirement Scheme	43,761,058
JCSD Trustee Services Ltd. A/C - Barita Unit Trust Capital Growth Fund	33,672,997
Marcous Dabdoub	31,400,000
Total Percentage of Shareholdings	**75.78%**

DIRECTORS AND CONNECTED PARTIES SHAREHOLDINGS



Name	Position	Units
John Mahfood	Chief Executive Officer	567,140,902
	Connected Party Holdings	NIL
	Combined Holdings	567,140,902
John Jackson	Director	5,336,976
	Connected Party Holdings	1,632,089
	Combined Holdings	6,969,065
Marcous Dabdoub	Director	31,400,000
Suzette Smellie-Tomlinson	Director	917,106
Damien King	Director	4,000,000
	Connected Party Holdings	NIL
Kerry-Ann McKoy Tulloch	Director	NIL
Dr. Nadiya Figueroa	Director	NIL

SENIOR MANAGERS AND CONNECTED PARTIES SHAREHOLDINGS



Name	Position	Units
Cameron Burnet	Senior Manager	NIL
	Connected Party Holdings	501,000
Jonathan Mahfood	Senior Manager	60,000
Charles Barrett	Senior Manager	100,850
Norman Russell	Senior Manager	1,000,000

Corporate Governance and Employee Welfare

As the largest producer of teas in the Caribbean and exporters of more than half of its products to Caribbean markets, the USA and the United Kingdom, Corporate Governance and Employee Welfare is integral to the growth and sustained development of Jamaican Teas.

Corporate Governance oversight is also extended to the subsidiaries of the Group, which include, the real estate and property companies - H. Mahfood and Sons Limited, LTJ Managers Ltd and H. Mahfood and Sons 2020 Limited, Bay City Foods Limited - operators of a supermarket in Kingston, QWI Investments Limited, our investment company and KIW International Limited, now an investment holding company with 18 percent ownership of QWI.

The Board of Directors of Jamaican Teas Limited, entrusted with the responsibility of Corporate Governance, ensures that the Company is set on a solid foundation, which supports and fosters:

- Its long-term strategic goals, including that of its shareholders, stakeholders, and employees.
- Sound and fair business ethics and oversight of risks that the Company may encounter.
- Compliance with all legal and regulatory requirements in the operations of the Company's business, according to the Code of Corporate Governance.
- Strong relationships with customers and suppliers in the community in which it operates.
- Active engagement socially in the local community.
- Access to information on the Company's performance, internal changes and other matters of import via strategic media placements and its corporate website.
- Participation in protecting the environment through the Company's Sustainability and Waste Management Policy.

The fulfillment of these objectives is effectively carried out by a management team committed to high standards, which considers the interest of all shareholders and stakeholders, helping them to exercise their rights and encouraging participation in general meetings. Shareholders are also kept well-informed by way of detailed analysis of Quarterly Reports on the Jamaica Stock Exchange (JSE) website, the Company's corporate website, as well as paid advertising in the local newspapers.

The Company is also accountable to other stakeholders in respect of abiding by all legal, contractual and social obligations to non-shareholders, including policy makers, creditors, employees, suppliers, customers and local communities. The Company is also compliant with international regulators in keeping with its US FDA-approved status for exports, and SQF and Kosher certifications.

In its selection of Board members, the Company is guided by a code of conduct, which promotes accountability, integrity, and ethical and responsible decision making. Board members provide management with expertise in areas that facilitate the Company's operations and financial performance.

EMPLOYEE WELFARE, SAFETY AND TRAINING

The Group currently has approximately 140 full time employees. Although our employees are not represented by a works council or union, we consider our relations with our employees to be good.

Regular meetings are held between all of our employees and senior management in which managers update employees, consult with them and provide a forum wherein they have the opportunity to ask questions and air concerns. Arising from these discussions, targeted revisions and improvements were made to employee compensation in 2023 particularly by way of a new scheme to incentivize performance, which has been well-received by employees and has had the desired impact on productivity.

All employees participate in Company funded food handling and safety training programmes and these activities are regularly audited by third party auditors and food safety certification firms. The Company does not have a written whistle blowing policy but all managers practice an open-door policy - pursuant to which employees can bring food safety or other ethical and legal concerns to the attention of senior management.

Corporate Governance and Employee Welfare (Continued)

All employees are provided with uniforms and protective gear, as appropriate, for their activities.

Employee accidents are very rare and the Company does not tabulate the number of elapsed days without an employee injury nor the number of injuries per hour worked.

All employees are eligible to participate in the Company's staff welfare programmes, including contributory group health insurance, non-contributory life and critical illness insurance and an independent pension scheme.

In 2011, the Company reserved a split adjusted 192,000,000 shares in Jamaican Teas for purchase by Company employees. These shares were priced at a 10 percent discount to the market price on the dates the shares were offered to the employees. All participating employees were given the opportunity to pay for their shares based on a 3-year interest free loan, and most participants exercised this option. In 2024, approximately $14 million of Company shares will be issued to employees, being the last share issue arising from the most recent tranche of employee shares reserved for issue in 2021.

BOARD COMPOSITION

At the date of writing, the Company's Board of Directors comprised six members, namely: John Jackson, Chairman, John Mahfood, Damien King, Nadiya Figueroa, Kerry-Ann McKoy Tulloch and Suzette Smellie-Tomlinson. Marcos Dabdoub resigned as a Director in August 2023. Of the six members, there are five independent/non-executive Directors and one non-independent/executive Director, John Mahfood. The Board is chaired by John Jackson, who is an independent member Director.

Three members of the Board are male and three are female. The ages of the Board members range from 41 to 74 years, and the Board believes that this range of ages and genders provides a diversity of experience and points of view that are valuable to and in its activities.

A Director meets the independent criteria when he or she:

- Does not have substantial shareholdings in any of the Group's companies;
- Is not a close relative of a shareholder with significant shareholdings; or
- is not in an employment relationship with the Company or its subsidiaries.

Only one of the Company's Board members has substantial shareholdings in any of the Group's companies or an employment relationship with the Company.

The Company's Directors who served during 2022/23 were selected because of their expertise in particular areas required by the Company. The criteria used were as follows:

Areas of Expertise	John Jackson	Suzette Smellie-Tomlinson	John Mahfood	Damien King	Kerry-Ann McKoy Tulloch	Nadiya Figueroa
Finance & Accounting	✓	•	✓	•	•	•
General Management	✓	✓	✓	✓	✓	✓
Sales & Marketing	•	✓	✓	•	•	•
Manufacturing	•	•	✓	•	•	•
Strategy	✓	✓	✓	✓	✓	✓
People & Organisational Development	•	✓	•	•	•	✓
Legal	•	•	•	•	✓	•
Independent	✓	✓	•	✓	✓	✓

Corporate Governance and Employee Welfare (Continued)

All, but one, of the Company's current Directors attended the Company's 2022 Annual General Meeting (AGM) held in May 2023.

BOARD MEMBERS' TERMS OF OFFICE

Jamaican Teas Limited's Articles of Incorporation provide that one third of the members of its Board of Directors are to retire each year. Each retiring member, if eligible, may present themselves for re-election following their retirement.

The Board is required to meet at least 5 times per year to review the budget, Quarterly Reports and whenever else necessary.

COMPANY SECRETARY AND INVESTOR RELATIONS CONTACT

The Company Secretary supports the Board of Directors in the timely communication, preparation and dissemination of all Board and Committee documents and ensures compliance with applicable regulatory deadlines and requirements. The appointment and removal of the Company Secretary is determined by the Board. The present Company Secretary for Jamaican Teas Limited is Cameron Burnet, who is also the point of contact for all investor and shareholder questions.

His telephone number is 876-656-9491 extension 227;
email - cameron.burnet@jamaicanteas.com.

MENTOR

Jamaican Teas (JTL) was mandated by the Jamaica Stock Exchange (JSE) Junior Market Rules to have a Mentor on its Board, throughout its tenure as a Junior Market company. The Chairman of the Company was John Jackson who has held this position since 2010 and who demitted the mentorship office in 2023, following the receipt of a waiver of the Mentor requirement from the JSE.

BOARD COMMITTEES

There are three (3) established committees, namely:

- Compensation
- Marketing and
- Audit & Finance

Role of the Compensation Committee (CC)

Up to August 2023, the Compensation Committee comprised independent non-executive Directors - Chair Person, Suzette Smellie-Tomlinson and Marcos Dabdoub. Kerry-Ann McKoy Tulloch joined this Committee in August 2023 and Marcos Dabdoub resigned his membership in August 2023.

The main responsibilities of the CC are to:

- Review and approve the compensation paid by the member companies, and to all employees and their Directors.

During the year, the CC reviewed two employee profit-sharing distributions, as well as the Directors' fees payable for the financial year and the compensation arrangements for members of QWI Investments Limited's Investment Committee. The Committee also reviewed and made recommendations regarding the remuneration and terms of employment for new management staff.

The Board of Directors is collectively responsible for reviewing the nominations of all Directors and senior managers at the Group and planning for their succession. The Board also regularly reviews whether these nomination activities should be carried out by a dedicated Nominations Committee or delegated to the Compensation Committee.

At all times, the nomination activities of the Board and the compensation practices of the Compensation Committee are consistent with known best practices, including the Private Sector Organisation of Jamaica Corporate Governance Code and JSE listing rules.

Role of the Marketing Committee (MC)

Up to August 2023, the Marketing Committee comprised independent non-executive Directors - Chair Person, Suzette Smellie-Tomlinson and Marcos Dabdoub. Marcos Dabdoub resigned his membership in August 2023. The

Corporate Governance and Employee Welfare (Continued)

Committee will add two new non-executive Directors in the upcoming financial year.

The main responsibilities of the MC are to review and evaluate the effectiveness of the sales and marketing strategy, policies and practices of Jamaican Teas Limited, and ensure that the organization's programme is in synergy with the strategic direction and needs of the Company.

The Committee also:

- Assessed the performance of the 2023-2024 annual marketing plan, marketing budget and marketing expenditure.
- Reviewed and provided feedback on different activities in progress from the Knowledge Management Framework Plan.
- Reviewed the 2023-2026 Strategic Marketing Plan to provide insight and approve same, and the marketing budget, which provides strategic direction for the next four years with a focus on increasing sales volumes and the number of channel partners, market intelligence, market development, product development and market penetration strategies, and attendant programmes.
- Reviewed market research strategies for instruments to be designed to conduct field research on brand Health to include top of mind recall, consumers' perceptions and feedback on various products.
- Held separate meetings outside of the Committee meetings to review documents and provide individual feedback or approval, for example: on ongoing website upgrade, social media opportunities and launch of various new products.

Role of the Audit & Finance Committee (AFC)

The Audit & Finance Committee seeks to ensure the integrity of the Company's financial statements and the adherence by the Group member companies to applicable accounting standards and applicable governance codes, in the preparation of the quarterly and annual financial statements. In addition, internal controls are monitored to identify and control operational risks.

The members of the Audit & Finance Committee are all independent. Damien King is Chairman, along with Suzette Smellie-Tomlinson and Joan Brown, a Chartered Accountant, who joined the Committee in July 2019.

At all times, the activities and practices of the AFC during 2022/23 have been consistent with known best practices, including the Private Sector Organisation of Jamaica Corporate Governance Code and JSE listing rules.

Corporate Governance Practices

The Company's Articles of Incorporation are posted on the Company's website, www.jamaicanteas.com. The Company's Articles provide that each issued Company share has one vote.

The Minutes of the Company's Annual General Meetings are posted on the Company's website, www.jamaicanteas.com.

The Group's Corporate Governance Policies are posted on the Company's website, www.jamaicanteas.com as well as the JSE website, www.jamstockex.com.

The Board of Directors is collectively responsible for reviewing the Corporate Governance practices of the Group. The Board also regularly review whether these Corporate Governance activities should be carried out by a dedicated Corporate Governance Committee or delegated to the Audit and Finance Committee.

At all times, the Corporate Governance activities of the Board are consistent with known best practices including the Private Sector Organisation of Jamaica Corporate Governance Code and JSE listing rules.

Board & Committee Meetings/Attendance

During the year, there were approximately nine (9) Compensation Committee meetings, five (5) Marketing Committee meetings, eight (8) Audit & Finance Committee meetings and ten (10) Board meetings. Attendance at these meetings are shown:

Corporate Governance and Employee Welfare (Continued)

Directors/Members	Board	Audit & Finance Committee	Compensation Committee	Marketing Committee
John Jackson	10			
Suzette Smellie-Tomlinson	10	8	9	5
John Mahfood	9			
Damien King	8	8		
Marcos Dabdoub	8		5	5
Kerry-Ann McKoy Tulloch	7*		4**	
Nadiya Figueroa	5º			
Joan Brown (external)		8		

* since January 2023
** since August 2023
° since January 2023

STRATEGY SESSIONS

Outside of the Board's normal schedule of meetings, the Directors met with the senior management of the Company for a full day session devoted to Company and Group strategy.

Regulatory Responsibilities

During the last 12 months, there were no reports of any regulatory breach, including:

- The Securities Act or its insider trading regulations
- Regulations relating to the disclosure of transactions with any related party
- The listing Rules of the Jamaica Stock Exchange

All of the Company's unaudited Quarterly Reports and its Audited Financial Statements were filed within the periods required by the listing rules of the Jamaica Stock Exchange (JSE) and with the Financial Services Commission (FSC).

On 31 December 2023, Baker Tilly, Independent Auditors of the Company, issued an unqualified audit opinion on the Company's 2023 annual financial statements.

Compensation of Directors

Each Director of the Company is paid an annual fee for his or her membership of the Board of Directors, and each member of a Committee of the Board is paid an annual fee for his or her membership of such Committee. Directors who perform the functions of Chair Person, whether of the Board or a Committee, are paid additional fees.

For the year ended 30 September 2023, fees paid by the Company to its Directors totalled $7,458,000 (2022 - $6,313,000). This included fees for Marcos Dabdoub, who resigned from the Board in August 2023. These fees are subject to the approval of the shareholders of the Company at the Annual General Meeting (AGM). The fees proposed for 2024 will be put to the shareholders for approval at the Company's next AGM.

In addition to an annual fee, each Director of the Company is entitled to participate in the Company's share option schemes, which are stated below and in Note 15b on pages 111 - 112 of the 2023 Audited Financial Statements.

" At the Annual General Meeting (AGM) held on March 2, 2011, the stockholders passed a resolution for 16,000,000 of the authorised but unissued shares of the Company to

Corporate Governance and Employee Welfare (Continued)

be set aside as part of a stock option plan for directors and a stock purchase plan for employees, to be issued in two tranches of 8,000,000 shares to be issued between June 2011 and June 2021. The shares allocated for the staff are to be priced as a 10% discount to the last stock market selling price on the date the offer is taken up. The staff will be given a specific time in each year in which to take up the offer and they can access an interest free loan for a three-year term to acquire the shares.

The exercised price of the directors' shares was originally approved at the AGM in 2011 at $7 each, now $1.75 per share, adjusted for the 2-for-1 splits that happened between 2011 and 2016. As at September 30, 2020, all shares allocated under tranche one of this authorised option were fully issued or were expired.

At the Annual General Meeting held on March 16, 2016, the shareholders approved a resolution for the second tranche of 8,000,000 shares before the stock split (16 million – post split) be issued to the directors at a price of $9 or $4.50 after the effect of the stock split and that the expiry date of tranches 1 and 2 shall be five years from the date each yearly allotment becomes effective.

At the Annual General Meeting (AGM) held on April 12, 2017, the shareholders passed a resolution for the Company to sub-divide its share capital into two (2) shares for each existing shares, resulting in the total number of authorised shares being increased to 1,000,000,000 ordinary shares at no par value and the total number of issued shares being increased to 674,833,460 of no par value with effect from April 19, 2017.

In 2017, five directors exercised options to acquire shares in the Company pursuant to their share option plans to purchase 7,200,000 shares at an exercise price of $1.75 per share amounting to $12,600,000.

In 2018, four directors exercised their options to acquire shares in the Company pursuant to their share option plan to purchase 3,200,000 shares at the exercise price of $1.75 per share amounting $5,600,000. Also, 800,000 shares were issued to employees pursuant to their employee stock purchase plan amounting to $1,541,000.

In 2019, four directors exercised their option to acquire shares in the Company pursuant to their share option to purchase 3,200,000 shares at the exercise price of $1.75 per share amounting to $5,600,000. In addition, 2,100,000 shares were issued to staff pursuant to their employee stock purchase plan amounting to $3,388,000.

In 2020, four directors exercised their option to acquire shares in the Company pursuant to their share option to purchase 3,200,000 shares at the exercise price of $1.75 per share amounting to $5,600,000.

On 17 November 2020, shareholders in an Extraordinary General Meeting approved a resolution that 56,000,000 shares be set aside as part of a stock option plan for Directors and senior executives to be issued between 30 November 2020 and 30 November 2025. The exercise price was $10 per share before giving effect to the effects of the 3 for 1 share division referred to below.

On 17 November 2020, by way of resolution, the Board approved a 3-for-1 split for ordinary shares, on record on November 30, 2020. This was approved by shareholders at an extra-ordinary general meeting on 17 November 2020.

During 2021, five (5) directors exercised their options, adjusted for splits, to acquire shares in the Company pursuant to their share purchase agreement to purchase 40,800,000 shares at the exercise price of $0.75 per share, amounting to $30,600,000, and 1,500,000 shares at the exercise price of $3.33 per share, amounting to $4,995,000. In addition, one staff member was issued 9,000,000 shares at the exercise price of $1.66 per share, amounting to $15,000,000, pursuant to the employee stock purchase plan.

During 2022, three (3) directors exercised their options, to acquire shares in the Company pursuant to their share purchase agreement to purchase 4,800,000 shares at the exercise price of $0.75 per share, amounting to $3,600,000, and 2,600,000 shares at the exercise price of $3.33 per share, amounting to $8,658,000. In addition, eight (8) staff members were issued 5,055,000 shares at the exercise price of $1.66 and $1.33 per share amounting to $7,740,000 pursuant to the employee stock purchase plan.

Corporate Governance and Employee Welfare (Continued)

During 2023, two (2) directors exercised their options to acquire shares in the Company pursuant to their share purchase agreement to purchase 4,800,000 shares at the exercise price of $0.75 per share amounting to $3,600,000."

Evaluation and Training of Directors

The Company does not presently have procedures pursuant to which the Directors evaluate either their own performance or the performance of their fellow Directors. The Directors recognise that the absence of such procedures is undesirable and in 2024, have begun to formally establish such procedures. These procedures will include retention of third parties to assist the evaluation process.

In 2023, the Directors did not participate individually or collectively in any specific training programme relating to their functions as Directors of the Company.

Role of Subsidiary Company Directors

The Directors of Bay City Foods Limited are John Mahfood, Charles Barrett and Jonathan Mahfood. None of whom is considered to be independent as all three are full time employees of Jamaican Teas. The Directors do not consider it necessary to have committees, as the company's requirements are carried out by the JTL Board.

All three Directors serve the company without remuneration.

The Directors of H. Mahfood and Sons Limited are John Mahfood, John Jackson, Duncan Davidson and Cameron Burnet. The Directors of H. Mahfood and Sons 2020 Limited are John Mahfood, John Jackson and Cameron Burnet. Messrs. Jackson and Davidson are considered to be independent. The Directors do not consider it necessary to have committees, as the company's requirements are carried out by the JTL Board. The Directors of both companies serve without remuneration.

The Directors of KIW International Limited, during 2023, were John Mahfood, John Jackson, (Chairman) and Cameron Burnet. None of the Directors, except John Jackson, are considered to be independent. Since KIW disposed of its investment portfolio to QWI, the services of the sub-committees were discontinued.

No fees were paid to KIW Directors for 2023 (2022-$850,000).

The Directors of QWI Investments Limited (QWI), during 2023, were John Jackson (Chairman), John Mahfood, Cameron Burnet, David Stephens, Evan Thwaites and Malcolm McDonald. Evan Thwaites joined the Board in January 2021. Messrs. Thwaites, McDonald and Stephens are independent Directors of this company.

QWI has an Audit Committee presently chaired by Evan Thwaites. The other members are Malcolm McDonald and David Stephens. The Audit Committee is therefore independent. QWI also has an Investment Committee responsible for the management of the company's investments, which comprises John Jackson (Chairman), Cameron Burnet, and David Stephens.

The total fees paid to QWI's Directors in 2023 was $6,500,000 (2020-$7,500,000). These fees are subject to the approval of the shareholders of QWI at the Annual General Meeting, and the fees proposed for 2024 will be put forward for approval at the company's next AGM.

Upwards of 2,500 people visited the JTL Booth during the JMEA's Expo in April 2023. Choice products were soups, iced teas (Tetley Boost and Caribbean Dreams Lemongrass Lemonade) and hot chocolates.

Directors' Report

The Directors extend well wishes and appreciation to our shareholders for the continued support of the Company, especially as it relates to the percentage increase in shareholders over the years.

DIRECTORS (l to r): **John Mahfood** - Group Chief Executive, **John Jackson, Kerry-Ann McKoy Tulloch, Dr. Nadiya Figueroa, Suzette Smellie-Tomlinson** and **Dr. Damien King**

Directors' Report (Continued)

We look forward to your attendance at our next Annual General Meeting scheduled for 25 April 2024, which will be held in person with live streaming for the convenience of those who are unable to attend.

We present our report for the financial year to September 2023.

BACKGROUND

Conditions in the Jamaican economy remained favourable for your Group over the last year and projections are that this will continue in 2024, following positive growth in the economy in 2023 that facilitated a reduction in unemployment to a record low of 4.2 percent.

