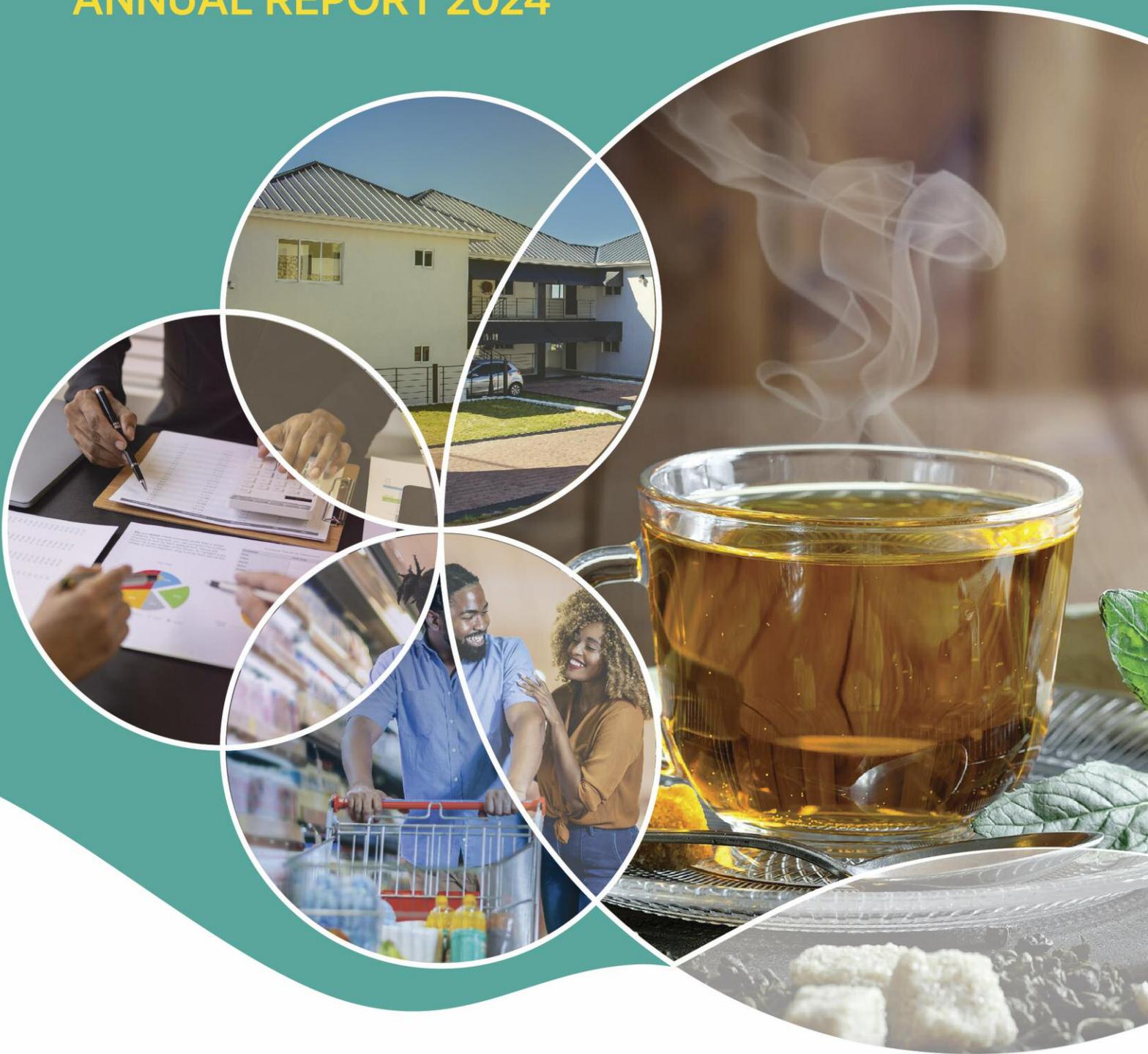


# ANNUAL REPORT 2024



**Jamaican  
Teas LTD.** 



## 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 centered values.

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# 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 the 12th day of June 2025 at the Jamaica Pegasus Hotel and Suites, 81 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 2024 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 2024 and the reports of the Directors and the Auditors circulated with the Notice convening the meeting, be and are hereby approved."*

**2. To appoint Auditors and authorise 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 a dividend for the year ended 30 September 2024.**

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

**Resolution No. 3**

*"THAT the capital distributions of 2.0 and 0.5 cents paid on 16 August 2024 to holders of record on 9 August 2024, be approved and declared final in respect of the year ended 30 September 2024."*

**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 \$7,209,000 for the year ended 30 September 2024 as fees to the Directors for services as Directors, be and is hereby approved."*

**5. To re-elect Directors.**

- i) Suzette Smellie-Tomlinson retires by rotation as a Director, in accordance with the Company's Articles of Association, and being eligible, offers herself for re-election.
- ii) Damien King retires by rotation as a Director, in accordance with the Company's Articles of Association, and being eligible, offers himself for re-election.

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

**Resolution No. 5**

- i) "That Suzette Smellie-Tomlinson, who is retiring by rotation in accordance with i) above, be and is hereby re-elected a Director of the Company."
- ii) "That Damien King, who is retiring by rotation in accordance with ii) above, be and is hereby re-elected a Director of the Company."

**6. As special business to consider and, if thought fit, pass the following resolutions:**

Extension of share options

- a) **"THAT** the expiry dates for the 56,000,000 shares set aside as part of a stock option plan for Directors and Senior Executives to be issued between 30 June 2020 and 30 June 2025, approved at the Annual General Meeting of 20 March 2020, be extended by two years."
- b) **"THAT** an additional 30,000,000 shares of the authorised but unissued shares of the Company be set aside as part of a stock option plan for Senior Executives to be issued between 30 June 2025 and 30 June 2029 at an exercise price of \$3.33 per share."

- c) **“THAT** an additional 30,000,000 shares of the authorised but unissued shares of the Company be set aside as part of a stock purchase plan for employees to be issued between 30 June 2025 and 30 June 2033. The shares allocated for the employees are to be priced at the last stock market selling price on the date each offer is taken up. The staff will be given a specific time in each year in which to take up the offer and they will be able to access an interest free loan with a three-year term from the Company to acquire the shares.”

Dated the 30th day of April 2025.