2023 OPERATING RESULTS

Total Comprehensive Income attributable to the owners of Jamaican Teas declined from $449 million in 2022 to $313 million. In 2022, results were boosted by strong gains in valuation of property that was not matched in 2023. We encourage you to read our Management Discussion and Analysis report for a fuller explanation of the 2023 results.

CORPORATE DEVELOPMENTS

The Group completed its real estate project at Belvedere Road, St. Andrew in 2023 and will book sales in the 2024 financial statements, as completion was during the final months of the financial year.

DIVIDEND

For 2023, the Company is not recommending a dividend to shareholders.

APPRECIATION

We extend appreciation to our customers and the distributors to whom we entrust the delivery of our products locally and across the Caribbean region.

We also express our gratitude to our employees whose service and dedication are among the valued assets of the Group.

TRIBUTE

The Board of Directors, Management and Staff of Jamaican Teas Limited are saddened at the passing of Duncan Davidson, who served us well throughout his tenure.

JTL "delites" at Expo 2023
JTL had a strong showing at the four-day JMEA Expo in April with enthusiastic visitors to the booth which was designed with a café concept. The favourite products were soups, iced teas (Tetley Boost and Caribbean Dreams Lemongrass Lemonade) and hot chocolates.

Board of Directors

John Jackson
Non Executive Director

John serves the Company as Chairman of the Board and Chairman of the Audit and Finance Committee. He was Mentor to the Board from 2010 and demitted that role in 2023, following the receipt of a waiver of the Mentor requirement from the JSE.

As a Chartered Accountant and Financial Analyst, he brings to the Board his experience in the financial industry.

He chairs the boards of QWI Investments Limited and Jetcon Corporation Limited, and is a former Chairman of Jamaica Deposit Insurance Corporation (JDIC). He was a Director of the Development Bank of Jamaica (DBJ) and is involved in other private entities.

John was a founder of the chartered accounting firm, Jackson Burnett Parkinson Jackson. Since 1974, he has been a Director of Bridgeton Management Services Limited, a private investment and management company, and also publisher of the financial website - ICinsider.com.

John Mahfood
Group Chief Executive

John Mahfood heads the Management Team, leading the strategic initiatives across the Group. He also oversees the development and implementation of the Group's guidelines, internal controls and human resource procedures.

His experience spans local and international retail and trading, mergers, expansions and turnarounds, all capacities in which he served several corporate entities.

He was President of the Jamaica Manufacturers Association for two consecutive years - 2021/22 and 2022/23.

John is a Certified Public Accountant, a Fellow of the Institute of Chartered Accountants in Jamaica and a registered Investment Advisor licensed by the Financial Services Commission (FSC).

Dr. Damien King
Non Executive Director

Damien joined the Board on 1 January 2021. He is the Executive Director of the Caribbean Policy Research Institute (CAPRI), experienced in fiscal analysis, good governance practices, analysing and formulating public policy, and in communicating these ideas to specialist and large audiences.

Most of his professional life has been spent as a lecturer in the Department of Economics at the University of the West Indies, and he has authored and contributed to various publications. He was Economic Affairs Officer in the Department of Economic and Social Affairs at the United Nations, and Economic Specialist in the Economic and Commercial Section of the United States Embassy locally.

Damien sits on the boards of a number of entities in both the public and private sector, including Recycling Partners of Jamaica from 2019 to present.

He holds a Ph.D. Economics, New York University, U.S.A.

Board of Directors (Continued)

Suzette Smellie-Tomlinson
Non Executive Director

Suzette heads the Compensation and Marketing Committee. She brings to Jamaican Teas more than two decades of experience in the fields of banking and insurance; retail and distribution; media; education; cold storage and shipping, among others.

She has served in senior positions in corporate entities, namely Scotiabank, AIC Limited, National Commercial Bank Limited and Supreme Ventures Limited.

Suzette holds an MBA in Finance and Marketing from the Manchester Business School and University of Wales, and a B.Sc. in Economics and Management.

Kerry-Ann McKoy Tulloch
Non Executive Director

Kerry-Ann joined the Board on 1 January 2023. She is an Attorney-at-Law in private practice in Jamaica and Barbados, and formerly, an Associate Attorney-at-Law at Hart Muirhead Fatta. She is experienced in conveyancing, commercial and maritime law, financial analysis and at the international level, the logistics management industry.

She has been a director at Development Bank of Jamaica since 2016 and a Council Member at Caribbean Maritime University from February 2020. She is also a director at M/VL Stockbrokers Ltd., the Jamaica Stock Exchange, and Port Security Corps' and was formerly a director at Port Authority of Jamaica and Kingston Container Terminal.

She holds an MSc. in Maritime Safety and Environmental Protection (Administration), World Maritime University, Malmo, Sweden; Master of Laws in International Maritime Law, the International Maritime Law Institute, Msidia, Malta and Bachelor of Laws, U.W.I, Cave Hill, Barbados.

Dr. Nadiya Figueroa
Non Executive Director

Nadiya joined the Board on 1 January 2023. She is a Development Scholar, Educator, Facilitator and Strategist.

She advises global philanthropies and educational institutions: Schmidt Futures, Knight-Hennessy at Stanford University, Schwarzman Scholars at Tsinghua University and the Rhodes Trust at Oxford. At Rhodes, she was the first Dean and Director of Leadership & Change. She is a board director at the Jamaica Accountability Meter Portal.

Nadiya's experience in Jamaica spans the private, public and social sectors. She was on the team that founded CAPRI; served as policy associate on the Partnership for Transformation at OPM and was in the first consultant cohort at then JEA's Competitiveness Company.

She holds a DPhil and MPhil in Development Studies from Oxford University, Masters in Government, U.W.I. and B.A. in History and Cultural & Social Anthropology from Stanford University.

JTL Group Organisational Chart

Board of Directors

Group Chief Executive

DIVISIONS/COMPANIES

Investments	Retail	Manufacturing	Real Estate
QWI	Shoppers Delite	Jamaican Teas	H. Mahfood & Sons

Our New General Managers

In 2023, John Mahfood, Group Chief Executive, implemented a number of strategic initiatives that would continue to foster the growth and development of the JTL Group of companies throughout the 21st century and beyond.

One part of those initiatives entailed the fine-tuning of the management and operations of Jamaican Teas. Two new positions were instituted - General Manager for the Commercial segment of the Company and General Manager for Operations at the newly formed Caribbean Dreams Foods Limited (CDFL).

Jonathan Mahfood and Charles Barrett were appointed to head these positions.

JONATHAN MAHFOOD

General Manager - Commercial

Jonathan will drive the overall commercial strategy and revenue generation for the organisation. He will oversee sales, marketing and business development efforts, aligning them with the Company's goals and objectives.

He will play a key role in identifying new market opportunities, building strategic partnerships, optimising customer engagement, contributing to business growth, market expansion and long-term profitability.

In addition, his portfolio of responsibilities includes export management, maintaining and growing sales relationships with the Company's Caribbean and North American export customers. He will also undertake other projects associated with new business and commercial developments, and the expansion of the customer base.

Jonathan holds a B.A. in International Hospitality & Tourism Management from St. Leo University, Florida.

Our New General Managers (Continued)

CHARLES BARRETT

General Manager - Operations

Charles is charged with ensuring the efficient operation of the manufacturing business by planning, directing and coordinating its functions.

He will also undertake the creation of a work environment that incorporates the Company's values, culture and strategy, whilst ensuring business growth, continuity and achievement of profitability targets.

Prior to this appointment, he served as Head of the Dry Pack Manufacturing & Quality Division. His responsibilities included planning, organising, directing and controlling the division's operations, thereby implementing programmes that promote growth in accordance with the Company's strategic goals and objectives.

As the Company's lead for Quality and Food Safety, he is also responsible for ensuring that both the Tea and Dry Pack Manufacturing operations meet all local and international regulatory practices including legislative requirements.

Charles has been with Jamaican Teas for over 15 years and has served in various leadership roles. He has extensive experience in marketing, regional retail trade, new product development, exports, food safety management and operations management.

He holds a Masters of Business Administration (MBA) with distinction from the U.W.I. Mona School of Business and Management, and a B.Sc. in Botany and Zoology from U.W.I. He also holds certificates in Applied HAACP Principles from the Royal Society for Public Health in the United Kingdom, as well as Sales Management from the Mona School of Business and Management.

He is a Preventive Controls Qualified Individual (PCQI) and currently, a member of the Board of Directors of Bay City Foods Ltd. and the Vi and Adeeb Foundation.

Charles is the recipient of the 2022 inaugural JMEA/Consular Corp Next Generation Leadership Award, which recognizes an influential leader under 45 years old who is impacting the growth and development of Jamaica's manufacturing and exporting landscape through innovative, transformative, and inspiring leadership.

Operations Management Team

FINANCE

Cameron Burnet
Chief Financial Officer

Cameron has been a member of the Group since July 2017. His portfolio entails oversight of the member companies and the accounting and financial operations of the Group.

He is a Chartered Accountant with more than 30 years' experience gained from other food processing and hotel groups in Jamaica and overseas, and with two well-known public accounting firms.

Cameron holds a B.Sc. First Class Honours in Geography from the University of Newcastle upon Tyne, United Kingdom. He is an Associate of the Institute of Chartered Accountants of England and Wales and Affiliate of the Institute of Chartered Accountants of Jamaica. He is also a registered Investment Advisor licensed by the Financial Services Commission (FSC).

ACCOUNTING

Robert Bignall
Financial Controller

Robert joined the Company in 2013 as an Accountant. As Financial Controller, he has direct responsibility for Jamaican Teas Limited, Bay City Foods and QWI Investment's financials.

His experience in the accounting field spans 10 years. At present, he is pursuing the ACCA qualification.

Tamarley Walters Grey
Assistant Financial Controller

Tamarley was appointed Assistant Financial Controller in May 2023. Her tenure in the accounting department began in May 2020 as an accountant with more than 5 years' experience in the preparation of varied financial and accounting reports.

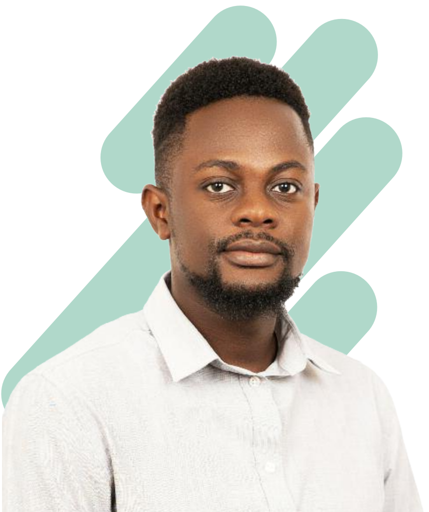
Tamarley has a B.Sc. in Business Administration (Accounting) and is currently pursuing an MBA in General Management.

Stephanie McDonald
Senior Accountant

Stephanie joined the JTL Group in 2022 as the Accountant in the Manufacturing Division. She also assists with the accounting for other subsidiaries in the Group.

She holds a B.Sc. in Economics and Statistics from U.W.I. Mona and is experienced in Banking, Media and Shipping. Stephanie is pursuing her ACCA qualification.

Operations Team - Accounting (Continued)



Omar Simpson
Accountant

Omar was appointed to the position of accountant in April 2023. He joined the Company in 2016 as production casual staff after which he was promoted to accounting clerk in February 2020.

He holds a B.Sc. Honours in Economics, Banking and Finance.

Rachelle Bloomfield
Accounts Payables Officer

Rachelle became a member of the JTL team in September 2020. She was an accounting clerk, prior to her appointment as Accounts Payables Officer in April 2023.

She is currently pursuing a B.Sc. in Business Administration with a Major in Accounting and Financial Management.

Operations Team (Continued)

MARKETING AND ADMINISTRATION

Kimone Meikle
Marketing Manager

Kimone joined JTL's Marketing and Food Safety Department in 2020 as Marketing Officer. In July 2022, she was promoted to Marketing Manager charged with the planning, organization, implementation and analysis of the performance of JTL's Marketing Strategies for the Manufacturing and Retail Divisions.

She is involved in new product development and is a member of the Company's Quality Team. She was instrumental in the implementation of the Group's Human Resource Management software.

Kimone has almost a decade of experience in marketing in the tertiary education book industry where she specialized in marketing strategy, event management, digital marketing and purchasing.

She holds a B.Sc. in Management Studies and an MBA from U.W.I. Mona.

Sonia Dixon-Smith
Administrative Assistant

Sonia joined the Company in 2022 as Administraive Assistant. She provides administrative and clerical support to the CEO and CFO, manages receptionist responsibilities and maintains Human Resource files for the Manufacturing Division. She has over 20 years of experience as an administrative professional in the financial industry.

Sonia holds a Diploma and a B.Sc. in Business Administration & Management and is a Certified Professional Secretary (CPS).

Operations Team (Continued)

TEA FACTORY

Norman Russell
Factory Manager

Norman is charged with all aspects of the Company's factory and warehouse operations. His tenure with the Company began in 1995, prior to which he served as Factory Supervisor in a major manufacturing company.

Omar Duval
Assistant Factory Manager

Omar joined the Company in 2016 and was assigned to the production department with responsibility for the food safety system.

He has over 20 years' retail management experience with specialized training in warehousing and inventory management.

Conrad Bryan
Chief Technician

Conrad joined the Company in 1989 as a maintenance technician's apprentice. After working for just a few months as a technician, he was promoted to head a growing maintenance department.

Conrad has since become an expert in the maintenance of tea packing machines in Jamaica. He is responsible for planning, managing and engaging in the maintenance, repair and installation of factory equipment to ensure the smooth flow of production operations at both the Dry Pack and Tea Divisions.

Shireka Campbell
Quality Assurance & Alternate SQF Officer

Shireka Campbell joined JTL as a Quality Assurance & Alternate SQF Officer in May 2023. She is responsible for conducting daily quality inspections/ tests on all tea production lines, as well as assisting with the management and maintenance of the SQF system.

She holds a B.Sc. in Applied Chemistry (Major), General Chemistry (Minor) with Honours. She is also HACCP, SQF and ISO 9001 Lead Auditor certified. Additionally, Shireka has certifications in Solar Photovoltaic Design & Installation, and Events Planning. As a passionate Food Safety Professional, her goal is to help the staff to understand that food safety is a culture, not an event.

Operations Team (Continued)

TEA FACTORY

Cebert Givans
Line Leader

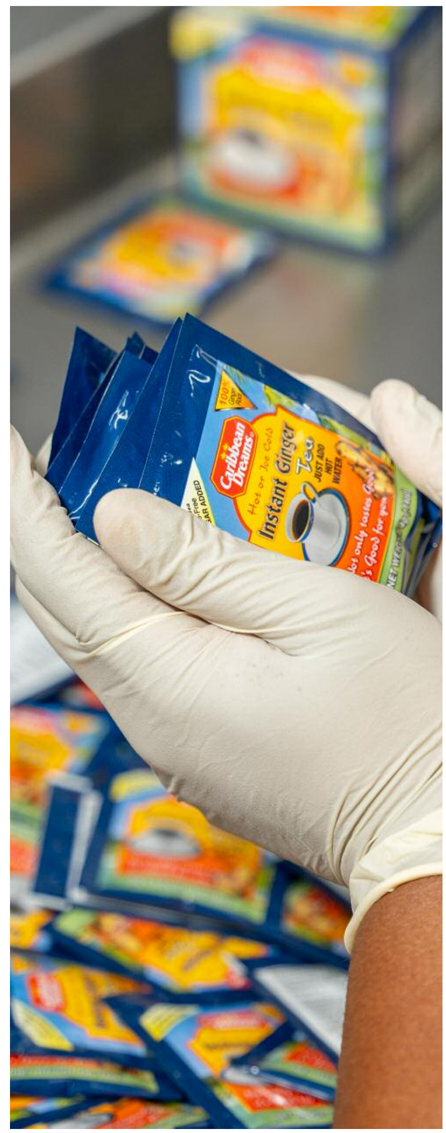
Cebert has been with JTL since 1999 as a maintenance technician's apprentice. He continued to work as an active part of the maintenance team until 2018 when he was promoted to Line Leader.

As Line Leader, he supervises activities within the assigned tea production lines to ensure that goods of the required quantity and quality are produced on schedule, and all applicable standards, procedures, rules and regulations are observed.

Nicole Ricketts
Line Leader

Nicole joined the Company in 2021 as a Machine Operator. Within two years, she was promoted to Line Leader in the Tea Division.

She is also a member of the Quality team and is a certified Preventative Control Qualified Individual (PCQI) and HACCP certified.



Operations Team (Continued)

DRY PACK

Richard Farquharson
Assistant Production Manager

Richard joined the JTL Group in November 2023 as Assistant Production Manager. He oversees the production process, coordinating and monitoring all activities to ensure that adequate resources are on hand to facilitate the flow of daily production.

He has 14 years' experience working in production, and in warehouse and inventory management, which includes operating production machines, driving forklifts and using the SAP system to execute transfers, receivals and invoicing.

Richard holds a B.Sc. in Management Studies and a Masters in Logistics and Supply Chain Management from U.W.I. Mona.

Deborah Duckworth
Quality Assurance Officer

Deborah was appointed to the position of Quality Assurance Officer in April 2022. She was, formerly, a packer on the tea line and a machine operator. In 2018, she began assisting the Quality Officer with quality checks on the production lines.

In 2019, she was formally trained in supervisory management and is a certified Preventative Control Qualified Individual (PCQI). Deborah is also a trained practitioner in Good Manufacturing Practices (GMP) and Hazard Analysis Critical Control Point (HACCP).

Nyoka Rogers
Supervisor

Nyoka was promoted in July 2022 to Supervisor in the Dry Pack Division, prior to which she held the position of receptionist, machine operator and also engaged in other areas of the Company's operations such as marketing, HR and customer service.

She has honed her skills in the operation of the Universal pack machine that produces the Company's flagship products - Tetley Peppermint and Black Tea.

Operations Team (Continued)

LOGISTICS

Tamilla Lee
Logistics Officer

Tamilla joined the Company in 2023 as Logistics Officer. She is charged with collaborating with the various departments to ensure the timely delivery of all purchases of the Company's raw, packaging and imported finished goods.

Her responsibilities also include ensuring that the requisite permits from the respective local and international agencies are applied for on time. She also coordinates the movement of the Company's inventory to and from production, the respective warehouses, suppliers and customers.

Tamilla holds a B.Sc. in Logistics and Supply Chain Management and a Diploma in Shipping and Logistics from the Caribbean Maritime University (CMU).

SUPERMARKET - JRG SHOPPERS DELITE

Althea Morgan
Manager

Althea began her career with the Company in 2005 before she was transferred to JRG Shoppers Delite. Prior to this appointment, she held the position of Chief Cashier in the Administrative Office and was later promoted to Assistant Manager in 2012 and Manager in 2018.

Michael Mahfood
Assistant Manager

Prior to joining JRG Shoppers Delite as an Assistant Manager in 2015, Michael worked in the retail industry for over 20 years. Throughout his career, he has managed several stores, in addition to operating a store in the retail industry.

Management Discussion and Analysis

This Management Discussion and Analysis (MD&A) is presented to assist shareholders and the public in evaluating the operational results of the Group for the financial year to 30 September 2023.

The MD&A also serves to clarify some of the information reported in our Financial Statements, and to share the Group's prospects and plans. The report should be read in conjunction with the Historical Financial Data set out elsewhere in this Annual Report.

THE GROUP

The Group comprises:

Jamaican Teas Limited, (JTL), manufacturers of Tetley and Caribbean Dreams teas and groceries; this includes packing and processing teas for other companies under third party brand names locally and overseas as well as purchasing grocery products manufactured by third party manufacturers for sale to our customers.

QWI Investments Limited (QWI), a 44 percent owned subsidiary company managed and controlled by JTL, and KIW International Limited (KIW), owners of an investment portfolio of companies listed on the Jamaica Stock Exchange (JSE) and several overseas stock exchanges.

Bay City Foods Limited (BCF), operators of the Shoppers Delite supermarket in Kingston since February 2019.

H. Mahfood and Sons Limited (HMS), H. Mahfood and Sons 2020 Limited (HMS 2020) and **LTJ Managers Limited (LTJ)**, formerly JRG Shoppers Delite Enterprise Limited (JRG), which own and develop real estate investment properties. In 2022, LTJ purchased a parcel of land in St. Andrew on which it intended to develop homes for resale. This project is presently under review.

KIW, formerly owners of an investment portfolio of companies listed on the JSE, is now an intermediate holding company for some of the Group's shares in QWI Investments Limited. KIW has no other operations at present.

Caribbean Dreams Foods Limited (CDFL) incorporated in 2022 to take over JTL's manufacturing operations. This transfer is scheduled to be effected in 2024.

GROUP REVENUES AND PROFIT

Group Operating Revenues increased 9 percent from almost $2.47 billion in 2021/22 to $2.7 billion this year, resulting primarily from:

- 8 percent increase in export manufacturing sales
- 1 percent increase in domestic manufacturing
- 22 percent increase in supermarket sales; offset in part by
- 25 percent decrease in real estate rental revenues

The change in Cost of Sales slightly exceeded the change in revenues resulting in a decline in the gross profit from 22 percent to 21 percent in the year. In the first quarter of the new financial year, this decline in the gross profit margin has more than reversed itself.

The increase in Other Income primarily resulted from:

- Higher dividend income at QWI
- Increased fair value gains on the Group's investment properties
- Higher foreign exchange gains

Partly offset by:

- Increased realised investment losses at QWI.

Fair value gains on QWI's investment portfolio increased compared with the prior year. The overseas market grew 42 percent over the previous year.

The value of the Jamaican portfolio suffered a 7.8 percent decline offsetting some of the gains realised in the overseas market. Although the value declined, it was offset in part by the dividend income.

Notwithstanding the overall performance of the Jamaican portfolio, QWI's performance bettered that of the 9.6 percent decline in the composite Jamaica Stock Exchange Index over the same period. This is the benchmark against which QWI's

Management Discussion and Analysis (Continued)

performance is measured. QWI's Jamaican shares also dropped lower than the 9.6 percent decline in the main Jamaica Stock Exchange Index over the same period.

Administration costs increased 9 percent in the period while selling and distribution costs grew 34 percent. The increases in administration expenses were due largely to:

- Increased depreciation charges on furniture, fixtures and leasehold improvements at the Montgomery Avenue Soup Factory
- A precautionary inventory impairment provision of $20 million on the Belvedere real estate project
- Increased staff costs and the effects of local inflation on other operating expenses

Selling and distribution costs climbed, due to more selling and advertising programmes undertaken with our distributors, following the lifting of COVID restrictions in all of our overseas markets.

Finance costs rose by $14 million resulting from higher interest rates on QWI's borrowings, and increased debt levels within the Manufacturing Division incurred to acquire new packaging equipment.

A revaluation surplus of $85 million, net of tax, arose from the revaluation of the Group's land and buildings in 2023. This was significantly lower than the $255 million revaluation surplus recorded in 2022. The surplus had accrued over several years but was recognised fully in 2022 when the Group changed its accounting policy relating to the valuation of owner-occupied land and buildings.

Prior to 2022, the Group carried owner-occupied land and buildings in its financial statements at their historic cost less depreciation. In 2022, the Group changed its accounting policy and began to record its land and buildings at their fair market value. This resulted in the revaluation gain shown in 2022, which had arisen in the period from the acquisition of each building to the balance sheet date of 30 September 2023.

As a result of the lower revaluation surplus in 2023, which arose entirely during the year ended 30 September 2023, total comprehensive income attributable to the owners of Jamaican Teas fell from $449 million in 2021/22 to $313 million in 2023.

MANUFACTURING AND FOOD TRADING

In 2022/23, Jamaican Teas' sales grew 5 percent compared with 2021/22, due mainly to the very limited growth in local sales to which we already referred. Combined with the 1 percentage point decline in gross margin and lower levels of other income, this resulted in gross income declining from $498 to $496 million.

Administrative costs increased 9 percent in the year while selling and distribution costs rose by 35 percent for the reasons already discussed.

Our local distributor, Amalgamated Distributors Limited, served the Company for several years. In 2023, a decision was made to switch to

Management Discussion and Analysis (Continued)

another distribution company considered more beneficial to the Group.

Post year end, on 1 November 2023, Wisynco Group was appointed as our sole local distributor. In Trinidad and Tobago, the Company also replaced its distributor of many years and appointed Alston Marketing Company, a member company of the Ansa McAL Group, in September.

In 2023, CDFL entered into an agreement to purchase factory premises at Temple Hall (TH), St. Andrew, which was completed in October 2023. The Group's Dry Pack operations will be relocated from leased premises at Montgomery Avenue, Kingston to TH early in 2024. The Tea Factory will also relocate to the same location from Bell Road later in 2024.

The new TH premises will provide room for the Group to expand its operations and become more efficient in its logistics, inventory and material management operations.

In September 2023, Chief Executive of the Manufacturing Division, Dianna Blake-Bennett demitted office and the Company appointed Charles Barrett and Jonathan Mahfood as Deputy General Managers to assist the Group CEO in sales and operational activities.

AWARDS AND NOMINATIONS

The Company's Tetley Super Teas won the award for Best New Packaging at the 2023 Jamaica Manufacturers and Exporters Association (JMEA) Expo, which showcased quality Jamaican products from more than 250 exhibiting companies.

Tetley Super Teas was also nominated for Best New Product award based on products launched from 2019 to 2023.

Our booth showcased both Tetley and Caribbean Dreams products, which helped patrons to make the connection between the two brands and Jamaican Teas, and with the understanding that both brands are locally made by the same company.

Buyer days resulted in nineteen prospective buyers or customers, mostly from Jamaica, with the others from the USA, Dominican Republic, Canada, Belize and Trinidad.

JTL's Tetley Super Teas Wins Best Packaging.
JTL's General Managers, Jonathan Mahfood, (left) and Charles Barrett, (right), along with Kimone Meikle, Marketing Manager, proudly display the Company's Best Packaging Award won at the 2023 Jamaica Manufacturers and Exporters Association (JMEA) Expo.

JTL'S Tetley Super Teas were a big hit with patrons at Expo 2023.

Management Discussion and Analysis (Continued)

At the signing event held at the Company's office, Caribbean Dreams Brand Ambassador, Brandon King (centre) was welcomed to the JTL family by Jonathan Mahfood, Deputy General Manager, JTL (right) and Kimone Meikle, Marketing Manager, and presented with a specially crafted gift box of the premium line of teas. King's bat, bearing the Caribbean Dreams logo, is also showcased here.

BRAND AMBASSADOR

The Company endorsed cricketer Brandon King as brand ambassador for its renowned Caribbean Dreams brand in October 2023 with a one-year contract.

Twenty-eight-year-old King is an avid tea drinker and was deemed an ideal representative.

He is the second highest (#1) ranked International Club player for the West Indies.

His impact on regional and international cricket has been incredible since he burst on to the scene in 2018, scoring a record breaking 132 runs in the Caribbean Premier League - the highest score ever.

King was a member of the Jamaica Tallawahs team for the 2023 Caribbean Premiere League (CPL) and the player with the fifth most runs. He will play in the June 2024 International Cricket Council (ICC) T20 Cricket World Cup hosted by the West Indies and the United States.

CERTIFICATION AND COMPLIANCE

The Company's food certifications - Hazard Analysis and Critical Control Point (HACCP), Safe Quality Food (SQF) and FDA approval remain valid.

In keeping with the Company's status as the largest tea manufacturer in the Caribbean, JTL is also a member of the Authorised Economic Operator (AEO) Programme through Jamaica Customs.

The Programme is designed to reward compliant economic operators and allow for a mutual working partnership with Customs with an end to improving the customer service and business processes of the Jamaica Customs Department.

The AEO is a World Customs Organisation (WCO) system designed to encourage compliance and hence reduce security risks by certifying all relevant personnel within the importation and exportation chain.

Cricketer Brandon King, Brand Ambassador, showcasing Caribbean Dreams macaroni & cheese.

Management Discussion and Analysis (Continued)

Belvedere Apartments

REAL ESTATE

We completed construction of 30 apartments comprising studios and one-bedrooms at Belvedere Road, St. Andrew in September 2023 and recorded the first sales of these units in October 2023. These sales will be included in the 2023/24 financial statements.

The Group's rental properties in Kingston and land holdings were revalued during the year by an independent valuator, resulting in $35 million in fair value gains on our investment properties as reflected in the Profit and Loss Statement (2022 - $30 million).

In December 2023, we sold one of the Group's investment properties on Harbour Street for approximately $73 million. Additional sales of other investment properties are planned for 2024.

INVESTMENTS

The year ended 30 September 2023 was characterised by a strong divergence in the performance of the two main markets (Jamaica and the USA) in which the Group, through QWI, holds investments.

The Jamaican market essentially declined in almost every single month of the year, largely as a result of an increase in the Bank of Jamaica's Policy interest rate, which was maintained for the remainder of the financial year. This had a progressively more adverse effect on our Jamaican investments as the year wore on.

Several stock prices in the local market increased due to profit performance of the companies. The non performance of the local market resulted largely from – one third of the stocks in the market recording gains (January to end September), most of which reported notable increases in profits.

BOJ maintained tight monetary policy during the year using Certificates of Deposts to absorb market liquidity as the central bank purchased excess dollars, thereby effectively neutralising Jamaican dollars used to purchase these funds. This effectively limited resources that were available to invest in the market. Consequently, the results of many of the companies were less than expected and as such, investors ignored some and waited on full year results for others, before making their investment decisions.

Market rates in both Jamaica and the USA remained largely unchanged from the position in late 2022. Interest rates were last raised by the Fed Reserve in July 2023, and lower rates, supported by other developments, gave investors the impetus to go after stocks more aggressively.

In Jamaica, interest rates remain elevated with Bank of Jamaica's overnight rate at 7 percent, which has not changed since 2022.

There are signs, however, that Jamaican markets may have bottomed out subsequent to the year end, and, in fact, have moved up since the end of September.

Management Discussion and Analysis (Continued)

This strong performance extended well beyond QWI's ownership of stocks in the Magnificant Seven, which include Apple, Nvidia, Meta and Microsoft as well the Company's investments in several other sectors such as defence, aerospace and construction.

For the year, net investment gains in QWI's Jamaican portfolio amounted to $16 million versus $6 million in the previous year and $135 million in the overseas portfolio.

STATEMENT OF FINANCIAL CONDITION

The increase in inventories during the year primarily reflects additions relating to H. Mahfood and Sons' Belvedere real estate project as well as raw material purchases at the manufacturing company.

The decline in the Group's long-term debt reflects loan repayments made by QWI on its longer term margin loans and certain other loans becoming payable over the next 12 months, which were reclassified to current liabilities. QWI's margin loan repayments were financed, in part, by increased bank overdraft borrowings which are also reflected in current liabilities.

Consolidated shareholders' equity attributable to the members of Jamaican Teas Limited grew from $2.66 billion to almost $2.98 billion, excluding non-controlling interests. This growth arose primarily from the surplus on the revaluation of land and buildings and the Group profit for the year discussed above.

OUTLOOK

The Jamaican economy is heavily dependent on tourism for foreign exchange and employment. This industry impacts the wider economy with its linkages to locally produced goods and services. The steady increases in stopover arrivals and reopening of cruise shipping routes to Jamaica over the last year, therefore, bodes well for the local economy in 2024.

For 2024, the Group expects the consolidation of all its manufacturing operations from two premises to one to result in certain cost reductions and improvements in efficiency that will benefit the Group over time. Additional investments in more packaging machinery for use at Temple Hall will also contribute to greater efficiency as well as allow for increased production of spices and eventually, various instant drinks.

New refrigerated equipment and displays will be purchased for the supermarket in 2024. This is expected to reduce electricity and repair costs, and enhance the appeal of our produce and beverages to our customers.

We expect to advance completion of the sale of most of the Belvedere apartments and studios in 2024 and also sell one or more of our other investment properties.

We are of the view that our local investment portfolio remains well positioned in stocks that have mostly reported positive profit performances but which remain below or at average market multiples of earnings. In addition, local interest rates appear to be at their peak as inflation returns to the 6 percent rate at the top end of the Bank of Jamaica's target range. We are encouraged by the improved profit results being posted by several companies compared to 2022 and are optimistic about the prospects for many of our largest Jamaican holdings.

Globally, the markets continue to be driven by headlines relating to geopolitical events and trends in inflation, employment and interest rates. Political events in the USA are uncertain, but economically, interest rates have already declined from the highs reached in 2023. This has been positive for USA stock prices in general. Market participation has broadened in the last two months of 2023 and we believe that properly positioned portfolios could continue to show positive performances in 2024.

As a result of our stated plan of actions, Jamaican Teas expects to finish 2024 with fewer investment properties, more liquidity, greater focus and improved profitability.

Management Discussion and Analysis (Continued)

RETOOLING FOR EFFICIENCY

Charles Barrett, General Manager, Operations, (centre) overseas activities in the Dry Pack Division, which is being relocated to the new Temple Hall facility in 2024. The Volpak machine in the background is a major acquisition in keeping with the Company's strategy to retool for efficiency. Staff motivation incentive initiatives are also positively impacting productivity.

FOCUS ON EXPORTS

General Manager, Commercial, Jonathan Mahfood leads product sampling overseas at an event staged by the Caribbean Export Development Agency.

PROVIDING EMPLOYMENT FOR THE HEARING IMPAIRED

Since 2018, JTL has been leading the field of companies actively involved in employing hearing impaired staff in multifunctional areas, ranging from merchandising and cashiering at Shoppers Delite supermarket to the production line in the factory.

Currently, two males are employed at the factory as maintenance technician and machine operator, and a female in sanitation. Shoppers Delite also has three employees, two females - a cashier and a packer and one male merchandiser. In photo from left are Stavene Oakley (cashier) and Alecia Mcleary (packer).

JTL Welcomes New Distributors

As the Company seeks to grow sales of our Tetley and Caribbean Dreams across the Caribbean, USA, Canada and the UK, we have engaged in strategic partnerships that have been mutually beneficial to the Group and our partners.

We have made far-reaching moves in the distribution of our JTL owned Caribbean Dreams brand and the licensee Tetley brand of products that will impact our 2023/24 fiscal year and sales going forward.

In September, Alston Marketing Company (AMCO), was appointed the exclusive distributor inTrinidad and Tobago, and as of November, Wisynco is now the exclusive/sole distributor in Jamaica.

AMCO is a wholly owned subsidiary of the Ansa McAL Group of Companies, one of the largest conglomerates in the region with revenues of over US$1 billion. Ansa McAL Group operates in multiple territories including Jamaica, and is a listed company on the Trinidad and Tobago Stock Exchange.

Wisynco is the largest distribution company in Jamaica, representing a number of renowned local and international brands. The company is listed on the main market of the Jamaica Stock Exchange with revenues exceeding US$310 million. Under the agreement, Wisynco will market and distribute the Caribbean Dreams and Tetley tea portfolios, along with select grocery items under the Caribbean Dreams brand.

The Group welcomes our new distributors as we continue to build strong partnerships for driving growth and revenue.

AMCO Sales Representatives signal enthusiasm for the new partnership with JTL.

The JTL and Wisynco team display synergy at the launch event.

Growing Business Through Exports

INTRODUCING ANOTHER REGIONAL EXPORT PARTNER

Budget Foods Inc.

Budget Foods Inc. is the distribution subsidiary for its sister company Andall & Associates Inc., one of Grenada's leading retail and food service networks, which has proudly served the tri-island nation since 1998. The distinguished blend of competitive pricing, superb quality and attractive variety makes the Jamaican Teas Limited (JTL) Caribbean Dreams and Tetley brands natural fits in the company's portfolio.

The company thrives on the mantra ***Where Quality & Affordability Call Home***, with operations committed to supplying an expansive range of general grocery products, household merchandise, perishable produce and frozen goods from many international sources. With storage facilities of just over 26,000 sq. ft. and a vehicle fleet of seven, the company is able to efficiently accommodate the demanding turnover for this range of inventory.

Since the introduction of the JTL brands to the Grenadian market over 8 years ago, the general consumer perspective has evolved tremendously from the concept of simple tea brands to inarguably notable household names. Budget Foods Inc.'s persistent integration of sampling (stores, banks, health awareness functions and social events), give-away promotions, banded product specials, down-trade wholesale deals and dynamic use of social media, are valued factors in the increased visibility and consequent growth in demand for Caribbean Dreams and Tetley products.

Within the staff force of over 30 employees lies a synergy of sales clerks and delivery personnel who dedicatedly service and strengthen relationships with purchasers of all brackets, which include supermarkets, pharmacies, service stations, community vendors and restaurants.

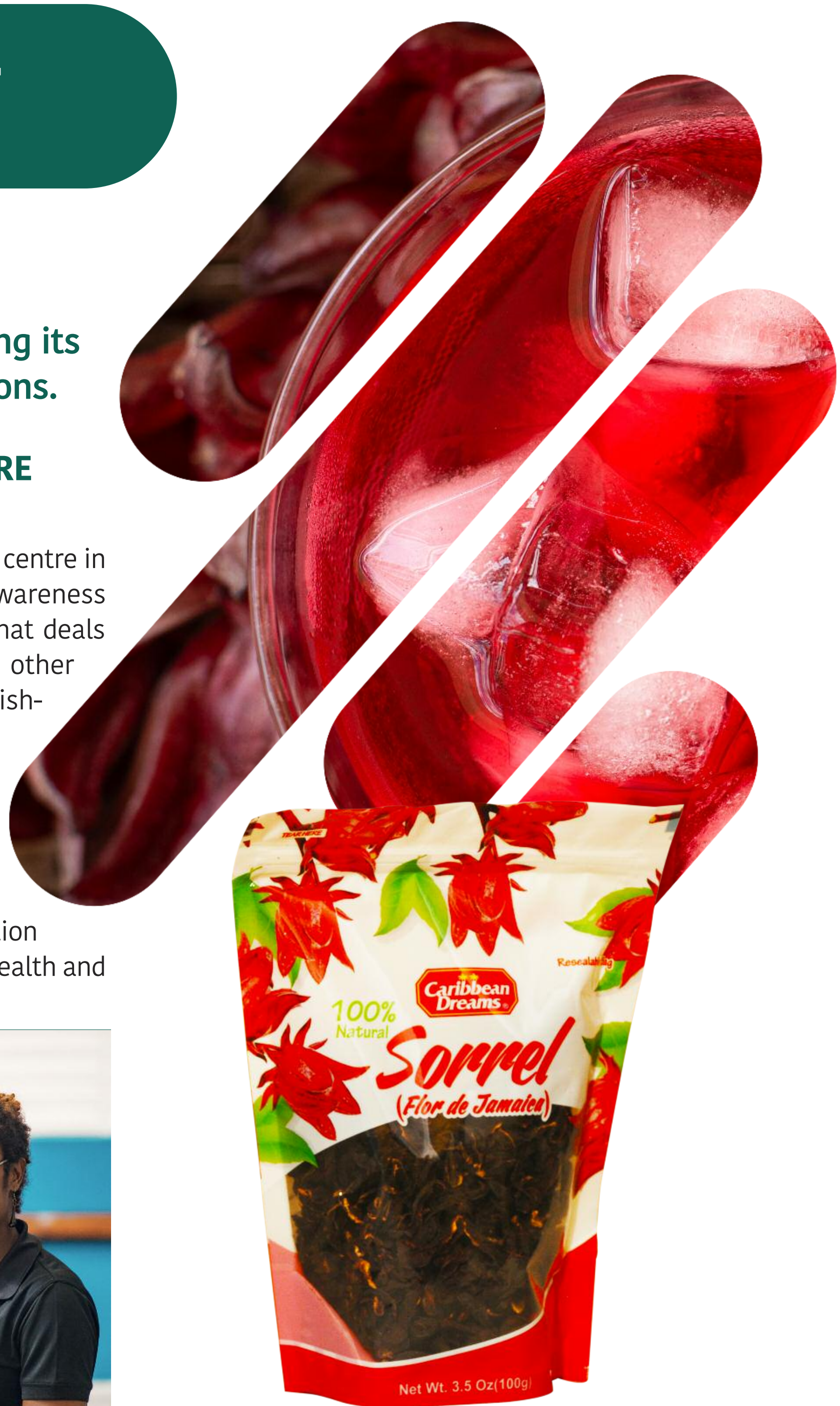
Despite the challenges that may arise with distribution on a 120,000-population small island market with distinct product preferences, this team has succeeded in securing and multiplying consumers' access points to JTL products nationwide. The collected efforts have led to particularly outstanding growth observed of the Caribbean Dreams pantry offering sales in recent years, with selected products rivaling previous leaders in Grenada.

Driven by the quest to advance closer to operational excellence while sustaining the needs of this market, Budget Foods Inc. has plans in train to upgrade warehouse facilities, and improve the sales and marketing technology supporting the current distribution.

The company's goal is to continue to collaborate with Jamaican Teas to consistently increase the sales and market share of Caribbean Dreams and Tetley throughout the country. This vision also includes stronger emphasis on targeting hotels and villas to enhance the availability of our wellness products to tourists and local patrons.


Budget Foods actively strategises to showcase and promote JTL products.

Corporate Social Responsibility



Jamaican Teas Limited continues to promote community growth and development and has been extending its reach to other areas and organisations.

CARIBBEAN DREAMS AND MICO CARE PARTNERSHIP

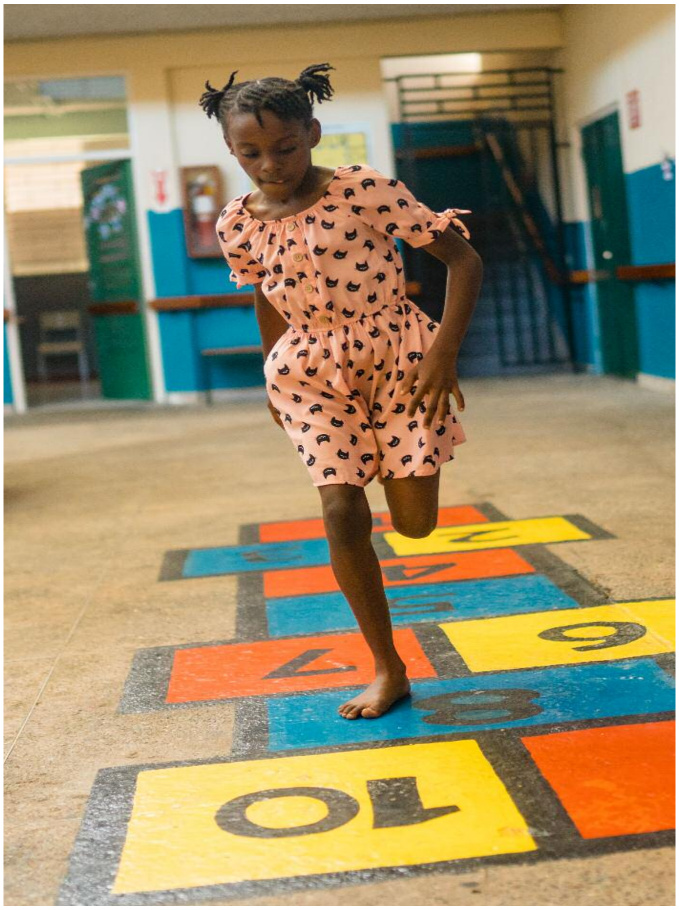
Caribbean Dreams partnered with the Mico Care centre in May to celebrate Child and Mental Health Awareness Month. Mico Care is the leading organisation that deals with child assessment, therapeutic and other intervention services for children in the English-speaking Caribbean.