By Order of the Board



**Cameron Burnet**  
Company Secretary



## IMPORTANT NOTICE TO ALL MEMBERS:

The following shall apply to this AGM:

### (1) Quorum And Attendance

- (a) The Chairman of the Company, the Company Secretary, and any Directors of the Company, being physically present at the AGM, shall constitute and be above the minimum quorum; or in the absence of any such person(s), any other staff member of the Company, being shareholder(s) and physically present at the AGM, may take the place of such person(s) and shall constitute the quorum.
- (b) All other 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

Information on how to access the AGM by electronic means and any updates regarding the AGM will be posted on our website at <https://jamaicanteas.com>. We encourage you to visit this website to find out how to register to attend.

### (3) Voting And Resolutions

- (a) Shareholders at this AGM may vote in any of the following ways:
- (i) By attending the meeting in person; or
- (ii) By completing the Proxy Form attached hereto, indicating in advance how the shareholder wishes to vote on each resolution and nominating any person they wish to attend and vote on their behalf;

- (iii) Appointing either the Chairman, the Company Secretary, or a Director of the Company as the shareholder’s proxy. The Proxy Form may also be downloaded from our website <https://jamaicanteas.com> ;

- (iv) Mailing or dropping off the completed original Proxy Form at Jamaica Central Securities Depository Limited at 40 Harbour Street, Kingston, no later than forty-eight (48) hours before the date of the AGM.

- (b) No new resolutions or amended resolutions will be facilitated at this AGM.

## IMPORTANT NOTE FOR MEMBERS WHO ARE NOT ABLE TO ATTEND:

1. A member entitled to attend and vote at the Annual General Meeting can appoint either the Chairman, the Company Secretary, or a Director of the Company as his/her proxy to vote on each resolution as the shareholder indicated on the Proxy Form.
2. The person so authorised as proxy shall be entitled to exercise the same powers as the member whom he/she represents.
3. The Proxy Form must be lodged at Jamaica Central Securities Depository Limited at 40 Harbour Street, Kingston, at least forty-eight (48) hours before the time appointed for holding the Annual General Meeting.
4. The Proxy Form shall bear the stamp duty of One Hundred Jamaican Dollars (J\$100) before being signed. Adhesive stamp is to be cancelled by the person executing the Proxy.

# 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**  
Chartered Accountants  
6 Collins Green Avenue  
Kingston 5



# JTL Clipboard

## REVENUE

J\$3.2B

## GROWTH

- Export Sales 6%
- Domestic Manufacturing Sales 15%
- Supermarket Sales 6%

## REAL ESTATE

### Belvedere Apartments

- 13 One-Bedroom Apartments
  - 17 Studio Apartments
- Half of the units sold, remainder under contract.  
\$251M increase in Sales Revenues

## CERTIFICATIONS

- SQF
- HACCP
- FDA

## CARIBBEAN DREAMS 100% DRIED SORREL

CDFL is introducing eye-catching supermarket display stands for their Caribbean Dreams Dried Sorrel.

These innovative stands will enhance visibility of this coveted product and drive sales. (See page 36)

## INVESTMENTS

\$2.2B

## MANUFACTURING & FOOD TRADE

CDFL's Dry Pack & Tea Divisions relocated to Temple Hall in 2024

## NEW DISTRIBUTORS DELIVER

- **Wisynco Jamaica:**  
In-Trade Sales volume increase 12% over previous FY
- **AMCO, Trinidad & Tobago:**  
In-Trade Sales volume increase 85% in first year

## COMPLIANCE

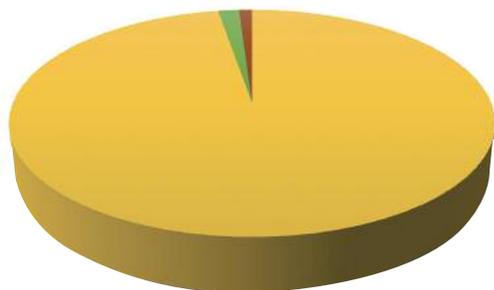
Member AEO Programme

# Shareholdings of Note

## 10 LARGEST PRIMARY ACCOUNT HOLDERS

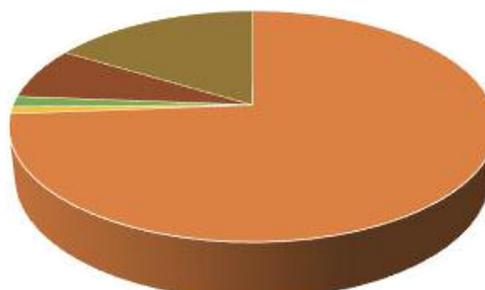
Violet Helen Mahfood	602,378,520
John Mahfood	523,498,839
Jennifer Ann Mahfood	43,642,063
Combined Holdings	567,140,902
Nancy D. Milne	117,750,000
PAM - Pooled Equity Fund	109,442,569
Mayberry Jamaican Equities Limited	65,011,676
SJIML A/C 3119	59,475,070
JCSD Trustee Services Ltd. A/C 76579-02	49,646,940
SJLIC for Scotiabridge Retirement Scheme	43,226,659
Marcos Dabdoub	31,400,000
GraceKennedy Pension Fund Custodian Ltd for GraceKennedy Pension Scheme	30,396,064
<b>Total Percentage of Shareholdings</b>	<b>77.06%</b>

## 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	7,736,976
	Connected Party Holdings	1,846,413
	Combined Holdings	9,583,389
Suzette Smellie-Tomlinson	Director	NIL
Damien King	Director	6,000,000
	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	Manager	9,000,000
	Connected Party Holdings	117,537
	Combined Holdings	9,117,537
Jonathan Mahfood	Manager	180,000
Charles Barrett	Manager	902,550
Norman Russell	Manager	2,000,000

# 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 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:

- **Long-Term Strategic Goals** that align with the interests of shareholders, stakeholders, and employees.
- **Proactive Risk Management Practices** that identify, assess, and mitigate potential risks, thereby safeguarding the Company's assets and enhancing long-term sustainability.
- **Commitment to Ethical Business Practices** that promote fairness and integrity in all operations.
- **Compliance with Legal and Regulatory Requirements** as outlined in the Code of Corporate Governance.
- **Strong Partnerships** with customers and suppliers within the local community to foster mutual growth.
- **Active Engagement** in Social Responsibility, contributing positively to the local community development.
- **Transparent Communication** regarding the Company's performance and internal changes through strategic media placements and its corporate website.
- **Environmental Stewardship** of participating in initiatives aimed at protecting the environment.

The fulfillment of these objectives is carried out by a management team committed to high standards, which considers the interest of all shareholders, 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 local newspapers.

The Company is accountable to other stakeholders in respect of abiding by its 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 food certifications - Hazard Analysis and Critical Control Point (HACCP) and Safe Quality Food (SQF) and US FDA-approved status for exports.