In honour of Child and Mental Health Awareness Month, this partnership resulted in a video series, which sought expert views from psychologists to look at mental health through the eyes of a child. It also sparked the conversation parents can have with their children on mental health and tips on how to help them to cope with the many stressors they encounter.

Kimone Meikle, JTL's Marketing Manager (right) is seen here with Mico's Shelleka Matthews, Senior Manager & Psychologist (left) and Ann-Marie Minott-Williams, Administrative Manager Records, Public Relations & Quality Assurance.

On Thursday, 18 May, the day before Child's Day, Caribbean Dreams fêted the children at the centre along with their parents. Games and activities made for a fun-filled day, tastefully complimented by Caribbean Dreams treats of Cocoanut, sardines and chicken soup. Each student was given a goodie bag with Caribbean Dreams products to take home. It was a rewarding experience and the children enjoyed themselves.

Corporate Social Responsibility (Continued)



Children having fun at the Caribbean Dreams sponsored event at the Mico Care centre.

JTL adopted Whitfield All Age in 2018.

WHITFIELD ALL AGE

In its ongoing commitment to Whitfield All Age, JTL ensured that the necessary resources were provided for teachers and students that would continue to rebuild the school's scholastic reputation.

The Company paid the salary of the Grade 6 teacher for 9 students to attend extra lessons and Saturday classes from September 2022 to March 2023 and also payments to Grades 4, 5 and 6 teachers for extra lesson classes since November 2023. In Addition, JTL assisted with :

- Donations of food items to staff and students
- School bags and books
- Tea cups for all staff members
- $10,000 to assist with the purchase of a television for the infant department
- Bun and cheese to all staff members for Easter 2023
- Payment of a teacher's salary for the full school year
- Gift vouchers to teachers for Teachers' Day 2023
- Payment for students to attend summer school
- $10,000 in cash for teachers' refreshment for Heritage Day celebration
- $3,000 gift vouchers to all members of staff for Christmas 2023

Corporate Social Responsibility (Continued)

SUSTAINABILITY POLICY AND WASTE MANAGEMENT

As a key partner/licensee of Tata Global Beverages, JTL's sustainability policy is closely aligned with our licensor. We are committed to being one of the most admired natural beverage companies in the world, which has been achieved by our Company being consumers' first choice in sustainable beverage production and consumption.

Since mid-2019, all the tea sourced for Tetley is 100 percent Rainforest Alliance certified. Our sustainable sourcing strategy is focussed on sustainable agricultural practices that follow our principles and code of conduct in purchasing tea for our packing and processing units. In addition, it includes the minimum requirements on social and working conditions, safety and environmental demands and agricultural practices for our suppliers.

We accept independent third-party certifications of sustainable agricultural practices, such as Rainforest Alliance Certified™, Trustea or UTZ, from our suppliers as evidence that the product they supply to us is sustainably sourced.

JTL's waste management policy is centred on:

- Optimising consumer packaging
- Efficient use of resources
- Reducing environmental impact
- Maintaining product quality and safety, and
- Reducing waste to landfills

In executing this policy, we encounter challenges such as cost considerations, market performance, environmental management and a sustainable society. We are collaborating with other stakeholders to find sustainable packaging solutions to mitigate and manage packaging waste in a holistic manner.

To this end, we have found ingenuous ways to efficiently manage, reduce and productively utilize our waste, which includes keeping some of our teabags stringless, tag-less and without envelopes. This is helping to reduce the amount of waste that ends up in our landfills annually.

Historical Financial Data

BALANCE SHEET	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Shares Issued -'000	2,164,680	2,158,605	2,146,450	2,094,850	2,085,249	2,058,099	2,046,099	2,024,500	2,024,500	2,024,500
$'000										
Shareholders' equity	2,974,932	2,657,933	2,076,904	1,722,069	1,554,092	1,246,554	1,063,167	878,103	725,278	634,115
Long Term Liabilities	391,209	659,040	482,577	123,334	208,726	163,333	0	188,257	292,504	200,179
Fixed Assets	912,809	835,891	371,938	330,750	307,395	328,434	305,237	291,234	287,251	274,269
Current Assets	1,855,289	1,805,812	1,248,796	1,201,780	1,954,931	722,655	848,087	683,523	698,786	554,344
Current Liabilities	787,600	516,866	308,541	581,223	810,294	200,641	378,117	174,265	176,390	203,856
Inventories	1,398,526	1,191,916	666,030	474,356	344,026	285,497	391,552	446,014	389,280	288,906
Receivables	393,319	530,406	393,981	405,383	1,463,428	298,268	383,313	182,946	277,927	219,644
Cash & Equivalent	63,075	83,173	188,505	321,701	146,317	135,569	73,222	31,320	22,900	14,657
Investments	2,007,329	1,980,637	2,138,662	1,599,124	1,363,148	461,737	227,357	157,789	117,571	101,523
PROFIT & LOSS										
Total Revenue	2,697,258	2,468,954	2,270,189	2,195,006	1,291,192	1,766,758	1,553,572	1,347,799	1,364,726	1,167,573
Yearly Change	9.25%	8.76%	3.43%	70.00%	-26.92%	13.72%	15.27%	-1.24%	16.89%	-5.79%
Gross Profit	576,035	542,998	553,299	584,887	333,104	337,611	330,158	306,145	259,129	204,146
Yearly Change	6.08%	-1.86%	-5.40%	75.59%	-1.33%	2.26%	7.84%	18.14%	26.93%	-7.56%
Pretax Profit	213,132	196,641	741,045	-135,435	589,728	202,849	219,160	165,275	78,381	51,369
Yearly Change	8.39%	-73.46%	647.16%	-122.97%	190.72%	-7.44%	32.60%	110.86%	52.58%	-48.22%
Aftertax Profit	186,237	162,584	586,184	-69,720	483,117	193,259	196,128	146,509	72,201	51,609
Yearly Change	14.55%	-72.26%	940.77%	-114.43%	149.98%	-1.46%	33.87%	102.92%	39.90%	-44.66%
IMPORTANT RATIOS										
Equity to Debt ratio	0.13	0.25	0.23	0.07	0.13	0.13	0.00	0.21	0.40	0.32
Current Assets ratio	2.36	3.49	4.05	2.07	2.41	3.60	2.24	3.92	3.96	2.72
Return on equity-%	6.61	6.87	30.86	-4.26	34.50	16.73	20.21	18.28	10.62	8.45
Revenues to Inventories	1.93	2.07	3.41	4.63	3.75	6.19	3.97	3.02	3.51	4.04
Revenues to Receivables	6.86	4.65	5.76	5.41	0.88	5.92	4.05	7.37	4.91	5.32
Gross Profit Margin	21%	22%	24%	27%	26%	19%	21%	23%	19%	17%
Return on Assets	4%	4%	20%	-3%	19%	12%	14%	12%	6%	5%
Price Book Ratio	1.51	2.40	4.20	1.88	2.75	2.67	2.49	1.50	0.72	0.88
Price Sales Ratio	1.66	2.58	3.84	1.48	3.31	1.88	1.70	0.98	0.38	0.48
Cash/Invest Per Share	0.96	0.96	1.08	0.92	0.72	0.29	0.15	0.09	0.07	0.06
Net Asset Per Share	1.37	1.23	0.97	0.82	0.75	0.61	0.52	0.43	0.36	0.31
Earnings Per Share ($)	0.11	0.09	0.19	0.11	0.18	0.10	0.10	0.07	0.04	0.03
Closing Stock Price ($)	2.07	2.95	4.06	1.55	2.05	1.62	1.29	0.65	0.26	0.28
P.E .Ratio	18.82	32.78	21.37	14.50	11.39	16.72	13.38	9.07	7.21	10.65

Note: The Company split the number of shares into 5 units for each one previously held in 2009, by 2 in March 2016, by 2 in April 2017 and by 3 in November 2020. Accordingly, number of shares in the prior years, the earnings per share and the stock prices have been adjusted to reflect these changes.

Audited Financial Statements

30 September 2023

bakertilly

9 Cargill Avenue
Kingston 10
Jamaica

T: 876 906 1658-9
F: 876 920 3226

admin@bakertilly.com.jm
www.bakertilly.com.jm

INDEPENDENT AUDITORS' REPORT

To the Members of
Jamaican Teas Limited

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

Our opinion

In our opinion, the consolidated financial statements and the stand-alone financial statements give a true and fair view of the consolidated financial position of Jamaican Teas Limited (the Company) and its subsidiaries (together 'the Group') and the stand-alone financial position of the Company as at 30 September 2023, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with the requirements of the Jamaican Companies Act.

What we have audited

Jamaican Teas Limited's consolidated and stand-alone financial statements comprise:

- the consolidated statement of financial position as at 30 September 2023;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the company statement of financial position as at 30 September 2023;
- the company statement of comprehensive income for the year then ended;
- the company statement of changes in equity for the year then ended;
- the company statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated and stand-alone financial statements section of our report.

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

bakertilly

INDEPENDENT AUDITORS' REPORT (continued)

To the Members of
Jamaican Teas Limited

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

Independence

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

Other matter

The financial statements of Jamaican Teas Limited for the year ended 30 September 2022, were audited by another firm of auditors who expressed an unmodified opinion on those statements on 26 January 2023.

Our audit approach

Audit scope

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

How we tailored our Group audit scope

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

Our 2023 audit was planned and executed having regard to the fact that the operations of the Group remain largely unchanged from the prior year.

The Group's businesses are organised into four primary segments being Manufacturing, Retailing, Real estate and Investment operations. These entities maintain their own accounting records.

In establishing the overall Group audit strategy and plan, we determined the type of work that was needed to be performed at the components by the Group engagement team and component auditors.

INDEPENDENT AUDITORS' REPORT (continued)

To the Members of
Jamaican Teas Limited

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

Key audit matters

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

<table>
<tr><th>Key audit matters</th><th>How the audit addressed the key audit matters</th></tr>
<tr><td>Measurement of Expected Credit Losses

The Group recognises expected credit losses (ECL) on financial assets measured at amortized cost. The determination of ECL is highly subjective and requires management to make significant judgements and estimates and the application of forward-looking information.

The combination of significant management estimates and judgement increases the risk that management estimates could be materially misstated.

See notes 3(a), 4(i) and 13 of the financial statements.</td><td>The audit procedures in response to this matter included:

• Assessed the effectiveness of the design and implementation of controls.

• Obtained an understanding of the model used by management for the calculation of expected credit losses accounts receivables

• Tested the completeness and accuracy of the data used in the model to the underlying accounting records.

• Assessed the appropriateness of the Group's impairment methodology, management assumptions and compliance with the requirement of IFRS 9, Financial Instruments.

• Assessed the appropriateness of economic parameters including the use of forward-looking information.

• Tested the accuracy of Group's ageing of accounts receivables.

• Tested the accuracy of the ECL calculation.

• Assessed the adequacy of the disclosures in the financial statements of key assumptions and judgements as well as of the Group's exposure to credit risk and measurement of allowances for ECL.</td></tr>
</table>

To the Members of
Jamaican Teas Limited

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

Key audit matters (continued)

Key audit matters	How the audit addressed the key audit matters
Valuation of investment securities The Group holds significant investments in equity securities listed on multiple stock exchanges totalling $2,007,329,202 (2022: $1,980,637,000) as at the current reporting year end. The company primarily uses quoted mid prices to value these investments. The valuation of these investments, although based on observable market prices; continues to suffer from increased volatility and/or decline in trading activities for certain shares, as a result of macro-economic factors. Reduction in trading has also resulted in some listed shares having a wider gap between the bid and ask prices which may indicate that the shares are not actively trading. Judgement is therefore required to determine whether the quoted prices used by management represents prices from an active market and, where mid prices are used; whether a wide gap between the bid and ask prices is an indication of an active market. See notes 4(i), 4(v) and 11 of the financial statements.	The audit procedures in response to this matter included: • Assessed and tested the design and implementation of the company's control over the determination and computation of fair values. • Reperformed fair value calculations and assessed the reasonableness of prices used by the company by comparing to independent third-party information, including assessing whether prices used fell within the bid ask spread, as required by the financial reporting framework. • For selected stocks, evaluated the volume of trade for the securities held by the company at year end, through information directly from the stock exchange and/or pricing services, to determine whether these were actively traded. • Assessed the adequacy of the disclosure and determine if such disclosures demonstrate the key judgements as required by the applicable financial reporting framework. • Assessed whether there is a wide gap of 10 percent between the bid and the ask prices through information directly from the stock exchange and/or pricing services. For securities with identified wide gap, we evaluated trading volumes and price gaps from the pricing source over an extended period i.e., one month before and after the year end to assess whether these securities have an active market.

INDEPENDENT AUDITORS' REPORT (continued)

To the Members of
Jamaican Teas Limited

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

Other information

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

Our opinion on the consolidated and stand-alone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated and stand-alone financial statements

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

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

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

INDEPENDENT AUDITORS' REPORT (continued)

To the Members of
Jamaican Teas Limited

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

Auditors' responsibilities for the audit of the consolidated and stand-alone financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and stand-alone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and stand-alone financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and stand-alone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and stand-alone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT (continued)

To the Members of
Jamaican Teas Limited

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

Auditors' responsibilities for the audit of the consolidated and stand-alone financial statements (continued)

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and stand-alone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

bakertilly

INDEPENDENT AUDITORS' REPORT (continued)

To the Members of
Jamaican Teas Limited

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

Report on other legal and regulatory requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

The engagement partner on the audit resulting in this independent auditors' report is Wayne Strachan.

Baker Tilly

Chartered Accountants
Kingston, Jamaica
31 December 2023

Consolidated Statement of Financial Position

As at 30 September 2023

	Note	2023 $'000	2022 $'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	912,809	835,891
Investment properties	6	426,720	294,399
Intangible assets	7	9,200	9,414
Right-of-use asset	10	6,601	13,202
Investment securities	11	2,007,329	1,980,637
		3,362,659	3,133,543
Current assets			
Inventories	12	1,398,526	1,191,916
Receivables	13	393,319	530,406
Taxation recoverable		369	317
Cash and short-term deposits	14	63,075	83,173
		1,855,289	1,805,812
TOTAL ASSETS		5,217,948	4,939,355
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	15	264,942	261,342
Capital reserves	16	151,301	138,878
Revaluation reserves	17	341,100	255,247
Retained earnings		2,217,589	2,002,466
		2,974,932	2,657,933
Non-controlling interest	18	1,064,207	1,105,516
		4,039,139	3,763,449
Non-current liabilities			
Long-term loans	19	291,602	564,423
Lease liability	10	2,454	8,198
Deferred tax liabilities	20	97,153	86,419
		391,209	659,040
Current liabilities			
Payables	21	295,339	346,550
Short-term loans	22	109,655	115,809
Current portion of long-term loans	19	90,878	27,119
Current portion of lease liability	10	6,600	6,600
Taxation payable		32,567	20,788
Bank overdraft	23	252,561	-
		787,600	516,866
TOTAL EQUITY AND LIABILITIES		5,217,948	4,939,355

Approved for issue by the Board of Directors on 31 December 2023 and signed on its behalf by:

Director
John Jackson

Director
John Mahfood

Consolidated Statement of Comprehensive Income
Year ended 30 September 2023

	Note	2023	2022
		$'000	$'000
Operating revenue	24	2,697,258	2,468,954
Cost of operating revenue	25(a)	(2,121,223)	(1,925,956)
Gross profit		576,035	542,998
Fair value gains from revaluation of investments fair value through profit and loss		41,268	10,960
Other income	26	75,662	71,935
		692,965	625,893
Administrative expenses	25(b)	(379,158)	(346,862)
Selling and distribution expenses	25(c)	(51,258)	(37,960)
Impairment recoveries on expected credit losses	3(a)	15,339	5,831
		(415,077)	(378,991)
Operating profit	27	277,888	246,902
Finance costs – loans and leases		(64,756)	(50,261)
Profit before taxation		213,132	196,641
Taxation	29	(26,895)	(34,057)
Net profit		186,237	162,584
Net profit attributable to:			
Stockholders of the company		227,546	193,948
Non-controlling interests		(41,309)	(31,364)
		186,237	162,584
Other comprehensive income:			
Items that will never be reclassified to profit and loss:			
Surplus on revaluation of land and buildings		114,471	340,329
Related tax on revaluation of land and buildings		(28,618)	(85,082)
		85,853	255,247
Total comprehensive income		272,090	417,831
Total comprehensive income attributable to:			
Stockholders of the company		313,399	449,195
Non-controlling interest	18	(41,309)	(31,364)
		272,090	417,831
Earnings per share:			
Basic earnings per share	31	$0.11	$0.09
Diluted earnings per share	31	$0.10	$0.08

Consolidated Statement of Changes in Equity
Year ended 30 September 2023

	Attributable to stockholders of the company						
	Share Capital	Capital Reserves	Revaluation Reserves	Treasury Shares	Retained Earnings	Non-controlling Interest	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 October 2021	241,344	110,939	-	(63,297)	1,787,918	1,213,677	3,290,581
Net profit	-	-	-	-	193,948	(31,364)	162,584
Other comprehensive income being surplus on revaluation of land and building, net of tax (Note 17)	-	-	255,247	-	-	-	255,247
Transfer of franked income from retained earnings	-	27,939	-	-	(27,939)	-	-
Transactions with owners:							
Share options exercised [(Note 15(a)]	19,998	-	-	-	-	-	19,998
Dividends paid (Note 32)	-	-	-			(26,715)	(26,715)
Sale of treasury shares	-	-	-	63,297	48,539	-	111,836
	261,342	138,878	255,247	-	2,002,466	1,155,598	3,813,531
Change in ownership interest:							
Reduction in non-controlling interest						(50,082)	(50,082)
Balance at 30 September 2022	261,342	138,878	255,247	-	2,002,466	1,105,516	3,763,449
Net profit					227,546	(41,309)	186,237
Other comprehensive income being surplus on revaluation of land and building, net of tax (Note 17)	-	-	85,853	-	-	-	85,853
Transfer of franked income from retained earnings	-	12,423	-	-	(12,423)	-	-
Transactions with owners:							
Shares options exercised [(Note 15(a)]	3,600	-	-	-	-	-	3,600
Balance at 30 September 2023	264,942	151,301	341,100	-	2,217,589	1,064,207	4,039,139

Consolidated Statement of Cash Flows

Year ended 30 September 2023

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:	**$'000**	**$'000**
Profit for the year	186,237	162,584
Adjustments for:		
Fair value gain on investment properties	(35,259)	(30,060)
Gain on sale of property, plant and equipment	-	(534)
Loss on sale of investment property	-	1,543
Loss on disposal of intangible assets	-	605
Gain on foreign exchange	(14,555)	(684)
Fair value gain on investments	(41,268)	(10,960)
Expected credit losses	(15,339)	(5,831)
Loss on sale of investment securities	25,206	7,305
Depreciation – property, plant and equipment	48,808	33,825
Depreciation – right-of-use assets	6,601	6,601
Amortisation – intangible assets	2,430	1,692
Bad debt expenses	6,901	7,554
Interest expense	63,900	48,666
Interest on lease liability	856	1,595
Interest income	(1,324)	(1,633)
Dividend income	(44,389)	(39,418)
Taxation	26,895	34,057
Operating cashflows before changes in operating assets and	215,700	216,907
Changes in operating assets and liabilities:		
Increase in inventories	(206,610)	(525,886)
Decrease/(increase) in receivables	153,092	(138,148)
(Decrease)/increase in payables	(52,227)	161,865
	109,955	(285,262)
Tax paid	(33,052)	(41,334)
Net cash provided by/(used in) operating activities	76,903	(326,596)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase)/sale of investment securities, net	(10,630)	161,680
Proceeds from disposal of property, plant and equipment	-	1,822
Proceeds on disposal of investment property	-	63,457
Purchase of investment properties	(3,340)	(11,338)
Purchase of property, plant and equipment	(104,979)	(158,737)
Purchase of intangible assets	(2,216)	(9,522)
Interest received	1,324	1,633
Dividends received	44,389	39,418
Net cash (used in)/provided by investing activities	(75,452)	88,413
Balance carried forward	1,451	(238,183)

Consolidated Statement of Cash Flows
Year ended 30 September 2023

	2023	2022
	$'000	**$'000**
Balance brought forward	1,451	(238,183)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from share issue, net	3,600	19,998
Treasury shares sold by subsidiary	-	111,836
Long and short-term borrowings, net	(215,216)	132,622
Acquisition of non-controlling interest	-	(50,082)
Lease payment	(6,600)	(6,600)
Interest paid	(63,900)	(48,666)
Dividends and distributions	-	(26,715)
Net cash (used in)/ provided by financing activities	(282,116)	132,393
Net decrease in cash and cash equivalent	(280,665)	(105,790)
Effect of foreign exchange on cash and cash equivalents	8,006	684
Cash and cash equivalents at beginning of year	83,173	188,279
CASH AND CASH EQUIVALENTS AT END OF YEAR	(189,486)	83,173
Represented by:		
Cash and short-term deposits	63,075	83,173
Bank overdraft	(252,561)	-
	(189,486)	83,173

Company Statement of Financial Position
As at 30 September 2023

	Note	2023 $'000	2022 $'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	683,841	550,548
Intangible assets	7	4,255	3,550
Investments in subsidiaries	8	419,278	419,268
Due from subsidiaries	9	1,163,399	899,055
Right-of-use asset	10	6,601	13,202
		2,277,374	1,885,623
Current assets			
Inventories	12	570,842	582,830
Receivables	13	343,319	411,642
Cash and short-term deposits	14	32,783	29,593
		946,944	1,024,065
TOTAL ASSETS		3,224,318	2,909,688
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	15	264,942	261,342
Capital reserves	16	19,910	19,910
Revaluation reserves	17	252,751	185,649
Retained earnings		2,017,576	1,775,179
		2,555,179	2,242,080
Non-current liabilities			
Long-term loans	19	142,457	172,980
Lease liability	10	2,454	8,198
Deferred tax liabilities	20	104,905	87,170
		249,816	268,348
Current liabilities			
Payables	21	139,182	234,371
Short-term loans	22	109,125	115,488
Current portion of long-term loans	19	37,709	27,119
Current portion of lease liability	10	6,600	6,600
Taxation payable		25,772	15,682
Bank overdraft	23	100,935	-
		419,323	399,260
TOTAL EQUITY AND LIABILITIES		3,224,318	2,909,688

Approved for issue by the Board of Directors on 31 December 2023 and signed on its behalf by:

Director
John Jackson

Director
John Mahfood

Company Statement of Comprehensive Income
Year ended 30 September 2023

	Note	2023	2022
		$'000	$'000
Operating revenue	24	1,957,805	1,855,936
Cost of operating revenue	25(a)	(1,501,109)	(1,404,814)
Gross profit		456,696	451,122
Other income	26	39,947	47,538
		496,643	498,660
Administrative expenses	25(b)	(244,391)	(226,631)
Selling and distribution expenses	25(c)	(46,053)	(34,262)
Impairment recoveries on expected credit losses	3(a)	93,865	5,831
		(196,579)	(255,062)
Operating profit	27	300,064	243,598
Finance costs, loans		(27,357)	(21,746)
Finance costs, leases		(856)	(1,595)
Finance costs, loans and leases		(28,213)	(23,341)
Profit before taxation		271,851	220,257
Taxation	29	(29,454)	(51,782)
Net profit		242,397	168,475
Other comprehensive income:			
Items that will never be reclassified to profit and loss:			
Surplus on revaluation of land and buildings		89,469	247,532
Related tax on revaluation of land and buildings		(22,367)	(61,883)
		67,102	185,649
Total comprehensive income		309,499	354,124

Company Statement of Changes in Equity
Year ended 30 September 2023

	Share Capital	Capital Reserves	Revaluation Reserves	Retained Earnings	Total
	$'000	$'000	$'000	$'000	$'000
Balance at 1 October 2021	241,344	7,425	-	1,619,189	1,867,958
Transfer of franked income from retained earnings	-	12,485	-	(12,485)	-
Net profit	-	-	-	168,475	168,475
Other comprehensive income being surplus on revaluation of land and building (Note 17)	-	-	185,649	-	185,649
Transactions with owners:					
Share options exercised [(Note 15(a)]	19,998	-	-	-	19,998
Balance at 30 September 2022	261,342	19,910	185,649	1,775,179	2,242,080
Net profit	-	-	-	242,397	242,397
Other comprehensive income being surplus on revaluation of land and building (Note 17)	-	-	67,102	-	67,102
Transactions with owners:					
Share options exercised [(Note 15(a)]	3,600	-	-	-	3,600
Balance at 30 September 2023	264,942	19,910	252,751	2,017,576	2,555,179

Company Statement of Cash Flows
Year ended 30 September 2023

	2023	2022
	$'000	$'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit for the year	242,397	168,475
Adjustments for:		
Gain on disposal of property, plant and equipment	-	(534)
Loss on disposal of investment property	-	1,543
Foreign exchange gain/(loss)	(16,996)	301
Impairment recoveries on expected credit losses	(93,865)	(5,831)
Depreciation – property, plant and equipment	44,866	28,207
Amortisation – right-of-use assets	6,601	6,601
Amortisation – intangible assets	974	475
Bad debt expenses	6,901	7,554
Interest expense	27,357	21,746
Interest on lease liabilities	856	1,595
Interest income	(66)	(3,180)
Dividend income	-	(12,485)
Taxation	29,454	51,782
Operating profit before change in operating assets and liabilities	248,479	266,249
Changes in operating assets and liabilities:		
Decrease/(increase) in inventories	11,988	(245,173)
Decrease/(increase) in receivables	84,327	(75,621)
Increase in due from subsidiaries	(185,818)	(204,541)
(Decrease)/increase in payables	(96,205)	112,150
	62,771	(146,936)
Interest paid	(27,357)	(21,746)
Cash generated from operations	35,414	(168,682)
Tax paid	(23,996)	(48,200)
Net cash provided by/(used in) operating activities	11,418	(216,882)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from disposal of property, plant and equipment	-	1,800
Proceeds from disposal of investment properties	-	63,457
Purchase of property, plant and equipment	(88,690)	(45,917)
Purchase of intangible assets	(1,679)	(3,019)
Investment in subsidiary companies	(10)	(45,185)
Interest received	66	117
Dividend received	-	12,485
Net cash used by investing activities	(90,313)	(16,262)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from share issue, net	3,600	19,998
Long and short-term borrowings, net	(26,296)	82,860
Lease payment	(6,600)	(6,600)
Net cash (used in)/ provided by financing activities	(29,296)	96,258
Net decrease in cash and cash equivalents	(108,191)	(136,886)
Effect of foreign exchange on cash and cash equivalents	10,446	(301)
Cash and cash equivalents at the beginning of the year	29,593	166,780
CASH AND CASH EQUIVALENTS AT END OF YEAR	(68,152)	29,593
Represented by:		
Cash and short-term deposits	32,783	29,593
Bank overdraft	(100,935)	-
	(68,152)	29,593

Notes to the Financial Statements
30 September 2023

1. Identification and principal activities

Jamaican Teas Limited ("the company") was incorporated in 1967 and is domiciled in Jamaica. The Company has been listed on the Junior Market of the Jamaica Stock Exchange (JSE) since July 3, 2010. The Company's registered office located at 2 Bell Road, Kingston 11, Jamaica. These financial statements comprise the Company and its subsidiaries collectively referred to as "the Group".

The principal activities of the Company are the manufacture and distribution of various teas and other consumer products to local and export markets. The Company's subsidiaries are involved in real estate, investments and retail.

These financial statements present the results of operations and financial positions of the Company and its subsidiaries, which are referred to as "the Group"; the subsidiaries are as follows:

Subsidiaries	Principal Activities	Proportion of ordinary shares held by the Group %	
		2023	2022
LTJ Managers Limited	Real Estate	100%	100%
H. Mahfood & Sons Limited	Real Estate	100%	100%
H. Mahfood & Sons 2020 Limited	Real Estate	100%	100%
KIW International Limited (a)	Holding Company	53.91%	53.91%
QWI Investments Limited (b)	Investments	36.07%	36.07%
Bay City Foods Limited	Retail Distribution	100%	100%
Caribbean Dreams Foods Limited	Manufacturing	100%	-

(a) During 2022, KIW International Limited bought back 74,576 of its own shares and Jamaican Teas Limited increased its shareholding by 614,933 shares.

(b) QWI Investments Limited issued 66% of its ordinary shares to the public on September 9, 2019 in an initial public offering and was listed on the Jamaica Stock Exchange on September 30, 2019. QWI Investments Limited's remaining shares are held by Jamaican Teas Limited and KIW International Limited.

During 2022, Jamaican Teas Limited purchased additional shares in the subsidiary and increased its shareholding from 236,661,533 shares to 309,264,832 shares as at September 30, 2022.

(c) Caribbean Dreams Foods Limited, a new subsidiary, was incorporated on 10 August 2021 During the year it issued 10,000 new shares to Jamaican Teas Limited (Note 8).

Notes to the Financial Statements (Continued)
30 September 2023

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for all the years presented. Where necessary, prior year comparatives have been restated and reclassified to conform to current year presentation.

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and their interpretations adopted by the International Accounting Standards Board. They have been prepared under the historical cost convention, except for quoted investments, investment properties and land and building which are measured at fair value. They are also prepared in accordance with the provisions of the Jamaican Companies Act.

The financial statements are presented in Jamaican dollars, which is the functional currency of the Group, rounded to the nearest thousand, unless otherwise indicated.

The preparation of financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the end of the reporting period and the total comprehensive income during the reporting period. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known. The areas involving a higher degree of judgement in complexity or areas where assumptions or estimates are significant to the financial statements are discussed in Note 4.

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards effective in the current year that are relevant to the Group's operations

The following amendments to standards which have been issued and are effective for mandatory adoption for the financial year beginning on or after 1 January 2022, have been adopted by the Group for the first time:

Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16) (effective for annual periods beginning on or after 1 January 2022) amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37), (effective for annual periods beginning on or after 1 January 2022) specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Annual Improvements to IFRS Standards 2018–2020 are effective for annual reporting periods beginning on or after 1 January 2022. The IASB issued its Annual Improvements to IFRSs 2015-2017 cycle amending a number of standards:

- **IFRS 9 'Financial Instruments' - Fees in the '10 per cent' test for derecognition of financial liabilities.** The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

- **IFRS 16 'Leases' - Lease incentives**. The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

The amendments did not result in any material effect on the Group's financial statements.

Notes to the Financial Statements (Continued)
30 September 2023

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards that are not yet effective and have not been early adopted by the Group

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 Group has not early adopted. The Group has assessed the relevance of all such new standards, interpretations and amendments and has determined that the following may be relevant to its operations. Unless stated otherwise, the impact of the changes is still being assessed by management.

The amendments in Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (effective for annual periods beginning on or after 1 January 2023) affect only the presentation of liabilities in the statement of financial position - not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;

- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and

- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

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.

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 Group.

2. Summary of significant accounting policies (continued)

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 September 2023. A subsidiary is an entity controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee, if and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and,
- The ability to use its power over the investee to affect its returns

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring its accounting policy in line with the Group's accounting policy. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated to the extent of the Group's interest in the subsidiary.

Changes in ownership interests in subsidiaries without change of control
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries
When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2. Summary of significant accounting policies (continued)

(c) Going concern

The preparation of financial statements in accordance with IFRS assumes that the Company and Group will continue in operation for the foreseeable future. This means, in part, that the statements of profit or loss and other comprehensive income and the statement of financial position assume no intention or necessity to liquidate or curtail operations. This is commonly referred to as the going concern basis.

Management has assessed that the Company and Group have the ability to continue as a going concern and has prepared the financial statements on the going concern basis.

The basis of preparation presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

(d) Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) and for which discrete financial information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

The Group has identified the following four (4) operating segments: manufacturing, retailing, real estate, and investments.

2. Summary of significant accounting policies (continued)

(e) Property, plant and equipment:

(i) Recognition and measurement:

During 2022, at the request of the Board of Directors, the Group changed its accounting policy for freehold land and buildings from the cost model to the fair value model. This change in accounting policy did not require a restatement of comparative figures in accordance with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* and IAS 16, *Property, Plant and Equipment*. Management relied on valuation done by independent registered valuers.

Land and buildings are stated at valuation less subsequent depreciation in these financial statements. All other categories of property, plant and equipment are measured at historical cost or deemed cost, less accumulated depreciation and impairment losses, if any.

Any revaluation increase arising on the revaluation of land and buildings is credited to capital reserves through other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged.

A decrease in carrying amount arising on the revaluation of such land and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in reserves relating to a previous revaluation of such assets.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the company.

Notes to the Financial Statements (Continued)
30 September 2023

2. Summary of significant accounting policies (continued)

(e) Property, plant and equipment (continued)

(iii) Depreciation:

Depreciation is computed on the straight-line basis at annual rates estimated to write down the assets to their estimated residual values at the end of their expected useful lives. The depreciation rates are as follows:

Plant and equipment	10%
Furniture and fixtures	10%
Motor vehicles	20%
Computer	20%
Buildings	2½%
Leasehold improvements - shorter of lease and useful lives	

The residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

(iv) De-recognition:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Notes to the Financial Statements (Continued)
30 September 2023

2. Summary of significant accounting policies (continued)

(f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In these financial statements, financial assets comprise investment securities, trade and other receivables, cash and cash equivalents and due from subsidiaries. Financial liabilities comprise long-term loans, margin loan payable, trade and other payables, due to subsidiary, short-term borrowings and bank overdraft.

(i) Recognition and initial measurement

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

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

Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

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

(ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at amortised cost or fair value through profit or loss (FVTPL).

The financial assets that meet both of the conditions in a) and b) below, and are not designated as at fair value through profit or loss: a) are held within a business model whose objective is to hold assets to collect contractual cash flows, and b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, are classified as “held to collect” and measured at amortised cost.

2. Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Amortised cost represents the net present value ("NPV") of the consideration receivable or payable as of the transaction date. This classification of financial assets comprises the following captions:

- Cash and cash equivalents
- Investments
- Trade and other receivables
- Due from subsidiaries

The Group initially recognises these assets at the original invoiced or transaction amount less expected credit losses.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The realised gains from financial instruments at FVTPL represents the difference between the carrying amount of the financial instrument at the beginning of the reporting period, or the transactions price if it was purchased in the current reporting period, and its settlement price.

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

Fair value gains and losses from revaluation of equity securities at FVTPL are presented separately in the statement of profit or loss.

Notes to the Financial Statements (Continued)
30 September 2023

2. Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities that are funding these assets or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity. However, the information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

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

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

2. Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Business model assessment (continued)

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

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

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

2. Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial liabilities

All financial liabilities are recognised initially at fair value and in the case of borrowings, plus directly attributable transaction costs. The Group's financial liabilities, which includes long-term loans, trade and other payable, margin loan payable, due to subsidiary, short-term borrowings and bank overdraft are recognised initially at fair value.

Financial assets and liabilities – subsequent measurement and gains and losses

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. Amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

The subsequent measurement of financial liabilities depends on their classification as described in the particular recognition methods disclosed in the individual policy statements associated with each item.

(iii) Derecognition

Financial asset and liabilities

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, with the difference in the respective carrying amounts recognised in the consolidated statement of comprehensive income.

2. Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

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

(g) Investment properties

Investment properties, comprising principally land and buildings, are held for long-term rental yields and capital appreciation and are treated as long-term investments. They are measured initially at cost, including related transaction costs and are subsequently measured at fair value.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Fair value is determined annually by an independent registered valuer. Fair value is based on current prices in an active market for similar properties in the same location and condition. Any gain or loss arising from a change in fair value is recognised in profit or loss.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

(h) Intangible assets

Computer software

Acquired computer software licenses are capitalised on the basis of the cost incurred to acquire and bring to use the specific software. These costs are amortised over the estimated useful life of five (5) years for software on a straight-line basis.

Costs associated with developing or maintaining computer software programmes are recognised as expenses as incurred.

Notes to the Financial Statements (Continued)
30 September 2023

2. Summary of significant accounting policies (continued)

(i) Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the "reporting entity", in this case, "the Group").

(a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group.

(b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity, and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled, or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

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

The Group has related party relationships with the company's and subsidiaries' directors, and with its executive officers.

(j) Investment in subsidiary companies

Investments in subsidiary companies are measured at cost.

Notes to the Financial Statements (Continued)
30 September 2023

2. Summary of significant accounting policies (continued)

(k) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash flows (cash-generating units).

(l) Inventories

Inventories are stated at the lower of cost and net realizable value, cost being determined on the weighted average cost method. Net realizable value is the estimate of the selling price in the ordinary course of the business, less selling expenses.

Housing development under construction, included in inventory, includes the cost of land, construction materials, labour, borrowing cost and an appropriate proportion of overhead costs.

(m) Trade and other receivables

Trade and other receivables are carried at anticipated realizable value. An allowance for expected credit loss (ECL) of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The carrying amount of the asset is reduced through the use of this ECL allowance, and the amount of the loss is recognized in Bad Debt expense in the statement of profit or loss. When trade receivable is deemed uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognized as recovery and credited to bad debt expense in the statement of profit or loss.

Prepayments are partial or full settlements of debt or expenses before the contractually obligated due date, this includes advances and deposits.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash, bank balances and short-term deposits with maturity of three months or less from the date of placement and are measured at amortised cost.

Bank overdrafts are an integral part of the Group's cash management for financial operations and are included as a component of cash and cash equivalent for the purpose of the statement of cash flows.

Notes to the Financial Statements (Continued)
30 September 2023

2. Summary of significant accounting policies (continued)

(o) Share capital and share-based payment arrangements

(i) Share capital:

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

(ii) Share-based payment arrangements:

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense or asset, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense or asset is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(p) Dividends and distributions

Dividends on ordinary shares and capital distributions are recognised in equity in the period in which they are declared.

Interim dividends payable to shareholders are approved by the directors while final dividends have to be approved by the equity shareholders at the Annual General Meeting. Dividends and capital distributions for the year that are declared after the reporting date are dealt with in the subsequent period, and disclosed.

(q) Trade and other payables

Trade and other payables are measured at amortised cost.

Notes to the Financial Statements (Continued)
30 September 2023

2. Summary of significant accounting policies (continued)

(r) Borrowings

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

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as property, plant and equipment.

Debt issuance costs represent financing and certain related fees associated with securing long-term borrowings. Amortisation is charged to profit or loss on the effective interest basis over the life of the related borrowings.

(s) Revenue

Performance obligations and revenue recognition policies:

Revenue is measured at the fair value of the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows:

Type of product or service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition
Packaged teas for export and domestic sales and retail products.	Customers obtain control of goods when the goods are delivered to and accepted by them. Invoices are generated at that point in time.	Revenue is recognised at the point in time when the goods are delivered and have been accepted by customers.

2. Summary of significant accounting policies (continued)

(s) Revenue (continued):

Type of product or service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition
	Invoices are usually payable within 30 days. Some contracts permit the customer to return an item. Returned goods are exchanged only for new goods – i.e. no cash refunds are offered. The company gives rebates to select customers based on the volume of purchase made. Rebates are included in other payables and payments are made to the customers.	For the sale of retail products, the Group issues loyalty points to customers who are members of the company's loyalty card programme. The amount allocated to the loyalty points is expensed on issuance and is recognised as revenue when the loyalty points are redeemed or have expired. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data for specific types of goods. In these circumstances, a refund liability and a right to recover returned goods is recognised.
Sale of real estate	The customer obtains control of housing units when the units have been delivered.	Revenue is recognised at the point in time for units *under contract* when practical completion of the housing units is independently verified by a quantity surveyor or architect.
Rental income	Invoices are issued according to contract terms and are payable within 30 days.	Revenue is recognised over time as the customer benefits from occupying the property.

Notes to the Financial Statements (Continued)
30 September 2023

2. Summary of significant accounting policies (continued)

(t) Taxation:

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

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

A deferred tax liability is recognised for all taxable temporary differences except to the extent that the company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

(u) Foreign currencies:

Foreign currency balances at the reporting date are translated at the exchange rates ruling at that date. Transactions in foreign currencies are converted at the exchange rates ruling at the dates of those transactions. Gains and losses arising from fluctuations in exchange rates are recognised in profit or loss.

For the purpose of the statement of cash flows, all foreign currency gains and losses recognised in profit or loss are treated as cash items and included in cash flows from operating or financing activities along with movement in the relevant balances.

(v) Finance income and costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings. Borrowing costs are recognised in profit or loss using the effective interest method.

Notes to the Financial Statements (Continued)
30 September 2023

2. Summary of significant accounting policies (continued)

(w) Determination of fair value:

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

The Group measures the fair value of an instrument using quoted price in an active market for that instrument. A market is regarded as active if transactions from the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Group measures instruments quoted in an active market at the mid and closing price, because these prices provide a reasonable approximation of the exit price.

(x) Employee benefits:

Employee benefits are all forms of consideration given by the Group in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, statutory contributions, annual vacation leave and non-monetary benefits such as post-employment benefits related to pension.

Employee benefits that are earned as a result of past or current service are recognised in the following manner:

(i) Short-term employee benefits:

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans:

Obligation for contributions to defined contribution plans is expensed as the related services are provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(y) Expenses:

Expenses are recognised in profit or loss on the accrual basis.

2. Summary of significant accounting policies (continued)

(z) Right-of-use assets and lease liabilities

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:
(i) Leases of low value assets; and
(ii) Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

(i) amounts expected to be payable under any residual value guarantee;
(ii) the exercise price of any purchase option granted in favour of the Group if it is reasonable certain to assess that option;
(iii) any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

To determine the incremental borrowing rate, the Group:

(i) since it does not have recent third-party financing, uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases, and
(ii) makes adjustments specific to the lease, e.g. term, currency and security.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

(i) lease payments made at or before commencement of the lease;
(ii) initial direct costs incurred; and
(iii) the amount of any provision recognised where the company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

2. Summary of significant accounting policies (continued)

(z) Right-of-use assets and lease liabilities (continued)

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets valued as US$5,000 or less when new. The Group has no short-term leases or leases for low valued assets at this time.)

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the stand-alone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.

Notes to the Financial Statements (Continued)
30 September 2023

2. Summary of significant accounting policies (continued)

(z) Right-of-use assets and lease liabilities (continued)

- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

3. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse 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 Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

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

Audit Committee

The Board of Directors has also established an Audit Committee to assist in managing the Group's risk profile. This Committee oversees how management monitors compliance with the Group's risk management policies and reviews the adequacy of the risk management framework.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as outstanding receivables from credit sales.

Risk management

Management has established a credit policy under which each new customer is analysed individually for credit worthiness before the Group's standard payment and delivery terms and conditions are offered.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by management.