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 160 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 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 incentivise performance, which has been well-received by employees and has had the desired impact on productivity.

All employees participate in Company funded food

## Corporate Governance and Employee Welfare *(Continued)*

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.

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 or 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 they 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

The Company's Board of Directors comprised six members, namely: John Jackson, Chairman, John Mahfood, Damien King, Nadiya Figueroa, Kerry-Ann Tulloch and Suzette Smellie-Tomlinson. Of the six members, there are five Independent /Non Executive Directors and one Non Independent/Executive Director, John Mahfood.

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 2023/24 were selected in recognition of their expertise in particular areas required by the Company. The criteria were as follows:

All, but two, of the Company's current Directors attended the Company's 2022/23 Annual General Meeting (AGM) held in April 2024.

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)*

### 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.

Cameron Burnet is the Company Secretary for Jamaican Teas, and the point of contact for all investor shareholder questions. His contact number is 876-656 9491 extension 227; email: cameron.burnet@jamaicanteas.com.

### MENTOR

Jamaican Teas (JTL) is 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, John Jackson, held this position since 2010 and in 2023, demitted the role, following the receipt of a waiver of the Mentor requirement from the JSE.

### BOARD COMMITTEES

There were three (3) established committees, as at December 2023, namely:

- Compensation
- Marketing and
- Audit & Finance

As of January 2024, marketing oversight moved to the CDFL management. Two committees remain. Audit & Finance now has oversight of Corporate Governance:



Heat sealer machine for CDFL Oats and 100% Dried Sorrel.

- Compensation,
- Audit, Finance & Corporate Governance

### ROLE OF THE COMPENSATION COMMITTEE (CC)

The Compensation Committee is comprised of Independent Non Executive Directors - Chairperson, Suzette Smellie-Tomlinson and committee members, Kerry-Ann Tulloch and Nadiya Figueroa.

The Compensation Committee (CC) plays a critical role in overseeing and guiding the organisation's compensation policies and practices to ensure fairness, competitiveness, and alignment with the Company's strategic objectives.

The primary responsibilities of the CC include:

**\* Reviewing and approving compensation arrangements for member companies' executives, employees, and Directors.**

This year, the CC:

1. Reviewed two employee profit-sharing distributions and annual salary increases.
2. Approved Directors' fees for the financial year, ensuring competitive compensation reflective of responsibilities.
3. Evaluated remuneration packages for new management staff.
4. Made recommendations regarding the compensation arrangements for members of QWI Investments Limited's Investment Committee.

## Corporate Governance and Employee Welfare *(Continued)*

- Contributed to several human resources initiatives and projects aimed at enhancing organisational effectiveness and employee engagement.

### ROLE OF THE MARKETING COMMITTEE (MC)

Up to December 2023, the Marketing Committee comprised Independent Non Executive Directors - Chairperson, Suzette Smellie-Tomlinson and committee members - Damien King and Lisa Lewis (CDFL).

The main responsibility of the MC is to:

*\* Provide strategic oversight and guidance on the organisation's local and export marketing and sales initiatives to ensure alignment with the overall Corporate objectives.*

For the year, the Marketing & Sales Committee focused on:

- Strategic Direction:** Reviewed and provided guidance on the local and export 2023/2024 annual marketing and sales plan and budget, ensuring alignment with long-term goals and growth targets.
- Market Oversight:** Monitored market trends and customer needs to inform marketing and sales priorities.
- Brand and Reputation Management:** Strategies to enhance brand visibility and customer engagement, including a review of pre-launch brand guidelines for CDFL, proposed CDFL logos, and the brand architecture for Caribbean Dreams spices.
- Sales Performance Review:** Sales performance was evaluated against targets, with strategic adjustments recommended to ensure effective integration of sales efforts with marketing initiatives.
- Risk Management:** Potential risks related to market shifts, suppliers, equipment, reputation and software were identified, along with best practice and mitigation strategies.
- Performance Monitoring:** The effectiveness of marketing campaigns and sales initiatives were assessed through high-level reporting on key performance indicators (KPIs).

### ROLE OF THE AUDIT, FINANCE & CORPORATE GOVERNANCE COMMITTEE (AFCG)

The Audit, Finance & Corporate Governance Committee ensures the integrity and transparency of the organisation's financial practices and governance framework, and adherence by the Group's member companies to applicable accounting standards and applicable governance codes.

For the year, the Committee focused on:

- Financial Oversight** of the integrity of the organisation's financial reporting process; reviewed the quarterly and annual financial statements, and ensured adherence by the Group's member companies to applicable accounting standards and applicable governance codes.
- Audit Management** of the appointment, retention, and performance of independent auditors, and ensured that audits were conducted independently and objectively.
- Corporate Governance:** reviewed and updated the organisation's corporate governance policy documents.
- Ethics and Compliance:** oversight of the organisation's ethics and compliance programmes, ensuring that policies were implemented to address potential conflicts of interest and ethical concerns. This includes monitoring adherence to a code of conduct.



## Corporate Governance and Employee Welfare *(Continued)*

**5. Financial Planning:** reviewed the financial strategies, budgets and forecasts to ensure alignment with the organisation’s strategic goals, and assessed the financial implications of certain business decisions.

**6. Risk Management:** internal control systems were monitored to identify possible operational, financial, and compliance risks to control and/or mitigate these.

The members of the Audit, Finance & Corporate Governance Committee are all independent. Damien King is Chairman, along with committee members - Suzette Smellie-Tomlinson and external Non Board member Joan Brown, a Chartered Accountant.

### Board & Committee Meetings/Attendance

During the year, there were approximately twelve (12) Compensation Committee meetings, two Marketing Committee meetings (first quarter only), four (4) Audit, Finance & Corporate Governance Committee meetings and ten (10) Board meetings.

Attendance at these meetings is shown below:

### 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 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 2 January 2025, Baker Tilly, Independent Auditors of the Company, issued an unqualified audit opinion on the Company’s 2024 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 Chairperson, whether of the Board or a Committee, are paid additional fees.

For the year ended 30 September 2024, the fees paid by the Company to its Directors totalled \$7,209,000 (2023 - \$7,458,000), which are subject to the approval of the shareholders of the Company at the Annual General Meeting (AGM). The fees proposed for 2024/25 will also be put to the shareholders for approval at the said meeting.

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 16b on pages 116 - 118 of the 2024 Audited Financial Statements. The share option schemes were first approved by the Company’s shareholders at the 2016 Annual General Meeting.

Directors/Members	Board	Finance & Corporate Governance Committee	Compensation Committee	Marketing & Sales Committee (1st Qtr only)
John Jackson	12	•	•	•
Suzette Smellie-Tomlinson	13	4	12	2
John Mahfood	13	•	•	•
Damien King	13	4	•	2
Kerry-Ann McKoy Tulloch	13	•	12	•
Nadiya Figueroa	12	•	6	•
Joan Brown (external)	13	4	•	•

## Corporate Governance and Employee Welfare (Continued)



**Trade and Investment Convention (TIC) Expo 2024 - Jonathan Mahfood, General Manager - Commercial (in photo) and Kimone Meikle, Marketing Manager, represented the Company at the 25th installment of TIC Expo, July 2024, in Macoya, Trinidad and Tobago (T&T). JTL was one of two Jamaican manufacturers represented at the event through the JMEA. AMCO, JTL's distributor in T&T assisted with questions from patrons.**

### Share Options for Employees

The Company, at its 2011 AGM, approved a stock option plan for its employees, which is also described in Note 16b of the Company's Annual Financial Statements below.

*"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 subdivide 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 at 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*

## Corporate Governance and Employee Welfare (Continued)

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 Extra-ordinary 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 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. At 30 September 2024, 190,219,994 share options were unexercised."

### 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 have identified external consultants who will be retained to assist in the establishment of such procedures, and to perform an external evaluation of the Board's performance.

In 2023/24, the Directors did not participate 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



## Corporate Governance and Employee Welfare *(Continued)*

do not consider it necessary to have committees, as the company's requirements are carried out by the JTL Board. All three Directors serve without remuneration from the company.

The Directors of H. Mahfood and Sons Limited and H. Mahfood and Sons 2020 Limited are John Mahfood, John Jackson and Cameron Burnet. John Jackson is 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 2023/24, were John Mahfood, John Jackson (Chairman) and Cameron Burnet. None of the Directors, except for John Jackson, are considered to be independent. Since KIW disposed of its investment portfolio to QWI, the services of the sub-committees were discontinued.

Fees of \$275,000 were payable to KIW Directors for 2023/24 (2022/23-\$0).

The Directors of QWI Investments Limited (QWI), during 2023/24, were John Jackson (Chairman), John Mahfood, Cameron Burnet, David Stephens, Evan Thwaites and Malcolm McDonald. Messrs. Thwaites, McDonald and Stephens are considered to be 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 who is the only independent.

Total fees paid to QWI's Directors in 2023/24 was \$6,500,000 (2022/23-\$6,500,000). These fees are subject to the approval of the shareholders of QWI at the Annual General Meeting, and the fees proposed for 2024/25 will also be put forward for approval at the said meeting.



**Chairman John Jackson congratulates the Company's New Generation Leaders (from right) Jonathan Mahfood, General Manger – Commercial, Charles Barrett, General Manger- Operations and Kimone Meikle, Marketing Manager.**

## Directors' Report



Jamaican Teas completed a successful year to September 2024. The fiscal year was one of change and consolidation for the Group in view of 2025 and beyond.



**DIRECTORS (l to r):**

**John Mahfood** - Group Chief Executive,  
**John Jackson** - Chairman, **Dr. Nadiya Figueroa**, **Dr. Damien King**,  
**Suzette Smellie-Tomlinson** and **Kerry-Ann McKoy Tulloch**

## Directors' Report *(Continued)*

The Directors sincerely thank shareholders for their steadfast support of the Company and extend best wishes for the future.

We are always pleased to have a full assemblage at our Annual General Meetings and anticipate seeing our valued shareholders at the next meeting. This year, we are again offering both in-person participation and simultaneous electronic streaming for those who are not able to attend or prefer a virtual format.

During the year, the Company transferred its manufacturing operations to its wholly owned subsidiary, Caribbean Dreams Foods Limited (CDFL).

Jamaican Teas has now transitioned into a holding Company for its various subsidiary companies, which directly operate all of the Group's businesses. We also increased our holdings in QWI Investments from approximately 1 percent for an investment substantially lower than the Net Asset Value of its shares.

Over the last twelve months, the Jamaican economy continued to recover, and although the exchange rate fluctuated over the year, economic conditions overall were relatively favourable for your Group.



### OPERATING RESULTS

Total Comprehensive Income attributable to the owners of Jamaican Teas declined \$103 million from \$227 million in the prior year to \$124 million this year. Almost all of the decline emanated from a non-recurrent, non-operating loss of \$101 million, due to the sale of our land and buildings at Bell Road in Kingston.

The profitability of our underlying manufacturing and investment operations in the year is discussed in more detail in our Management Discussion and Analysis report.

### CORPORATE DEVELOPMENTS

Our factory is now located at Temple Hall St. Andrew, which has more space and room for expansion. The Bell Road property, which formerly housed the factory was sold.

Sales of the real estate project at Belvedere Road, St. Andrew resulted in almost half of the units being sold or under contract. The Directors have decided to exit real estate developments.

### DISTRIBUTIONS

For 2024, the Company made capital distribution to shareholders totalling 2.5 cents per share while shareholders in QWI Investments Limited received a 2.5 cent distribution in December 2024.

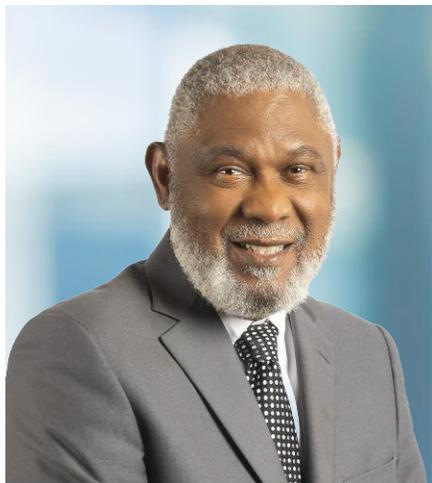
### THANKS

We extend our thanks to all our customers and to our partners who distribute our products to the shops and supermarkets for sale to households across the region.

Finally, thanks to our employees whose service and dedication to the Group's member companies lie behind the successful operations we enjoyed in 2024.

**Shareholders unanimously support a motion at the AGM**

# Board of Directors



**John Jackson**  
Chairman  
Non Executive Director

John serves the Company as Chairman of the Board. 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 board of QWI Investments Limited and is a former Chairman of Jetcon Corporation and 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 and Exporters 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).



**Suzette Smellie-Tomlinson**  
Non Executive Director

Suzette chairs the Compensation Committee and sits on the Audit, Finance & Corporate Governance Committee of the Board. She is an accomplished Senior Executive and Business Consultant with over two decades of experience in business development, strategic management, project management and marketing across diverse fields, including finance, media, retail and distribution, manufacturing, shipping, sports and aviation, among others.