3. **Financial risk management (continued)**

(a) **Credit risk (continued)**

Management determines concentrations of credit risk by monitoring the credit-worthiness rating of existing customers and through a monthly review of the trade receivables ageing analysis. In monitoring the customers' credit risk, customers are grouped according to their credit characteristics. Customers that are graded as "high risk" are placed on a restricted customer list, and future credit sales are made only with approval.

Security
The Group and the Company do not hold any collateral as security.

Due from related parties
All related party transactions are preauthorized and approved by management during the budgeting process and subsequently in the normal course of business.

Cash and cash equivalents
The risk is managed in line with the Group's policy. Excess funds are invested for short periods of time, depending on the Group's cash flow requirement. These surplus funds are placed with approved financial institutions with no concentration of the funds being at any specific counterparty and thereby mitigating potential financial losses.

Trade receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer base, including the default risk of the industry in which customers operate, has less of an influence on credit risk. The Group does not require collateral in respect of trade and other receivables.

Trade receivables mainly consist of balances due from retail distributors within and outside Jamaica. The Group considers that it has concentration of credit risk with one (2022: one) customer who is a related party, Amalgamated Distributors Limited (Note 13) and the maximum exposure to credit risk is represented by the carrying amount of each financial asset. As at September 30, 2023, amounts receivable from the customer aggregated $47,903,000 (2022: $66,859,000). This represents 14% and 16% (2022: 19% and 16%), respectively of the trade receivables of the Group and the company. The counterparty is considered to be creditworthy and balances due are routinely collected within credit periods.

3. Financial risk management (continued)

(a) Credit risk (continued)

Expected credit loss assessment

The Group allocates each exposure to a credit risk grade based on the data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and the available press information about its customers) and applying experienced credit judgement.

The Group uses a provision matrix to measure ECLs on trade and other receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade and other receivables and is adjusted for forward-looking estimates.

Loss rates are calculated based on the probability of a receivable progressing through successive stages of delinquency to write-off, current conditions and the economic conditions over the expected lives of the receivables.

On that basis, the loss allowance as at 30 September 2023 and 30 September 2022 was determined as follows for trade receivables:

The Group

30 September 2023	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Expected loss rate	0.45%	1.13%	2.16%	5.33%	0.95%
Gross carrying amount – trade receivables	293,847	27,972	17,061	27,124	366,004
Loss allowance	1,330	316	369	1,445	3,460

30 September 2022	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Expected loss rate	0.62%	1.18%	2.57%	16.68%	4.70%
Gross carrying amount – trade receivables	214,960	47,226	41,181	94,554	397,921
Loss allowance	1,338	633	1,057	15,771	18,799

3. Financial risk management (continued)

(a) Credit risk (continued)

Expected credit loss assessment (continued)

The Company

30 September 2023	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	$'000	$'000	$'000	$'000	$'000
Expected loss rate	0.53%	1.13%	2.16%	5.38%	1.07%
Gross carrying amount – trade receivables	252,518	27,972	17,061	26,854	324,405
Loss allowance	1,330	316	369	1,445	3,460

30 September 2022	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	$'000	$'000	$'000	$'000	$'000
Expected loss rate	0.64%	1.34%	2.57%	16.68%	4.80%
Gross carrying amount – trade receivables	208,891	47,226	41,181	94,554	391,852
Loss allowance	1,338	633	1,057	15,771	18,799

Impairment allowances are determined upon origination of the trade accounts receivable based on a model that calculates the expected credit loss ("ECL") of the trade accounts receivable and are recognised over their term.

Under this ECL model, the Group uses its trade receivable based on days past due and determines an average rate of ECL, considering actual credit loss experience over the last 12 months and analyses of future delinquency, that is applied to the balance of the trade receivable. The weighted average ECL rates used as at the reporting date to apply against the trade receivable balance are detailed above.

3. Financial risk management (continued)

(a) Credit risk (continued)

Expected credit loss assessment (continued)

Changes in allowance for impairment losses:

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Trade receivables:				
Balance at beginning of year	14,851	18,800	14,851	18,800
Impairment recoveries recognised (Note 25(c))	(11,391)	(3,949)	(11,391)	(3,949)
Balance at end of year	3,460	14,851	3,460	14,851
Other receivables:				
Balance at beginning of year	3,948	5,830	3,948	5,830
Impairment recoveries recognised (Note 25(c))	(3,948)	(1,882)	(3,948)	(1,882)
Balance at end of year	-	3,948	-	3,948
Total allowance for impairment losses	3,460	18,799	3,460	18,799
Related Party Balance:				
Balance at beginning of year	-	-	78,526	78,526
Impairment recoveries recognised (Note 25(c))	-	-	(78,526)	-
Balance at end of year	-	-	-	78,526

3. Financial risk management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due. 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 at or close to, its fair value.

Liquidity risk management process

The Group's liquidity management process includes:

(i) Monitoring future cash flows and liquidity on a daily basis;
(i) Maintaining marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
(ii) Maintaining committed lines of credit;
(iii) Optimising cash returns on investments.

Undiscounted cash flows of financial liabilities

The maturity profile of the Group's financial liabilities at year end on contractual undiscounted payments was as follows:

The Group:

	1 to 3 months	3 to 12 months	1 to 5 Years	Contractual cash flows	Carrying amount
			2023		
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Long term loans	14,766	217,233	169,686	401,686	382,480
Lease liabilities	1,950	5,850	2,454	10,254	9,054
Payables	295,339	-	-	295,339	295,339
Short-term loans	109,655	-	-	109,655	109,655
Bank overdraft	252,561	-	-	252,561	252,561
	674,271	223,083	172,140	1,069,495	1,049,089
			2022		
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Long term loans	15,488	45,239	564,423	625,150	591,542
Lease liabilities	1,950	5,850	7,800	15,600	14,798
Payables	346,550	-	-	346,550	346,550
Short-term loans	115,809	-	-	115,809	115,809
	479,797	51,089	572,223	1,103,109	1,068,699

Assets available to meet all of the liabilities and to cover financial liabilities include cash at bank and in hand and short-term deposits.

3. Financial risk management (continued)

(b) Liquidity risk (continued)

Undiscounted cash flows of financial liabilities (continued)

The maturity profile of the company's financial liabilities at year end on contractual undiscounted payments was as follows:

The Company:

	1 to 3 months	3 to 12 months	1 to 5 Years	Contractual cash flows	Carrying amount
			2023		
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Long term loans	12,042	36,125	142,456	190,624	180,166
Lease liabilities	1,950	5,850	2,454	10,254	9,054
Payables	139,182	-	-	139,182	139,182
Short-term loans	109,125	-	-	109,125	109,125
Bank overdraft	100,935	-	-	100,935	100,935
	363,234	41,975	144,910	550,120	538,462
			2022		
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Long term loans	15,488	45,239	172,980	233,707	200,099
Lease liabilities	1,950	5,850	7,800	15,600	14,798
Payables	234,371	-	-	234,371	234,371
Short-term loans	115,488	-	-	115,488	115,488
	367,297	51,089	180,780	599,166	564,756

Assets available to meet all of the liabilities and to cover financial liabilities include Cash at bank and in hand.

(c) Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates (see 3(c)(i)) and interest rates (see 3(c)(ii)). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk exposures are measured using sensitivity analysis. There has been no significant change in exposure to market risks or the manner in which it manages and measures the risk.

Notes to the Financial Statements (Continued)
30 September 2023

3. Financial risk management (continued)

(c) Market risk (continued)

(i) Currency risk

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

The Group is exposed to foreign exchange risk arising from exposure primarily to the US dollar. The Group is primarily exposed to such risks arising from transactions for purchases, sales and investments.

The Statement of Financial Position for the Group as at 30 September 2023 includes net foreign assets of US$4,731,621 (2022: US$4,153,058) in respect of such transactions arising in the ordinary course of business.

The Statement of Financial Position for the Company as at 30 September 2023 includes net foreign assets of US$1,362,062 (2022: US$1,705,292) in respect of such transactions arising in the ordinary course of business.

The following tables demonstrates the sensitivity to fluctuations in the exchange rates of the currencies held by the Group and Company before tax, with all other variables held constant.

The Group:

	2023	**2023**	**2022**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
	Effect on Profit and loss and equity			
	Revaluation	Devaluation	Revaluation	Devaluation
	1%	4%	1%	4%
Currency:				
USD	6,484	(25,935)	25,121	(6,280)

The Company:

	2023	**2023**	**2022**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
	Effect on Profit and loss and equity			
	Revaluation	Devaluation	Revaluation	Devaluation
	1%	4%	1%	4%
Currency:				
USD	2,098	(8,394)	2,579	(10,317)

3. Financial risk management (continued)

(c) Market risk (continued)

(ii) 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 Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

Interest rate fluctuations are not expected to have a material effect on the net results or stockholders' equity. The Group analyses its interest rate exposure arising from borrowings on an ongoing basis, taking into consideration the options of refinancing, renewal of existing positions and alternative financing.

At the reporting date, the Group's financial liabilities subject to interest rates aggregated $753,656,000 (2022: $722,150,000). The Group contracts financial liabilities primarily at a fixed interest rate, hence, changes in the market interest rate will not affect the cash flow nor the carrying amount of the instruments.

Notes to the Financial Statements (Continued)
30 September 2023

3. Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

The following table summarises the Group's exposure to interest rate risk. It includes the Group's financial instruments at carrying amounts, categorized by the contractual re-pricing or maturity dates.

The Group:

	1 to 3 months $'000	3 to 12 months $'000	1 to 5 years $'000 2023	Non-interest bearing $'000	Total $'000
Assets					
Investment securities	-	-	-	2,007,329	2,007,329
Receivables	-	-	-	393,319	393,319
Cash and short-term deposits	63,075	-	-	-	63,075
Total financial assets	63,075	-	-	2,400,648	2,463,723
Liabilities					
Long-term loans	11,470	74,409	291,600	-	382,480
Lease liabilities	1,837	5,081	2,136	-	9,054
Payables	-	-	-	295,339	295,339
Short-term loans	109,125	530	-	-	109,655
Bank overdraft	252,561	-	-	-	252,561
Total financial liabilities	374,993	80,020	293,736	295,339	1,049,089
Total interest re-pricing gap	(311,918)	(80,020)	(293,736)	2,105,309	1,414,635

Notes to the Financial Statements (Continued)
30 September 2023

3. Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

The Group:

	1 to 3 months	3 to 12 months	1 to 5 years	Non-interest bearing	Total
	$'000	$'000	$'000	$'000	$'000
			2022		
Assets					
Investment securities	-	-	-	1,980,637	1,980,637
Receivables	-	-	-	530,406	530,406
Cash and short-term deposits	83,173	-	-	-	83,173
Total financial assets	83,173	-	-	2,511,043	2,594,216
Liabilities					
Long term loans	6,780	20,339	564,423	-	591,542
Lease liabilities	1,650	4,950	8,198	-	14,798
Payables	-	-	-	346,550	346,550
Short term loans	-	115,809	-	-	115,809
Bank overdraft	-	-	-	-	-
Total financial liabilities	8,430	141,098	572,621	346,550	1,068,699
Total interest re-pricing gap	74,743	(141,098)	(572,621)	2,164,493	1,525,517

3. Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

At the reporting date, the company's financial liabilities subject to interest rates aggregated $399,279,000; (2022: $330,385,000). The company contracts financial liabilities primarily at a fixed interest rate, hence, changes in the market interest rate will not affect the cash flow nor the carrying amount of the instruments.

The following table summarises the company's exposure to interest rate risk. It includes the company's financial instruments at carrying amounts, categorized by the contractual re-pricing or maturity dates.

The Company:

	1 to 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	Non-interest bearing $'000	Total $'000
			2023		
Assets					
Receivables	-	-	-	343,319	343,319
Due from related parties	-	-	-	1,163,399	1,163,399
Cash and short-term deposits	32,783	-	-	-	32,783
Total financial assets	32,783	-	-	1,506,717	1,539,500
Liabilities					
Long-term loans	9,427	28,282	142,456	-	180,166
Lease liabilities	1,837	5,081	2,136		9,054
Payables	-	-	-	139,182	139,182
Short-term loans	109,125	-	-	-	109,125
Bank overdraft	100,935	-	-	-	100,935
Total financial liabilities	221,324	33,363	144,592	139,182	538,462
Total interest re-pricing gap	(188,542)	(33,363)	(144,592)	1,367,535	1,001,038

Notes to the Financial Statements (Continued)

30 September 2023

3. Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

The Company:

	1 to 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	Non-interest bearing $'000	Total $'000
			2022		
Assets					
Receivables	-	-	-	411,642	411,642
Due from related parties	-	-	-	899,055	899,055
Cash and short-term deposits	29,593	-	-	-	29,593
Total financial assets	29,593	-	-	1,310,696	1,340,289
Liabilities					
Long-term loans	6,780	20,339	172,980	-	200,099
Lease liabilities	1,650	4,950	8,198	-	14,798
Payables	-	-	-	234,371	234,371
Short-term loans	-	115,488	-	-	115,488
Bank overdraft	-	-	-	-	-
Total financial liabilities	8,430	140,777	181,178	234,371	564,756
Total interest re-pricing gap	21,163	(140,777)	(181,178)	1,076,325	775,533

The Group and Company have no significant sensitivity to interest rate risk as most borrowings are at fixed rates.

(iii) Equity price risk

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

A 6% (2022: 6%) increase in the market price at the reporting date would cause an increase in the Group's profit or loss and other comprehensive income of $120,440,000 (2022: $118,471,000). A 3% (2022: 6%) decrease would cause a decrease in the Group's profit or loss and other comprehensive income of $60,220,000 (2022: $118,471,000).

Notes to the Financial Statements (Continued)
30 September 2023

3. Financial Risk Management (continued)

(d) Capital management

The policy of the Group's Board of Directors is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business and ensure it continues as a going concern.

The Group considers its capital to be its total equity inclusive of unappropriated profits and capital reserves. The Group's financial objective is to generate a targeted operating surplus, in order to strengthen and provide for the future continuity of the Group as a going concern in order to provide returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Directors regularly review the financial position of the Group at meetings and monitor the return on capital and the level of dividends to the ordinary shareholders. They seek to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as gross debt divided by total capital. Gross debt is the total of long-term loans, lease liabilities, short-term loans and bank overdraft. Total capital is calculated as equity as shown in the company's statement of financial position plus debt. The gearing ratios at the year-end based on these calculations were as follows:

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Debt	753,750	722,149	399,280	330,385
Equity	2,974,932	2,657,933	2,555,179	2,242,080
Total capital	3,728,682	3,380,082	2,954,459	2,572,465
Gearing ratio	20.2%	21.4%	13.5%	12.8%

3. Financial risk management (continued)

(e) Fair value estimates

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market price is used to determine fair value where an active market exists as it is the best evidence of fair value of a financial instrument. The Group's equities are the only financial instruments that are carried at fair value. Where fair value of financial instruments approximates carrying value, no fair value computation is done and disclosed.

The carrying values reflected in the financial statements for cash and cash equivalents, trade and other receivables, and trade and other payables, are assumed to approximate fair value due to their relatively short-term nature.

The fair value of long-term loans is assumed to approximate carrying value as the loans bear interest at market rates and all other conditions are at market terms.

The fair values of quoted equities are based on the average of the closing bid and offer prices published by the respective Stock Exchanges.

Determination of fair value and fair value hierarchy

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

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

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

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

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

Equity investments are classified as Level 1.

Notes to the Financial Statements (Continued)
30 September 2023

4. Critical accounting estimates and judgments in applying accounting policies

The Group and Company make estimates, assumptions and judgements that affect the reported amounts of, and disclosures relating to, assets, liabilities, income and expenses reported in these financial statements. Amounts and disclosures based on these estimates assumptions and judgements may be different from actual outcomes, and these differences may be reported in the financial statements of the next financial year. Estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and are continually evaluated.

(i) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the credit risk note.

(ii) Income taxes

Estimates and judgements are required in determining the provision for income taxes. The tax liability or asset arising from certain transactions or events may be uncertain in the ordinary course of business. In cases of such uncertainty, the Group and Company recognise liabilities for possible additional taxes based on its judgement. Where, on the basis of a subsequent determination, the final tax outcome in relation to such matters is different from the amount that was initially recognised, the difference will impact the current and deferred income tax provisions in the period in which such determination is made.

(iii) Depreciable assets

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Group and Company apply a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

4. Critical accounting estimates and judgments in applying accounting policies (continued)

(iv) Fair value of investment properties and land and buildings

Investment properties and land and buildings are carried in the statement of financial position at market value. It is the Group's policy to use independent qualified property appraisers to value its realty, generally using the open market value. This approach takes into consideration various assumptions and factors, including the level of current and future occupancy, the rate of annual rent increases, the rate of inflation of direct expenses, the appropriate discount rate, and the current condition of the properties together with an estimate of future maintenance and capital expenditures. Reference is also made to recent comparable sales. A change in any of these assumptions and factors could have a significant impact on the valuation of properties.

(v) Valuation of financial instruments

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group and Company determine fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premium used in estimating discount rates.

Considerable judgment is required in interpreting market data to arrive at estimates of fair values. Consequently, the estimates arrived at may be significantly different from the actual price of the instrument in an arm's length transaction.

Notes to the Financial Statements (Continued)
30 September 2023

5. Property, plant and equipment

The Group:

	Land and Buildings	Plant, equipment, furniture, fixtures, and computers	Motor Vehicles	Leasehold improvement	Work-in-Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost						
1 October 2021	257,020	207,609	36,590	10,504	32,090	543,813
Additions	98,325	26,593	7,842	11,582	14,395	158,737
Revaluation, adjustment	334,595	-	-	-	-	334,595
Transfers	-	7,546	-	-	(7,546)	-
Disposals	-	(3,126)	(2,995)	-	-	(6,121)
30 September 2022	689,940	238,622	41,437	22,086	38,939	1,031,024
Additions	305	83,060	-	7,878	13,736	104,979
Revaluation, adjustment	76,135	-	-	-	-	76,135
Transfers	713	-	-	-	(713)	-
Transfer to investment property	(93,722)	-	-	-	-	(93,722)
30 September 2023	673,371	321,682	41,437	29,964	51,962	1,118,416
Depreciation						
1 October 2021	39,541	110,667	13,823	7,844	-	171,875
Charge for the year	5,734	18,030	7,112	2,949	-	33,825
Revaluation adjustment	(5,734)	-	-	-	-	(5,734)
Eliminated on disposal	-	(1,838)	(2,995)	-	-	(4,833)
30 September 2022	39,541	126,859	17,940	10,793	-	195,133
Charge for the year	9,956	22,395	7,370	9,087	-	48,808
Revaluation adjustment	(38,334)	-	-	-	-	(38,334)
30 September 2023	11,163	149,254	25,310	19,880	-	205,607
Net book value						
30 September 2023	662,208	172,428	16,127	10,084	51,962	912,809
30 September 2022	650,399	111,763	23,497	11,293	38,939	835,891

5. Property, plant and equipment (continued)

The Group's freehold land and buildings are stated at their revalued amounts, being their fair value at date of revaluation less subsequent accumulated depreciation. The fair value measurement was performed on 25 September 2023 by K.B. Real Estate Company Limited, Independent Valuators. K.B. Real Estate Company Limited are members of the Real Estate Board of Jamaica and are licensed to practice appraisals. The fair value of the freehold land and buildings is categorised into Level 3 of the fair value hierarchy. Valuation techniques used in measuring the fair value as well as the significant unobservable inputs used are detailed in note 6 consistent with the approach used to value investment properties.

The net book value of freehold land and buildings under the cost model would have been $304,407,000 for the Group and $166,924,000 for the Company. Land and buildings include land at a cost of $240,209,000 (2022: $240,209,000) for the Group and $115,000,000 (2022: $115,000,000) for the Company.

Surplus arising on revaluation of land and buildings recognised in OCI was $85,853,000 (2022: $255,247,000) for the Group and $67,102,000 (2022: $185,649,000) for the Company determined as follows:

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Revaluation adjustment recognized (Note 17)	114,471	340,329	89,469	247,532
Deferred taxation on revaluation adjustment (Note 20)	(28,618)	(85,082)	(22,367)	(61,883)
Revaluation gain recognized net of tax	85,853	255,247	67,102	185,649

6. Investment properties

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Balance at beginning of year	294,399	318,001	-	65,000
Additions	3,340	11,338	-	-
Transfer from property, plant, and equipment	93,722	-	-	-
Disposal	-	(65,000)		(65,000)
Change in fair value, net (note 26)	35,259	30,060	-	-
Balance at end of year	426,720	294,399	-	-

Investment properties comprise commercial properties and land held for capital appreciation and rental income. Investment properties are valued annually by an independent professional valuer.

6. Investment properties (continued)

Except as noted below, investment properties were valued in September 2023 by K.B. Real Estate Company Limited, a independent licensed valuator.

Certain of the Group's investment properties are held as collateral against a loan from The Bank of Nova Scotia Jamaica Limited (note 19).

Rental income earned on the commercial properties during the year amounted to $7,645,000 (2022: $12,163,000) for the Group and $Nil (2022: $2,050,000) for the company. The related expenses totaled $4,733,000 (2022: $796,972) for the Group and $Nil (2022: $Nil) for the company.

Changes in fair values are recognised as gains in profit or loss and included in 'other income'. All gains are unrealised.

During the year ended 30 September 2022, an investment property valued at $65,000,000 was sold to a related party.

The fair value measurement for investment properties of $426,720,000 (2022: $294,399,000) for the Group and $Nil (2022: $Nil) for the company have been categorised as Level 3 in the fair value hierarchy. The following table shows the valuation techniques used in measuring fair value as well as the significant unobservable inputs used.