She has served in senior positions in corporate entities, namely AIC Limited, National Commercial Bank Jamaica Limited, Supreme Ventures Limited, Scotiabank Jamaica Limited and the ICD Group of Companies. Her work has spanned different countries, including the Caribbean, the United States, Canada, the United Kingdom and Spain.

She holds an MBA in Finance & Marketing from the Manchester Business School & University of Wales, a B.Sc. in Economics & Management from the University of the West Indies, and a Certificate in Project Management from the Mona School of Business & Management, Mona.

## Board of Directors (Continued)



**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.



**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 Council Member at Caribbean Maritime University from February 2020. She is also a Director at M/ML 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, U.S.A.

# JTL Group Organisational Chart



# Charting a Year of Transformation

Caribbean Dreams Foods Limited (CDFL) has undergone remarkable transformation and strategic progress in its first full financial year as a newly structured entity. Tasked with the management of the Commercial and Operational arms of the Company, the General Managers have embraced the challenges and opportunities with determination and vision.



## A YEAR OF MILESTONES

### Jonathan Mahfood General Manager - Commercial

One of our most significant achievements was the full transition to our Temple Hall facility, which signifies our commitment to growth and operational efficiency. Beyond relocation, we have elevated our facility to meet high food safety standards, ensuring that our products maintain the superior quality expected by our consumers.

In our quest for modernisation, we have revitalised our machine lines, improved efficiency and are setting the foundation for sustained production excellence. Our push toward automation and digital transformation is key to increasing productivity while enhancing our ability to meet growing local and international demand.

Sustainability remains a core pillar of our operations. In 2024, we integrated renewable energy solutions with solar panels now contributing approximately one third of our total energy consumption. This is only the beginning; our commitment to sustainability will continue as we invest in greener, more efficient energy solutions.

## Expanding Our Global Reach

Our distributor network has remained strong, with existing partners continuing to meet expectations and drive brand growth. We added a new European distributor, further expanding our footprint and reinforcing our brand's international appeal.

Our partnership with Wisynco has been a success story on the domestic front. Consistent monthly growth demonstrates the strength of our distribution strategy. Wisynco's robust market presence has allowed us to reach more Jamaican households, ensuring our products remain accessible to all.

## Meeting Challenges Head-On

No year is without its challenges, and 2024 was no exception. Global supply chain disruptions, particularly during the Panama Canal crisis, affected the availability of raw materials, stock levels and production timelines. Despite these hurdles, we have remained agile, implementing tighter inventory controls and increasing our use of technology to enhance forecasting and order accuracy.

Our renewed focus on demand planning and operational efficiency has been crucial in navigating these uncertainties. By restructuring operations, implementing updated procurement strategies, and increasing manufacturing capacity, we are now better positioned to handle future disruptions.

## NAVIGATING GROWTH AND TRANSITION

### Charles Barrett General Manager – Operations

The performance of the operations arm of CDFL can be viewed in the following context:

- Challenges related to operational inefficiencies
- Outdated technology systems
- Intense competition within the global food and beverage industry
- Need for a structured People & Culture focus
- Relocation of our manufacturing and administrative offices to Temple Hall St. Andrew

In navigating these challenges and to achieve our ambitious goals, CDFL adopted a balanced approach to growth, focusing on consolidating our position in existing markets while strategically exploring new opportunities for expansion, particularly in Latin America. At the same time, we were committed to enhancing operational efficiency, investing in technological upgrades and fostering a high performance culture through talent development.

CDFL's balanced and strategic approach capitalised on our strengths and opportunities whilst being guided by the principle/philosophy: What does not get measured, does not get done; and, we take accountability for our action(s) or inaction(s).

Operationally, we achieved the following during the year:

- Advanced work in establishing our People & Culture department, emphasising our renewed commitment to our most valuable asset: Our People.
- Attained overall manufacturing revenue growth of 9 percent, led by a 15 percent increase in domestic manufacturing sales for the period.
- Increased our capacity and output in the Dry Pack Division with the addition of five pieces of

new production machinery with updated technology, which advances our push towards automation and digital transformation.

- Increased total output from the Dry Pack Division by 66 percent compared to the prior year. This division is critical to our growth objectives.
- A 71 percent increase in productivity in the Tea Company, utilising one shift compared to the prior year and 58 percent growth in productivity for our Dry Pack Division.
- Improved incentive programmes for our production staff.
- Restructured our operations and organisation to include new departments and personnel in the areas of Production Management and Supervision, Inventory Control and Purchasing.
- Implemented policies and procedures to support rapid growth, good order and business continuity.
- Continuous improvement of our demand planning to meet the complex challenges presented by our rapid growth, and global supply chain disruptions and challenges.
- Commenced work on procuring an updated Enterprise Resource Planning (ERP) system.



Globally, geopolitical tensions present one of the greatest risks to economic growth. We continue to track these developments not only, with a view to mitigating the downside risks, but also, through the value creation lens. We have begun securing multiple sources of supply with particular emphasis on near shore suppliers for our critical materials.

While we are pleased with our performance and the potential that exists for even greater growth, we recognise that there are significant internal and external challenges that will necessitate us becoming more agile and creative.

## LOOKING AHEAD

As we step into the financial year 2025, we remain committed to strengthening our brand, expanding our reach, and continuing our journey toward innovation and excellence. Key initiatives for the coming year include:

- Further investment in automation and process optimisation

- Developing a comprehensive digital transformation roadmap
- Enhancing inventory control and procurement processes
- Expanding our revenue streams, with a focus on pantry items
- Strengthening our talent development and high performance culture
- Prioritise high value product launches with a phased approach
- Enhance financial analysis to support decision making

The 2024 financial year was a defining one for Caribbean Dreams Foods Limited—one of growth, transformation, and resilience. And as we look to the future, we will remain focused on our mission: delivering high quality, innovative products that resonate with our customers, and drive long-term success.



Marketing Manager, Kimone Meikle meets with General Managers, Charles Barrett (l) & Jonathan Mahfood (r)



# 42% RETURNS

Shares of QWI experienced a remarkable 38% surge in 2024, closing the year at 84 cents, up from 61 cents at the end of 2023. This creditable performance ranked QWI as the 7th best Main Market stock on the Jamaica Stock Exchange for 2024.

Additionally, the Company distributed a dividend of 2.5 cents in December, effectively increasing the total gains to 42%.

QWI's 2024 performance significantly outpaced the Combined Market Index, which saw a rise of 6.8% in the same period. At the same time, the NAV increased 5.2% during the calendar year, including the dividend paid in December.