6. Investment properties (continued)

One of the Group's investment properties was sold subsequent to the year end and is stated in the financial statements at its net realisable value.

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Market based approach The approach is based on the principle of substitution whereby the purchaser with perfect knowledge of the property market pays no more for the subject property than the cost of acquiring an existing comparable property, assuming no cost delay in making the substitution.	• Details of the sales of comparable properties.	The estimated fair value would increase/(decrease) if:
The approach requires comparison of the subject property with others of similar design and utility, inter alia, which were sold in the recent past.	• Conditions influencing the sale of the comparable properties.	• Sale value of comparable properties were higher/(lower).
However, as no two properties are exactly alike, adjustment is made for the difference between the property subject to valuation and comparable properties.	• Comparability adjustment.	• Comparability adjustment were higher/(lower).

Notes to the Financial Statements (Continued)
30 September 2023

7. Intangible assets

	Computer software licenses	
	Group	Company
	$'000	$'000
Cost:		
1 October 2021	5,097	2,793
Additions	9,522	3,019
Disposal	(1,501)	-
30 September 2022	13,118	5,812
Additions	2,216	1,679
30 September 2023	15,334	7,491
Amortisation:		
1 October 2021	2,908	1,787
Charge for the year	1,692	475
Eliminated on disposal	(896)	-
30 September 2022	3,704	2,262
Charge for the year	2,430	974
30 September 2023	6,134	3,236
Carrying value:		
30 September 2023	9,200	4,255
30 September 2022	9,414	3,550

Notes to the Financial Statements (Continued)
30 September 2023

8. Investments in subsidiaries

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
LTJ Managers Limited	-	-	12,872	12,872
H. Mahfood & Sons Limited	-	-	5,547	5,547
H. Mahfood & Sons 2020 Limited	-	-	30	30
KIW International Limited	-	-	67,061	67,061
QWI Investments Limited	-	-	333,757	333,757
Bay City Foods Limited	-	-	1	1
Caribbean Dreams Foods Limited	-	-	10	-
	-	-	419,278	419,268

9. Due from/ (to) subsidiaries

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
LTJ Managers Limited	-	-	42,683	40,023
H. Mahfood & Sons Limited	-	-	995,033	765,183
H. Mahfood & Sons 2020 Limited	-	-	66,854	65,885
KIW International Limited	-	-	1,173	(525)
QWI Investments Limited	-	-	2,545	863
Bay City Foods Limited	-	-	46,730	27,626
Caribbean Dreams Foods Limited	-	-	8,381	-
	-	-	1,163,399	899,055

Balances due from / (to) subsidiaries are interest free, unsecured and have no fixed repayment terms. However, it is not the intention of the company to demand repayment within the next twelve (12) months.

10. Right-of-use asset and related lease obligation

(i) Amounts recognized in the Statement of Financial Position

The Statement of Financial Position shows the following amounts relating to leases: -

Right-of-use asset

	The Group and Company	
	2023	**2022**
	$'000	**$'000**
Balance as at beginning of year	13,202	-
Addition	-	19,803
Amortization	(6,601)	(6,601)
Balance as at end of year	6,601	13,202

Lease liability

	2023	**2022**
	$'000	**$'000**
Balance as at beginning of year	14,798	-
Addition	-	19,803
Lease payments	(6,600)	(6,600)
Interest expense	856	1,595
Balance as at end of the year	9,054	14,798

	2023	**2022**
	$'000	**$'000**
Current	6,600	6,600
Non-current	2,454	8,198
Balance as at end of year	9,054	14,798

(ii) Amounts recognized in the Statement of Comprehensive Income

The Statement of Comprehensive Income shows the following amounts relating to leases:

	The Group and Company	
	2023	**2022**
	$'000	**$'000**
Amortization charge of right-of-use asset (included in administrative expenses)	6,601	6,601
Interest expense (included in finance costs)	856	1,595

10. Right-of-use assets and related lease obligations (continued)

(iii) Amounts recognized in the Statement of Cash Flows

	2022	2021
	$'000	$'000
Total cash outflows for leases	6,600	6,600

The Group leases investment properties, which are classified as operating leases because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

11. Investment securities

	The Group	
	2023	2022
	$'000	$'000
Investment securities at Fair Value through Profit and Loss (FVTPL):		
Trinidad and Tobago quoted equities	80,437	69,961
United States quoted equities	436,738	272,759
Jamaican quoted equities	1,490,154	1,637,917
	2,007,329	1,980,637

Certain of the quoted equities are held as collateral for margin loans and a bank overdraft facility (Note 19 and 23).

Included in Jamaican quoted equities are United States dollar stocks worth US$111,283 (2022: US$122,000).

Notes to the Financial Statements (Continued)
30 September 2023

12. Inventories

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Manufacturing:				
Finished goods	126,965	177,028	126,965	177,028
Goods in transit	5,117	15,998	5,117	15,998
Raw material	438,760	389,804	438,760	389,804
	570,842	582,830	570,842	582,830
Retail	34,470	33,707	-	-
Development:				
Housing under construction	793,214	575,379	-	-
	1,398,526	1,191,916	570,842	582,830

For year ended 30 September 2023, inventories valuing $6,308,000 (2022: $6,542,000) were written off to the statements of comprehensive income for the Group and the Company.

13. Receivables

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Trade receivables	312,580	387,053	306,357	382,639
Other receivables	53,424	10,868	18,048	9,213
	366,004	397,921	324,405	391,852
Less: Expected credit loss provision (Note 3(a))	(3,460)	(18,799)	(3,460)	(18,799)
	362,544	379,122	320,945	373,053
Due from brokers	-	49,372	-	-
Prepayments	30,775	101,912	22,374	38,589
	393,319	530,406	343,319	411,642

(a) Included in trade receivables for the Group and Company is $47,903,000 (2022: $66,859,000) due from a related party, Amalgamated Distributors Limited, in the ordinary course of business (note 35).

(b) Amount due from brokers represents amounts due to QWI Investments Limited by brokerage firms from securities sales.

Notes to the Financial Statements (Continued)
30 September 2023

14. Cash and short-term deposits

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Cash at bank and in hand				
Cash at bank	60,100	81,671	32,683	29,476
Cash in hand	330	1,485	100	100
	60,430	83,156	32,783	29,576
Short term placements	2,645	17	-	17
	63,075	83,173	32,783	29,593

Cash at bank substantially comprise term, savings and operating accounts at licensed commercial banks in Jamaica. The rate of interest earned on the Group and Company's term, savings and operating account ranges from 0% to 0.40% (2022: 0% to 0.40%).

Short term placements are held at licensed financial institutions and attract interest ranging from 1.05% to 8.15% per annum. They all have remaining maturities of less than one year, substantially comprise Reverse Repurchase Agreements on Certificates of Participation, consisting of interest in, or is collaterised by mainly Government of Jamaica and Bank of Jamaica Securities. These agreements may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligations. The risk is managed primarily by reviews of the financial status of the counterparty.

15. Share capital

	2023		2022	
(a)	$'000	No. of shares	$'000	No. of shares
Share capital:-				
Authorised ordinary shares of no par value		Unlimited		Unlimited
Stated capital:				
In issue at October 1	261,342	2,158,605,377	241,344	2,146,150,377
Exercise of share options (15(b))	3,600	4,800,000	19,998	12,455,000
In issue at September 30 – fully paid ordinary shares of no par value	264,942	2,163,405,377	261,342	2,158,605,377

15. Share capital (continued)

(b) Share purchase plan (equity-settled) (continued):

At the Annual General Meeting (AGM) held on March 2, 2011, the stockholders passed a resolution for 16,000,000 of the authorised but unissued shares of the company to be set aside as part of a stock option plan for directors and a stock purchase plan for employees, to be issued in two tranches of 8,000,000 shares to be issued between June 2011 and June 2021. The shares allocated for the staff are to be priced as a 10% discount to the last stock market selling price on the date the offer is taken up. The staff will be given a specific time in each year in which to take up the offer and they can access an interest free loan for a three-year term to acquire the shares.

The exercised price of the directors' shares was originally approved at the AGM in 2011 at $7 each, now $1.75 per share, adjusted for the 2-for-1 splits that happened between 2011 and 2016. As at September 30, 2020, all shares allocated under tranche one of this authorised option were fully issued or were expired.

At the Annual General Meeting held on March 16, 2016, the shareholders approved a resolution for the second tranche of 8,000,000 shares before the stock split (16 million – post-split) be issued to the directors at a price of $9 or $4.50 after the effect of the stock split and that the expiry date of tranches 1 and 2 shall be five years from the date each yearly allotment becomes effective.

At the Annual General Meeting (AGM) held on April 12, 2017, the shareholders passed a resolution for the Company to sub-divide its share capital into two (2) shares for each existing shares, resulting in the total number of authorised shares being increased to 1,000,000,000 ordinary shares at no par value and the total number of issued shares being increased to 674,833,460 of no par value with effect from April 19, 2017.

In 2017, five directors exercised options to acquire shares in the Company pursuant to their share option plans to purchase 7,200,000 shares at an exercise price of $1.75 per share amounting to $12,600,000.

In 2018, four directors exercised their options to acquire shares in the Company pursuant to their share option plan to purchase 3,200,000 shares at the exercise price of $1.75 per share amounting $5,600,000. Also, 800,000 shares were issued to employees pursuant to their employee stock purchase plan amounting $1,541,000.

In 2019, four directors exercised their option to acquire shares in the Company pursuant to their share option to purchase 3,200,000 shares at the exercise price of $1.75 per share amounting to $5,600,000. In addition, 2,100,000 shares were issued to staff pursuant to their employee stock purchase plan amounting to $3,388,000.

Notes to the Financial Statements (Continued)
30 September 2023

15. Share capital (continued)

(b) Share purchase plan (equity-settled) (continued):

In 2020, four directors exercised their option to acquire shares in the Company pursuant to their share option to purchase 3,200,000 shares at the exercise price of $1.75 per share amounting to $5,600,000.

On 17 November 2020 shareholders in an Extraordinary General Meeting approved a resolution that 56,000,000 shares be set aside as part of a stock option plan for Directors and senior executives to be issued between 30 November 2020 and 30 November 2025. The exercise price was $10 per share before giving effect to the effects of the 3 for 1 share division referred to below.

On 17 November 2020, by way of resolution, the Board approved a 3-for-1 split for ordinary shares, on record on November 30, 2020. This was approved by shareholders at an extra-ordinary general meeting on 17 November 2020.

During 2021, five (5) directors exercised their options, adjusted for splits, to acquire shares in the Company pursuant to their share purchase agreement to purchase 40,800,000 shares at the exercise price of $0.75 per share, amounting to $30,600,000, and 1,500,000 shares at the exercise price of $3.33 per share, amounting to $4,995,000. In addition, one staff member was issued 9,000,000 shares at the exercise price of $1.66 per share, amounting to $15,000,000, pursuant to the employee stock purchase plan.

During 2022, three (3) directors exercised their options, to acquire shares in the Company pursuant to their share purchase agreement to purchase 4,800,000 shares at the exercise price of $0.75 per share, amounting to $3,600,000, and 2,600,000 shares at the exercise price of $3.33 per share, amounting to $8,658,000. In addition, eight (8) staff members were issued 5,055,000 shares at the exercise price of $1.66 and $1.33 per share, amounting to $7,740,000 pursuant to the employee stock purchase plan.

During the current year, two (2) directors exercised their options, to acquire shares in the Company pursuant to their share purchase agreement to purchase 4,800,000 shares at the exercise price of $0.75 per share, amounting to $3,600,000.

Notes to the Financial Statements (Continued)
30 September 2023

16. Capital reserves

		The Group		The Company	
		2023	2022	2023	2022
		$'000	$'000	$'000	$'000
(a)	Realised surplus: -				
	Gain on disposal on investment property	90,425	90,425	-	-
	Gain on disposal of property, plant and	6,759	6,759	-	-
	Waiver of directors' loan	229	229	-	-
	Gain on disposal of investments	9,556	9,556	3,455	3,455
		106,969	106,969	3,455	3,455
(b)	Franked income*	44,332	31,909	16,455	16,455
		151,301	138,878	19,910	19,910

*This represents dividends and distributions earned from equity investments which have been taxed at source and can therefore be distributed to shareholders free of tax. These amounts have therefore been transferred from retained earnings to a reserve fund.

17. Revaluation reserves

Revaluation reserve represents unrealised surplus on the revaluation of freehold land and buildings and plant and machinery, and is made up as follows:

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Balance at beginning of year	255,247	-	185,649	-
Revaluation adjustments (Note 5)	114,471	340,329	89,469	247,532
Less: deferred tax on revaluation adjustment (Note 20)	(28,618)	(85,082)	(22,367)	(61,883)
Balance at end of year	341,100	255,247	252,751	185,649

Comprising:	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Revaluation gains	454,800	340,329	337,001	247,532
Deferred taxation on revaluation gains (Note 20)	(113,700)	(85,082)	(84,250)	(61,883)
Balance at end of year	341,100	255,247	252,751	185,649

Notes to the Financial Statements (Continued)
30 September 2023

18. Non-controlling interests

This represents non-controlling interests in the company's subsidiaries as follows:

	% interest	
	2023	2022
KIW International Limited ("KIW")	46.09%	46.09%
QWI Investments Limited ("QWI")	63.93%	63.93%

The following table summarises the information relating to KIW and QWI that have material non-controlling interests (NCI), before any intra-group eliminations.

	2023			
	KIW	QWI	Intra	Total
	$'000	$'000	$'000	$'000
Non-current assets	158,077	2,004,782	-	2,162,859
Current assets	4,670	17,158	-	21,828
Non-current liabilities	-	125,625	-	79,265
Current liabilities	(4,802)	(210,552)	-	(215,354)
Net assets	157,945	1,937,013	-	2,048,598
NCI share of subsidiary net assets	72,797	1,238,392	(187,705)	1,093,786
Revenue	(26,634)	59,018	-	32,384
Total comprehensive profit/(loss) for the year	(28,429)	(44,119)	-	(26,282)
Comprehensive profit/(loss) allocated to NCIs	(13,103)	(28,206)	-	(11,730)
Cashflow from operating	(2,760)	31,728	-	28,968
Cashflow from investing	3,701	-	-	3,701
Cashflow from financing	1,698	(224,528)	-	(222,830)
Net decrease in cash and cash equivalents	2,639	(192,800)	-	(190,161)

Notes to the Financial Statements (Continued)
30 September 2023

18. Non-controlling interests (continued)

	2022			
	KIW	QWI	Intra group	Total
	$'000	$'000	$'000	$'000
Non-current assets	187,425	1,980,637	-	2,168,062
Current assets	6,216	151,081	-	157,297
Non-current	-	(22,910)	-	(22,910)
Current liabilities	(7,266)	(378,832)	-	(386,098)
Net assets	186,375	1,729,976	-	1,916,351
NCI share of subsidiary net assets	85,900	1,105,990	(86,374)	1,105,516
Revenue	2,600	44,378	-	46,978
Total comprehensive	483	(49,407)	-	(48,924)
Comprehensive profit/(loss)allocated to NCIs	223	(31,586)	(1)	(31,362)
Cashflow from operating	6,205	152,379	-	158,584
Cashflow from investing	9,000	-	-	9,000
Cashflow from financing	(15,220)	(115,703)	-	(130,923)
Net increase in cash and cash equivalents	(15)	36,676	-	36,661

Acquisition of NCI

During 2022, the Group acquired an additional 4.46% interest in QWI Investments Limited and an additional 4.02% in KIW International Limited increasing its ownership from 31.61% to 36.07% in QWI Investments Limited and from 49.89% to 53.91% in KIW International Limited.

	2022		
	KIW	QWI	Total
	$'000	$'000	$'000
Carrying amount of NCI acquired	100	64,634	64,734
Consideration paid to NCI	(100)	(45,085)	(45,185)
An increase in equity attributable to owners off the company	-	19,549	19,549

The increase in equity attributable to owners of the Company comprised an increase in retained earnings of $19,549,000.

Notes to the Financial Statements (Continued)
30 September 2023

19. Long-term loans

		The Group		The Company	
		2023	**2022**	**2023**	**2022**
		$'000	**$'000**	**$'000**	**$'000**
Bank of Nova Scotia Jamaica Limited	(a)	-	103,333	-	103,333
Bank of Nova Scotia Jamaica Limited	(b)	83,333	-	83,333	-
Bank of Nova Scotia Jamaica Limited	(c)	21,860	24,807	21,860	24,807
Bank of Nova Scotia Jamaica Limited	(d)	7,750	17,135	7,750	17,136
Bank of Nova Scotia Jamaica Limited	(e)	31,466	-	31,466	-
Bank of Nova Scotia Jamaica Limited	(f)	15,600	-	-	-
Bank of Nova Scotia Jamaica Limited	(g)	19,799	-	-	-
Margin loans	(h)	154,140	396,890	32,225	50,446
Sagicor Bank Jamaica Limited	(i)	3,532	4,377	3,532	4,377
Vendor's Mortgage	(j)	45,000	45,000	-	-
		382,480	591,542	180,166	200,099
Less: current portion		(90,878)	(27,119)	(37,709)	(27,119)
		291,602	564,423	142,457	172,980

Notes to the Financial Statements (Continued)
30 September 2023

19. Long term loans (continued)

(a) This loan, which was received in December 2017, attracted interest at 8.25% and was repayable over 59 equal monthly instalments and one final payment of $101,667,000. The loan was refinanced during the year (see (b) below).

(b) This was issued to refinance loan (a) and is repayable in 59 equal monthly payments of $1,666,667 and one final payment of $1,666,627. This loan attracts a fixed interest rate of 8.50% per annum for years 1-2 and thereafter Six-Months Weighted Average Treasury Bill Yield Rate of the most recent Six-Month Bank of Jamaica Treasury Bill tender plus 2.50% per annum, with quarterly resets effective the first of January, April, July and October.

(c) This loan, which was received in May 2021, is repayable over 59 equal monthly payments of $245,617 followed by a bullet payment of $14,982,597. This loan attracts interest at a rate of 8% per annum for years 1-3 (ending February 2024). Thereafter, the Six-Months Weighted Average Treasury Bill Yield Rate of the most recent Six-Month Bank of Jamaica Treasury Bill tender plus 2.50% per annum, with quarterly resets effective the first of January, April, July and October.

(d) This loan, which was received in April 2021, attracts interest at a rate of 7% per annum and is repayable over 60 equal monthly instalments of $250,000.

(e) This loan, which was received in September 2023 and attracts interest at a rate of 7% per annum. This loan is repayable over 42 equal monthly instalments of $898,000.

(f) This represents a non-revolving term loan facility of $18,000,000 maturing on 27 January 2028, which was received on 27 January 2023, attracts interest at 8.5% per annum and is repayable in 60 equal monthly installments of $300,000.

(g) This represents a non-revolving term loan facility of $22,845,000,000 maturing on 27 January 2028, which was received on 27 January 2023, attracts interest at 8.5% per annum and is repayable in 60 equal monthly installments of $380,750.

(h) This represents debt facilities provided by Victoria Mutual Investments Limited, Aegis Capital Corp and Mayberry Investments Limited to the Company and a subsidiary to acquire securities held on their own account. The facilities attract interest at 15.5%, 10.5% and 13% respectively and are collaterised by the securities held with the brokerage firms.

19. Long term loans (continued)

(i) This loan was received in January 2022 and attracts interest at a rate of 6% per annum. The loan is repayable over a period of 60 months in instalments of $97,631.

(j) This loan, which was received in July 2022, attracts interest of 3.25% per annum. Interest only is repayable within the first twelve months of the loan in equal instalments of $243,750. The principal is repayable in a bullet payment on July 30, 2024.

Loans (b), (e), (f) and (g) are secured by:

(i) A demand debenture dated 3 November 2017 aggregately stamped in the amount of $321,000,000 creating a fixed charge over all the assets of the Company.

(ii) First, Second and Third Legal Mortgages stamped for an aggregated amount of $205,000,000 over commercial real estate in the name of Jamaican Teas Ltd. registered at Volume 1026 Folio 274.

(iii) 4th and 5th Legal Mortgages stamped collateral in the amounts of $58,000,000 and $115,000,000 over commercial real estate in the name of Jamaican Teas Ltd. registered at Volume 1026 Folio 274.

Facilities (f) and (g) are also secured by:

(i) General Security Agreement in the name of Caribbean Dreams Foods Limited over Horizontal Form-Fill Seal (HFFS) machine being purchased for $32,635,200; stamped $22,845,000.

(ii) General Security Agreement in the name of Caribbean Dreams Foods Limited over Universal Pack BU4T square teabag machine being purchased for $25,785,000; stamped $18,000,000.

Loans (c) and (d) are secured by First Legal Mortgage stamped in the amount of $120,000,000 over commercial real estate in the name of H. Mahfood and Sons Ltd., registered at Volume 1738 Folio 211. The loans are also secured by the assignment of fire, all risk and all perils insurance and business interruption insurance over the properties listed in the Mortgage.

All Bank of Nova Scotia Jamaica Limited facilities are secured by Unlimited Guarantee given by H. Mahfood & Sons Limited and Caribbean Dreams Foods Limited as well as Limited Guarantee given by Bay City Foods Limited.

Loan (i) is secured by security agreement over sterilized equipment valued at $5,309,000 (in registrable form).

Loan (j) is secured by a mortgage stamped in the amount of $45,000,000 over property registered in the name of a subsidiary.

Notes to the Financial Statements (Continued)
30 September 2023

29 Taxation (continued)

(d) Remission of income tax (continued)

Effective July 3, 2010, the Company's shares were listed on the JMJSE. Consequently, the company is entitled to a remission of income taxes for ten years in the proportion set out below, provided the shares remain listed for at least 15 years.
Years 1 to 5: (July 1, 2010 – June 30, 2015) – 100%
Years 6 to 10: (July 1, 2015 – June 30, 2020) – 50%.

The financial statements have been prepared on the basis that the Company does not have the benefit of further tax remissions, as these have now fully expired.

(e) By notice dated April 30, 2019, the Minister of Finance and the Public Service issued a gazette in favour of a subsidiary within the Group, designating it as an Approved Developer as cited by the Urban Renewal Act. The order is effective from 2019 to 2029. With this gazette, the subsidiary receives tax relief under the Urban Renewal (Tax Relief) Act for all developments undertaken on the gazetted property.

20. Deferred tax liabilities (continued)

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

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Deferred tax assets/(liabilities):				
Unrealised revaluation surplus on property, plant and equipment (Note 17)	(113,700)	(85,082)	(84,250)	(61,883)
Accelerated tax depreciation on property, plant and equipment	(12,116)	(9,302)	(17,885)	(15,898)
Right-of-use assets, net of lease obligations	854	399	613	399
Interest payable	505	1,054	-	265
Unrealised gains on investments	(41,400)	(25,764)*	-	-
Unrealised gains on investment properties	(17,977)	(16,492)	-	-
Interest receivable	-	(505)	-	-
Unrealised foreign exchange gains	(4,248)	(10,053)	(4,248)	(10,053)
Tax losses	90,064	59,326*	-	-
Other	865	-	865	-
Net deferred tax liabilities at end of year	(97,153)	(86,419)	(104,905)	(87,170)

*Restated (Note 36)

The amounts shown in the statement of financial position include the following:

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Deferred tax assets/(liabilities) to be recovered/(settled):				
- less than 12 months	-	-	-	-
- after more than 12 months	(97,153)	(86,419)	(104,905)	(87,170)
	(97,153)	(86,419)	(104,905)	(87,170)

Notes to the Financial Statements (Continued)
30 September 2023

21. Payables

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Trade payables*	191,275	211,894	120,520	163,604
Due to brokers**	30,298	803	-	-
Other payables	73,766	133,853	18,662	70,767
	295,339	346,550	139,182	234,371

* The Group and the Company include $10,447,000 (2022: $9,337,000) due to a related party, Amalgamated Distributors Limited (ADL) and $Nil (2022: $5,000,000) due to a close family member of a director in the ordinary course of business (see note 35).

** Due to brokers represents investments purchase transactions through a brokerage firm awaiting settlement.

22. Short-term loans

		The Group		The Company	
		2023	2022	2023	2022
		$'000	$'000	$'000	$'000
Demand loans	(a)	98,924	100,959	98,394	100,959
Other loans	(b)	10,731	14,850	10,731	14,529
		109,655	115,809	109,125	115,488

(a) These loans are due to related parties and attract interest at a rate of 6% per annum. These loans are not secured and have no fixed repayment terms and are payable on demand (see note 35).

(b) Other loans include mainly credit card balances which are unsecured and have no fixed repayment terms. Interest is charged at the rates of 12.95% per annum. Interest is charged on outstanding balances not paid by the due date. The Group normally repays amounts owing on or before the due date.

A credit card not exceeding $45,000,000, was granted to assist with business expenses and working capital support.

23. Bank overdraft

		The Group		The Company	
		2023	2022	2023	2022
		$'000	$'000	$'000	$'000
Bank of Nova Scotia Jamaica Limited	(a)	125,872	-	76,937	-
Sagicor Bank Jamaica Limited	(b)	126,689	-	23,998	-
		252,561	-	100,935	-

(a) The Company operates approved overdraft facility not exceeding $140 million at a rate of 9% per annum and granted to provide working capital support and for general business-related expenses.

As at 30 September 2023, a subsidiary's assets were charged in the sum of $112,075,835 (2022: $101,559,232) in favour of The Bank of Nova Scotia Limited. The assets charged, comprised listed shares owned by the company and were pledged to secure an overdraft facility of $50,000,000 at an interest rate of 8% (2021:8.5%) per annum. As at the reporting year end, the balance outstanding under this facility is $48,766,996 (2022: $Nil).

(b) The Company operates approved overdraft facility with Sagicor Bank Jamaica Limited at a limit of $30 million at a rate of 9% per annum granted to provide working capital support and for general corporate purposes and/or business-related expenses.

Interest is calculated in respect of the amount for the time being overdrawn under the facility on the basis of the number of days elapsed at a rate equivalent to 9% per annum. Interest so calculated will be payable monthly in arrears.

As at 30 September 2023, a subsidiary's assets were charged in the sum of $400 million in favour Sagicor Bank Jamaica Limited to secure an overdraft facility of $200 million at an interest rate of 9.5%. The Company also issued a demand debenture of $200 million over its investments. As at the reporting year end, the balance outstanding under this facility is $102,690,762 (2022: $Nil).

Notes to the Financial Statements (Continued)
30 September 2023

24. Operating revenue

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Export sales- manufacturing	1,263,644	1,171,636	1,263,644	1,171636
Domestic sales - manufacturing	694,161	684,300	694,161	684,300
Retail sales	731,808	602,905	-	-
Sale and rental of properties	7,645	10,113	-	-
	2,697,258	2,468,954	1,957,805	1,855,936

Revenue represents the price of goods sold or services rendered to customers and is stated net of discounts and allowances and General Consumption Tax.

Notes to the Financial Statements (Continued)
30 September 2023

25. Expenses by nature

	The Group		The Company	
(a) Cost of operating revenue	**2023**	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Cost of inventories recognised as expense	1,828,848	1,692,615	1,251,580	1,213,600
Inventory write-offs	6,308	6,542	6,308	6,542
Depreciation	15,552	12,675	11,610	8,460
Amortization of intangible asset	1,456	1,217	-	-
Machinery repairs and maintenance	32,038	26,623	29,918	25,224
Staff costs (Note 28)	157,003	125,342	131,702	100,822
Utilities	25,825	19,790	17,115	10,178
Other costs of operating revenue	54,193	41,152	52,876	39,988
	2,121,223	1,925,956	1,501,109	1,404,814
(b) Administrative expenses				
Audit fee	21,873	31,122	11,158	19,299
Bad debt expense	6,901	7,554	6,901	7,554
Motor vehicle repairs and maintenance	7,979	8,027	7,979	8,027
Depreciation - admin	33,256	21,150	33,256	19,747
Depreciation - leases	6,601	6,601	6,601	6,601
Amortization of intangible assets	974	475	974	475
Director's emoluments:				
- Fees	15,008	8,188	7,458	5,463
- Management remuneration	31,865	32,776	17,980	23,386
Impairment losses	20,807	-	-	-
Rental and security	4,710	11,572	4,710	4,119
Legal and professional fees	18,114	29,609	11,790	15,675
Utilities	6,815	6,842	6,725	6,399
Staff costs (Note 28)	89,145	76,639	74,999	65,622
Insurance	26,664	18,399	18,454	12,844
Local and overseas travel	15,938	11,115	15,938	10,610
Investment committee fees	10,948	15,966	-	-
Irrecoverable General Consumption	240	6,340	-	-
Other administration expense	61,320	54,487	19,468	20,810
	379,158	346,862	244,391	226,631
(c) Selling and distribution expenses:				
Advertising and promotions	51,258	37,960	46,053	34,262
Impairment gain recognised on:				
Trade receivables (Note 3(a))	(11,391)	(3,949)	(11,391)	(3,949)
Other receivables (Note 3(a))	(3,948)	(1,882)	(3,948)	(1,882)
Related party (Note 3(a))	-	-	(78,526)	-
	(15,339)	(5,831)	(93,865)	(5,831)

Notes to the Financial Statements (Continued)
30 September 2023

26. Other income

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Interest income	1,324	1,633	66	3,180
Rental income	1,535	3,671	-	2,050
Dividend income	44,389	39,418	-	12,485
Gain on disposal of property, plant and equipment	-	534	-	534
Realised loss on sale of investment property	-	(1,543)	-	(1,543)
Realised loss on sale of investments	(25,206)	(7,305)	-	-
Increase in fair value of investment properties (note 6)	35,259	30,060	-	-
Foreign exchange gain, net	14,555	684	16,996	(301)
Miscellaneous income	3,806	4,783	22,885	31,133
	75,662	71,935	39,947	47,538

27. Operating profit

In arriving at the operating profit, the following have been charged: -

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Auditors' remuneration	21,873	31,122	11,158	19,299
Amortization of intangible assets	974	475	974	475
Depreciation-admin	33,256	21,150	33,256	19,747
Depreciation - leases	6,601	6,601	6,601	6,601
Directors' emoluments:				
- Fee	15,008	8,188	7,458	5,463
- Management remuneration	31,865	32,776	17,980	23,386
Staff costs (Note 28)	246,148	201,981	206,701	166,444

Notes to the Financial Statements (Continued)
30 September 2023

28. Staff costs

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Salaries and wages	235,686	177,945	198,301	142,408
Pension	2,488	3,160	2,385	3,160
Other employee benefits	7,974	20,876	6,015	20,876
	246,148	201,981	206,701	166,444
Included in profit or loss as:				
Direct manufacturing labour (Note 25(a))	157,003	125,342	131,702	100,822
Administration (Note 25(b))	89,145	76,639	74,999	65,622
	246,148	201,981	206,701	166,444

29. Taxation

(a) Taxation is computed at 25% of the profit for the year adjusted for taxation purposes and comprises:

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Current tax expense:				
Current tax expense- current year:	45,500	32,632	34,086	38,607
Urban renewal tax relief	(721)	(2,025)	-	-
	44,779	30,607	34,086	38,607
Deferred tax expense:				
Originating and reversal of temporary differences (Note 20)	(17,884)	3,450	(4,632)	13,175
	26,895	34,057	29,454	51,782

Notes to the Financial Statements (Continued)
30 September 2023

29 Taxation (continued)

(b) The taxation charged in the statement of comprehensive income differs from the theoretical amount that would arise using the appropriate income tax rate:

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Profit before taxation	213,133	196,641	271,851	220,257
Tax calculated at the appropriate rate @ 25%	53,283	49,160	67,963	55,064
Adjusted for the effects of: -				
Expenses not allowed for tax purposes	17,936	5,258	1,313	13,690
Employers tax credit	(16,632)	(18,336)	(14,609)	(16,972)
Other charges and allowances	(23,472)	-	(25,213)	-
Dividend income	(3,499)	-	-	-
Adjustment for the effect of remission of tax	(721)	(2,025)	-	-
	26,895	34,057	29,454	51,782

(c) As at September 30, 2023, subject to the agreement of The Commissioner, Tax Administration Jamaica, tax losses available for offset against future taxable profits for the Group aggregated $377,156,000 (2022: $563,520,000) and $Nil (2022: $Nil) for the Company. As at January 1, 2014, tax losses may be carried forward indefinitely; however, the amount that can be utilised in any one year is restricted to 50% of the current year's taxable profits.

(d) Remission of income tax

By notice dated August 13, 2009, the Minister of Finance and the Public Service, issued and gazetted the Income Tax (Jamaica Stock Exchange Junior Market) (Remission) Notice, 2009. The Notice effectively granted a remission of income tax to eligible companies that were admitted to the Junior Market of the Jamaica Stock Exchange (JMJSE) if certain conditions were achieved after the date of initial admission.

Notes to the Financial Statements (Continued)
30 September 2023

29 Taxation (continued)

(d) Remission of income tax (continued)

Effective July 3, 2010, the Company's shares were listed on the JMJSE. Consequently, the company is entitled to a remission of income taxes for ten years in the proportion set out below, provided the shares remain listed for at least 15 years.
Years 1 to 5: (July 1, 2010 – June 30, 2015) – 100%
Years 6 to 10: (July 1, 2015 – June 30, 2020) – 50%.

The financial statements have been prepared on the basis that the Company does not have the benefit of further tax remissions, as these have now fully expired.

(e) By notice dated April 30, 2019, the Minister of Finance and the Public Service issued a gazette in favour of a subsidiary within the Group, designating it as an Approved Developer as cited by the Urban Renewal Act. The order is effective from 2019 to 2029. With this gazette, the subsidiary receives tax relief under the Urban Renewal (Tax Relief) Act for all developments undertaken on the gazetted property.

Notes to the Financial Statements (Continued)
30 September 2023

30. Segment financial information

	2023				
	Manufacturing	**Retailing**	**Real Estate**	**Investments**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Gross revenue	1,957,805	731,808	13,645	-	2,703,258
Inter-segment revenue	-	-	(6,000)	-	(6,000)
Revenue from external customers	1,957,805	731,808	7,645	-	2,697,258
Segment profit/(loss)	201,777	62,713	37,695	(24,297)	277,888
Finance costs	(28,213)	(77)	(2,438)	(34,028)	(64,756)
Profit/(loss) before taxation	173,564	62,636	35,257	(58,325)	213,132
Taxation charge					(26,895)
Non-controlling interest					41,309
Profit attributable to equity holders of the parent					227,546
Segment assets	2,838,035	72,370	281,837	2,025,706	5,217,948
Segment liabilities	705,193	49,507	82,955	341,154	1,178,809
<u>Other segment information</u>					
Capital expenditure	88,881	18,314	3,340	-	110,535
Depreciation and amortization	52,441	5,398	-	-	57,839
Fair value gains from revaluation of investments at FVTPL	-	-	-	41,268	41,268
Other income	17186	3,700	35,486	19,290	75,662

Notes to the Financial Statements (Continued)
30 September 2023

30. Segment financial information (continued)

	2022				
	Manufacturing $'000	Retailing $'000	Real Estate $'000	Investments $'000	Total $'000
Gross revenue	1,855,936	602,905	14,913	-	2,473,754
Inter-segment revenue	-	-	(4,800)	-	(4,800)
Revenue from external customers	1,855,936	602,905	10,113	-	2,468,954
Segment profit/(loss)	202,061	42,294	23,709	(21,162)	246,902
Finance costs	(23,341)	(124)	(488)	(26,308)	(50,261)
Profit/(loss) before taxation	178,720	42,170	23,221	(47,470)	196,641
Taxation charge					(34,057)
Non-controlling interest					31,364
Profit attributable to equity holders of the parent					193,948
Segment assets	1,591,365	152,672	1,010,967	2,184,351	4,939,355
Segment liabilities	(667,608)	(104,056)	(3,398)	(400,844)	(1,175,906)
Other segment information					
Capital expenditure	48,936	24,114	106,547	-	179,597
Depreciation and amortization	35,283	6,835	-	-	42,118
Fair value gains from revaluation of investments at FVTPL				10,960	10,960
Other income	6,002	2,667	29,775	33,491	71,935

Notes to the Financial Statements (Continued)
30 September 2023

31. Earnings per share

a) Basic earnings per ordinary stock unit

Basic earnings per stock unit are calculated by dividing the net profits attributable to members by the number of stock units in issue during the year.

	The Group	
	2023	**2022**
Net profit attributable to stockholders ($'000)	227,545	193,948
Weighted average number of ordinary stocks units in issue, basic	2,159,805,377	2,152,699,525
Basic earnings per stock unit ($)	0.11	0.09

b) Diluted earnings per ordinary stock unit

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

	The Group	
	2023	**2022**
Net profit attributable to stockholders ($'000)	227,545	193,948
Weighted average number of fully diluted stock units in issue	2,358,675,371	2,353,469,519
Diluted earnings per stock unit ($)	0.10	0.08

The weighted average number of fully diluted stock units was arrived at as follows:

	The Group	
	2023	**2022**
Weighted average number of stock units in issue, basic	2,159,805,377	2,152,699,525
Effect of unexercised share options, weighted average	198,869,994	200,769,994
Weighted average number of fully diluted stock units at September 30	2,358,675,371	2,353,469,519

Notes to the Financial Statements (Continued)
30 September 2023

32. Dividends

	2023	2022
	$'000	$'000
Dividends paid to non-controlling interest	-	26,715

At the Board of Directors meeting held on February 14, 2022, the directors of a subsidiary declared and paid dividends of $0.035 per share from franked income reserves to stockholders on record as at March 15, 2022. The balance disclosed represents dividends paid to stockholders with non-controlling interest. No dividend was declared in the current year.

33. Impact of change in estimate

During prior year, the Group changed its accounting policy for owner occupied freehold land and buildings from the cost model to the fair value model. The Group decided to account for all owner-occupied properties using the revaluation model in line with IAS 16. These changes were made to take account of the fair values of owner-occupied freehold land and buildings. The revisions were accounted for prospectively as a change in accounting estimates and as a result, the total comprehensive income of the Group for prior year was increased by $255,247,000 net of taxes and that of the Company was increased by $185,649,000 net of taxes.

34. Contingent liabilities and commitments

a) As at September 30, 2023, a subsidiary had capital commitments of $Nil (2022: $105,149,000) in relation to work in progress inventory for an apartment complex at Belvedere Road, Kingston and St Andrew. No provision was made in these financial statements for the unexpended capital commitments as at the reporting date although appropriate funding had been approved.

b) As at September 30, 2023, a subsidiary has entered into an agreement to purchase a commercial property at Temple Hall, St. Andrew, for an amount of $215 million, of which a deposit of $22.8 million has already been paid. This purchase will be partially financed by a loan of $177 million from the Bank of Nova Scotia Jamaica Limited.

c) The Company has given an undertaking to support the operations of certain loss-making subsidiaries for the foreseeable future.

35. Related party balances and transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related party transactions and balances are recognised and disclosed below for the following:

(a) Enterprises over which a substantial interest in the voting power is owned by a key management personnel, including directors and officers and close members of families; or

(b) Enterprises over which such a person, in (a) above, is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the Group.

The tables below detail related party balances and transactions:

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
(a) Due from/ (to) subsidiaries (note 9):				
Bay City Foods Limited	-	-	46,730	27,626
H. Mahfood & Sons Limited	-	-	995,033	765,183
H. Mahfood & Sons 2020 Limited	-	-	66,854	65,885
KIW International Limited	-	-	1,173	(525)
LTJ Managers Limited	-	-	42,683	40,023
QWI Investments Limited	-	-	2,545	863
Caribbean Dreams Foods Limited	-	-	8,381	-
	-	-	1,163,399	899,055

Notes to the Financial Statements (Continued)
30 September 2023

35. Related party balances and transactions (continued)

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
(b) Due from/ (to) related company: Amalgamated Distributors Limited (ADL) (related by common directors):				
Due from*	47,903	66,859	47,903	66,859
Due to***	(10,447)	(9,337)	(10,447)	(9,337)
(c) Trade payables due to close family member of a director ***	-	5,000	-	5,000
(d) Due to directors **	31,908	35,061	31,908	35,061
(e) Short-term borrowings due to a director and close family members **	66,486	65,898	66,486	65,898
	98,394	100,959	98,394	100,959
(f) Directors' emoluments:				
Fees	15,008	8,188	7,458	5,493
Management remuneration	31,865	32,776	17,980	23,386
(g) Transactions with related parties and subsidiaries-income/(expense):				
Sale of goods - ADL	576,866	563,092	576,866	563,092
Advertising and publishing - ADL	(3,107)	(10,397)	(3,107)	(10,397)
Management fees- subsidiaries	22,809	-	22,809	27,034
Sale of investment property- to close family members of director	-	65,000	-	65,000
QWI loan interest income	-	2,017	-	2,017

*Included in receivables (note 13)
** Included in short term borrowings (note 22)
*** Included in payables (note 21)

These amounts are not secured and have no fixed repayment terms and are payable on demand.

36. Restatement

During the year, a subsidiary discovered that realised gains or losses arising on the sale of shares was incorrectly calculated and applied for tax purposes, which impacted the amounts recognised for taxation. The error has been corrected by restating the affected financial statement line items for the year ended 30 September 2022. There was no impact on profit or loss for the year ended 30 September 2022.

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

	The Group		
	2022		
	As previously stated $'000	Adjustments $'000	As restated $'000
Deferred tax assets/(liabilities):			
Property, plant and equipment	(94,384)	-	(94,384)
Right-of-use assets, net of lease obligations	399	-	399
Interest payable	1,054	-	1,054
Unrealised loss on investment	(107,318)	81,554	(25,764)
Investment properties	(16,492)	-	(16,492)
Interest receivable	(505)	-	(505)
Unrealised foreign exchange gains	(10,053)	-	(10,053)
Tax losses	140,880	(81,554)	59,326
Net deferred tax liabilities at end of year	(86,419)	-	(86,419)

Form of Proxy

Place $100.00 stamp here

I/We...

.... of

....

being a member or members of Jamaican Teas Limited hereby appoint...

....

of ....

....or

failing him/her ....

of ....

as my/our proxy to vote for me/us on my/our behalf, at the Annual General Meeting of the Company to be held at at the Courtleigh Hotel and Suites, 85 Knutsford Boulevard, Kingston 5, on the 25th day of April 2024 at 12 noon and at any adjournment thereof.

Signed this ....day of.. 20..........................

.... Signature

.... Signature

NOTE: To be valid:

1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.
2) If executed by a corporation, this proxy must be sealed. A corporate shareholder may appoint a representative in accordance with Article 87 of the Company's Articles of Association, instead of appointing a proxy.
3) This Form of Proxy must be received by the Registrar of the Company, 2 Bell Road, Kingston 11, and also lodged at Jamaica Central Securities Depository Limited at 40 Harbour Street, Kingston, not less than 48 hours before the time of the meeting.
4) This Form of Proxy should bear stamp duty of $100.00. Adhesive stamps are to be cancelled by the person signing the proxy.

Jamaican Teas LTD.

2 Bell Road, Kingston 11
T: 876.656.9491-2 | F: 876.764.8015

info@jamaicanteas.com
www.jamaicanteas.com

Produced by Virgen Advertising Limited