The strong results were driven by robust gains in the USA portfolio complemented by more modest gains in the Jamaican market.



*Building Wealth for our Investors*

# Operations Management Team

## FINANCE



**Cameron Burnet**  
Chief Financial Officer

Cameron has been with the JTL 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 Group in 2013 as an Accountant. As Financial Controller, he has direct responsibility for Jamaican Teas Limited, Bay City Foods and QWI Investments' financials.

With 15 years of experience in the accounting field, he is advancing his expertise by 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 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 knowledgeable in the areas of Banking, Media and Shipping. Stephanie is pursuing her ACCA qualification.

## Operations Management Team - Accounting *(Continued)*



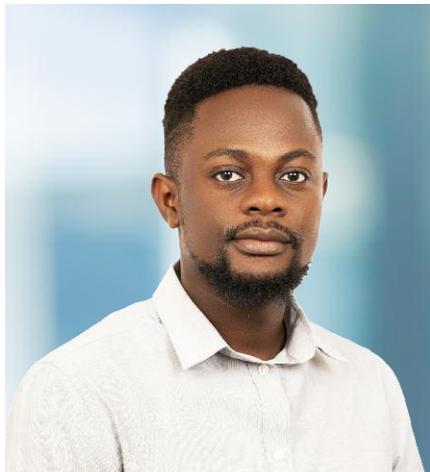
**Carla Francis**  
Purchasing, Procurement and Inventory Control Officer

Carla's tenure with the Group began in January 2011. She serves as the Purchasing, Procurement and Inventory Control Officer. In this capacity, she is charged with ensuring that all purchases are of high quality, cost-efficient and comply with the Company's standards.

Additional responsibilities include fostering positive supplier relations, evaluating supply options, approving purchases and maintaining accurate records, while staying abreast of product and service trends.

Carla holds a Bachelor of Business Administration (BBA) in Accounting, Finance, and Banking from the University of Technology, Jamaica. She also completed a Certificate Course in Forensic Accounting.

She is presently pursuing a Master of Science (MSc.) in Accounting at U.W.I. Mona, to further solidify her expertise and prepare for greater challenges in her field. She recently returned from a hiatus during which she pursued further studies.



**Omar Simpson**  
Accountant

Omar was appointed to the position of Accountant in April 2023. He joined the Group 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 joined the Group in September 2020. She was an Accounting Clerk, prior to her appointment as Accounts Payables Officer in April 2023.

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



## Operations Management Team *(Continued)*

### MARKETING AND ADMINISTRATION



**Kimone Meikle**  
Marketing Manager

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

She has been tasked with leading 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 and now leads its day-to-day monitoring and management.

Kimone has almost a decade of experience in marketing in the tertiary education book industry where she specialised 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.



**Tradaine Ifill**  
Territory Manager – Caribbean

Tradaine joined the Company as Territory Manager for the Caribbean, in July 2024. He has over 10 years' experience in Commercial Management, Production and Operations Management in the Fast-Moving Consumer Goods (FMCG) industry, including several years at MASSY Barbados serving as our Brand Manager.

Based in Barbados, Tradaine is our Caribbean distributors' primary contact for day-to-day matters concerning our products. These include: monitoring stock and sales, ensuring efficient operations and service for orders and shipments in collaboration with our logistics and production team members. He has a deep understanding of the Caribbean market and is dedicated to supporting our business needs and fostering strong, mutually beneficial relationships.

He holds a B.Sc. in Economics and Management from the U.W.I. Cave Hill Campus and an MBA from the University of Liverpool.



**Sonia Dixon-Smith**  
Administrative Assistant

Sonia has been the Company's Administrative Assistant since 2022. She provides administrative and clerical support to the Group 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 B.Sc. in Business Administration and Management and is a Certified Professional Secretary (CPS).

## Operations Management Team *(Continued)*

### CARIBBEAN DREAMS FOOD LIMITED (CDFL)



**Norman Russell**  
Factory Manager

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



### TEA DIVISION



**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 specialised training in Warehousing and Inventory Management.



**Frederick Lawrence**  
Senior Production Supervisor

In July 2024, Frederick rejoined the Company as a Senior Production Supervisor with extensive knowledge in the operation of tea packaging machines. He previously served the Company between the years 2003 and 2015 in the capacity of Machine Operator/Technician and Factory Supervisor.

His responsibilities include monitoring all activities by the production team through the Line Leaders, ensuring

that products are manufactured and packaged according to specification, assisting with monthly production scheduling and the ordering of raw and packaging materials through bi-weekly cycle counts.

Frederick has over two decades of experience in the manufacturing industry. He holds an Associate Degree in Business Administration from Jamaica Institute of Management, Certificate in Supervisory Management from U.W.I. Open Campus, and Pest Management and the Hazard Analysis Critical Control Point (HACCP) System from the Ministry of Industry and Commerce.

## Operations Management Team - Tea Division *(Continued)*

### TEA DIVISION



**Conrad Bryan**  
Chief Technician

Conrad joined the Company in 1989 as a Maintenance Technician's Apprentice. After working for just a few months as an apprentice, 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 Division and Tea Factory.



**Cebert Givans**  
Line Leader

Cebert has been with the Company 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 began her career with the Company in 2021 as a Machine Operator. Within two years, she was promoted to Line Leader in the Tea Factory.

She is also a member of the Quality Team and is a Certified Preventative Control Qualified Individual (PCQI) and Hazard Analysis Critical Control Point (HACCP) Certified.

## Operations Management Team *(Continued)*

### DRY PACK DIVISION



**Richard Farquharson**  
Assistant Production Manager

Richard joined the Company 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, receipts 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, prior to being a Machine Operator and a Packer on the tea line in 2012.

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**  
Production Supervisor

Nyoka was promoted in July 2022 to Supervisor in the Dry Pack Division, prior to which she held the position of Receptionist, and Machine Operator. She 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 Management 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, and coordinating 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 was promoted to Manager in 2018. Prior to this appointment, she was Assistant Manager from 2012 and, formerly, the Chief Cashier in the Administrative Office. She began her career with the Company in 2005 and was later transferred to JRG Shoppers Delite.



**Michael Mahfood**  
Assistant Manager

Michael joined JRG Shoppers Delite as an Assistant Manager in 2015. He has worked in the retail industry 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 September 2024.

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. It 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)**, which, since selling its manufacturing operations in January 2024 to Caribbean Dreams Foods Limited - its wholly owned subsidiary company, has become a holding Company for its Group Member companies.

**Caribbean Dreams Foods Limited (CDFL)**, which was incorporated in 2022, took over JTL's manufacturing operations in January 2024. CDFL are manufacturers of Tetley and Caribbean Dreams teas and groceries; in addition to 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)** owns an investment portfolio of companies listed on the Jamaica Stock Exchange (JSE) and several overseas stock exchanges. QWI is a 44 percent owned subsidiary company, managed and controlled by JTL and KIW International Limited (KIW). QWI's shares are listed on the JSE.

**Bay City Foods Limited (BCF)** operates the Shoppers Delite supermarket in Kingston.

**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, but this project has now been discontinued and will be resold.

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

## GROUP REVENUES AND PROFIT

Group Operating Revenues increased 18 percent from almost \$2.7 billion in the 2023 financial year to \$3.2 billion this year.



## Management Discussion and Analysis *(Continued)*

This resulted primarily from sales growth:

- 6 percent increase in export of manufactured products
- 15 percent increase in domestic manufacturing sales
- 6 percent increase in supermarket sales
- \$251 million increase in real estate revenues attributable to sales of Belvedere Apartments during the year. There were no sales of completed units in the 2023 fiscal year.

The change in Cost of Sales exceeded the change in revenues resulting in a decline in gross profit from 21 percent to 19 percent in the year. The profit decline arose in:

- the retail segment, which saw a 240-basis point fall off in its gross profit; and
- the real estate segment, which added \$251 million to sales with essentially a break even gross profit

The increase in Other Income was due largely to:

- higher dividend income at QWI
- increased fair value gains on the Group's investment properties
- higher foreign exchange gains
- lower realised investment losses at QWI

Fair value gains on QWI's investment portfolio increased compared with the prior year. The higher fair value gains on investments arose from a significant reversal of losses incurred in the 2023 fiscal year. The reversal produced unrealised gains of \$72 million in the 2024 fiscal year, a \$166 million improvement from the \$94 million unrealised loss in the previous year. Unrealised gains on QWI's US holdings grew \$41 million during the year from \$132 million to \$191 million or 43.7 percent of the opening investments.

Administration costs rose 18 percent in the period while selling and distribution costs declined 8 percent. The increases in administration expenses were primarily the result of:

- higher costs for insurance, legal and professional fees, security and real estate rental costs

- a decline in depreciation charges
- the effects of local inflation on other administrative expenses

Finance costs declined \$8 million, mainly due to reduced interest rates on QWI's borrowings and overdraft borrowings, and the effects of lower interest rates.

A one-time non-recurrent loss of \$100 million was realised on the sale of the Bell Road factory in the year. This was largely offset by the release of \$84 million in deferred taxes provided for unrealised gains on this building during the life of its ownership, which was recorded in Other Comprehensive Income during 2024.

Adjusting for the loss on Bell Road, the net profit attributable to Jamaican Teas' shareholders for 2023/24 was essentially unchanged at \$225 million versus \$227 million in 2022/23.

### MANUFACTURING AND FOOD TRADING

In 2023/24, Jamaican Teas operated the Group's manufacturing business for the first quarter of the financial year and then sold the business to CDFL to operate for the remainder of the year. Overall, Group manufacturing sales increased 9 percent compared to 2022/23 led by the 15 percent growth in local sales already mentioned.

Readers will recall that your Group appointed Wisynco as our exclusive local distributor, effective 1 November 2023. Wisynco's initial results, to date, have been consistent with management's expectations and further growth is anticipated in the new financial year. Gross profits in the year improved slightly from 23.3 percent of sales to 23.6 percent.

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 manufacturing activities, incorporating soups and spices, relocated from leased premises at Montgomery Avenue, Kingston to Temple Hall in February 2024, and the Tea Division at Bell Road followed in August 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.

## Management Discussion and Analysis *(Continued)*

### ROBUST MARKET INITIATIVES

Brand Awareness and Engagement was a major focus in the 2024 financial year resulting in a 12 percent increase in in-trade sales locally of our Tetley and Caribbean Dreams products over the previous year.

Promotional Campaigns for the brands were implemented in phases in Jamaica and Trinidad and Tobago along with our new Distributors, Wisynco and AMCO respectively.

*These are some of the highlights: -*

#### **Tetley Campaign - A Tea for Everyone**

The new Tetley Refreshing Mint 20 and 40 pack was the main focus as well as the continued promotion of iced teas.

In November 2023, AMCO, initiated the Tetley Campaign in Trinidad and Tobago employing a strategic blend of Radio Ads, Interviews, In-Store Sampling and Giveaways. This was supplemented with an Educational Brochure and engaging point-of-sale materials, successfully revitalising the brand in the twin-island republic and achieving a remarkable 85 percent increase in in-trade sales within the first year.

In May 2024, the second leg of the campaign launched in Jamaica, aimed to:

- Drive sales of all SKUs



- Improve product awareness and educate consumers on the health benefits and versatility of Tetley products

Key strategies to promote Tetley included:

- Television and Radio Commercials
- Activities on International Tea Day, 2 May 2024, including Vox-Pop Style Videos featuring consumer quizzes on various Tetley teas and an interview on CVM TV's Sunrise with the Company's Marketing Manager, Kimone Meikle
- Sampling of hot and iced teas at Wisynco's Job Fair in Portmore
- Content on our Social Media @TetleyJA highlighting the health benefits of tea, brewing methods, and the versatility and alternate uses of tea.

#### **Caribbean Dreams Campaign – We're more than tea!**

The promotion was a strong push for pantry items. Our Brand Ambassador, Brandon King and West Indies Team Captain for the 3-day T20 cricket series at Sabina Park, 23 to 26 May 2024, assisted us in this initiative. Lucky fans were rewarded, on the Company's behalf, with thoughtfully selected gift baskets of Caribbean Dreams products and tickets to the game.

Our Brand Ambassador also engaged regional fans on our Instagram page through a Q&A, in addition to starring in a Video Recipe Series featuring Caribbean Dreams Oats, Macaroni and Cheese and Instant Ginger.

#### **Partnership and Sponsorship**

Caribbean Dreams and Tetley collectively and individually engaged with a number of entities, along with our local distributor, Wisynco, to further cement the position of the brands. Our aim was to foster deeper connections with consumers, increase sales and promote the variety of products under the Caribbean Dreams brands, aside from our renowned teas.

Among the 2024 Sponsorship initiatives were:

- Jamaica Food and Drink Kitchen's Mother's Day and Beerfest events in May and June respectively.
- A Jamaica Carnival event in April where Wisynco's GenX band was fêted and nourished all day, with our hot chocolate, tea and soup.



# A Tea for everyone

Blends for Your Lifestyle. Your Tea, Your way!

## Management Discussion and Analysis *(Continued)*

- A consumer in store promotion, Wake Up with Caribbean Dreams, from July to August with Wisynco.

Post year end, our efforts to elevate the brands, expand market share, and drive sales growth have persisted with unwavering dedication. We remain committed to our strategic initiatives and are confident in achieving continued success in the new financial year.



In an innovative move, CDFL is transforming the shopping experience with these visually appealing display stands for Caribbean Dreams 100% Dried Sorrel. These custom-designed stands not only elevate the product's presence but also make it easier for customers to access and appreciate. By moving the product from cluttered baskets and shelves to eye-catching displays, product visibility is being enhanced with the aim of boosting sales of this high demand product all year long.

### CERTIFICATION AND COMPLIANCE

Our Company's food certifications, including Hazard Analysis and Critical Control Point (HACCP), Safe Quality Food (SQF), and FDA approval, are valid.

As the largest tea manufacturer in the Caribbean, JTL is also a member of the Authorised Economic Operator (AEO) programme through Jamaica Customs. This programme rewards compliant economic operators and fosters a collaborative partnership with Customs to enhance customer service and business processes.

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

### REAL ESTATE

We completed construction of 30 studios and one-bedroom apartments at Belvedere Road, St. Andrew in September 2023 and recorded the first sales in October 2023. At the time of writing, approximately half of the units have been sold or are under contract.

The Group's rental properties in Kingston and land holdings were revalued during the year by an independent valuator, resulting in \$39 million in fair value gains on our investment properties as reflected in the Profit & Loss Statement (2023 - \$35 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 in 2025.

### INVESTMENTS

The year ended September 2024 was characterised by a continued divergence in the performance of the two main markets in which the company holds investments - Jamaica and the United States of America (USA).

Share prices on the Jamaican market improved slightly between December 2023 and the first quarter of 2024 with the Main Market index peaking at 337,438 on 20 February 2024. Thereafter, prices declined continuously for the remainder of the fiscal year until an uptick in late September 2024 to finish the year with a 2.7 percent decline.

## Management Discussion and Analysis *(Continued)*

For the most part, this adverse trend reflected the maintenance of the Bank of Jamaica's Policy Interest Rate at 7 percent for the entire fiscal year until the rate was reduced by 0.25 percent to 6.75 percent, followed by a further reduction of 0.25 percent on 30 September 2024.

Importantly, the decline in the local stock market began in April when the Bank of Jamaica withdrew a considerable amount of funds from the market, resulting in interest rates on CDs climbing to just under 12 percent, coinciding with the fall on the Jamaican stock market.

The high interest rate environment locally contributed to relatively stagnant economic growth, and poor profit performance for many listed companies and low share valuations. In contrast, while interest rates in the USA remained largely unchanged throughout the year, they were at much lower levels than prevailed in Jamaica. In addition, the profit performance of many US companies continued to improve, particularly in the IT industry, which is not represented on the Jamaican stock market.

Consequently, a number of our US investments performed extremely well, extending beyond the Company's ownership of such "Magnificent Seven" stocks as Apple, Nvidia and Meta to our investments in other sectors, namely defence, aerospace and construction.

While the most of QWI's investment gains in 2023/24 arose from our US investments, our Jamaican investments still produced unrealised gains of \$72 million or 4.8 percent of the opening Jamaican portfolio, which outperformed the 2.8 percent decline in the JSE Combined Index in the period. This represented a significant reversal from unrealised losses of \$94 million in our Jamaican portfolio in the previous year.

As a result of the turnaround in QWI's Jamaican share portfolio, as well as our good US results, QWI recorded a profit before tax of \$164 million for 2023/24, much better than the loss before taxation of \$58 million in the prior year. After taking into account the processing of taxation, the company realised a net profit of \$126 million versus a net loss of \$44 million in 2022/23.

The Net Asset Value (NAV) of the company's shares increased 8.1 percent from \$1.23 at the end of September 2023 to

\$1.33 at the end of September 2024. This performance compares favourably with the almost 3 percent decline in the main JSE index.

We opened the year with 26 percent of our investments by value invested in overseas markets. As a result of the relative outperformance of our overseas investments, net purchases of US shares as well as sales in our Jamaican portfolio, we finished the year with 36 percent of the portfolio overseas.

QWI's Jamaican portfolio produced \$72 million in unrealised gains in the year, a turnaround of \$166 million from the previous year's losses of \$94 million, which was partly offset by realised losses of \$27 million. Unrealised gains of \$191 million in the overseas portfolio rose by \$60 million from \$131 million in 2022/23. For the 2024 financial year, net total investment gains, realised and unrealised, amounted to \$245 million versus \$16 million in the previous year.

Administrative costs were \$105 million compared to \$83 million in 2022/23. The increase was primarily due to higher investment management costs, and increases in loan commitment fees and legal and professional fees arising from new loans obtained in the year.

Finance costs declined from \$37 million to \$25 million as a result of refinancing expensive loans from our stockbrokers with lower cost longer term bank loans. This was partly offset by the use of higher cost margin loans from one of our US stockbrokers, which was used to finance an expansion of our US share portfolio.

### STATEMENT OF FINANCIAL CONDITION

The decrease in property, plant and equipment and Investment properties is due to the sales referred to above. Inventories declined mainly from sales of H. Mahfood's Belvedere real estate project.

The increase in the Group's long-term debt reflects a new long-term mortgage used to finance the purchase of the Temple Hall factory.

Consolidated shareholders' equity attributable to the members of Jamaican Teas grew from \$2.97 billion to \$3.12 billion, excluding non-controlling interests. Growth arose primarily from the Group's profit for the year discussed earlier.

## Management Discussion and Analysis *(Continued)*

### OUTLOOK

For the 2025 fiscal year, the Group expects the consolidation of all its manufacturing operations, from two premises to one location at Temple Hall, to result in certain cost reductions and improvements in efficiency, which will benefit the Group over time. Additional investments in more packaging machinery for use at Temple Hall will also contribute to greater efficiency and an expansion in the production of spices and seasonings.

New refrigerated equipment and displays were purchased for the supermarket in 2024. Consequently, there has been reduced electricity consumption, equipment failures and repair costs, and the appeal of our produce and beverages to our customers has been enhanced, resulting in higher retail sales.

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 are declining as inflation returns to the Bank of Jamaica’s target range of 4 to 6 percent. We expect this to be reflected in higher demand for local shares as well as higher valuations for those shares.

Globally, the markets continue to be driven by headlines relating to geopolitical events and trends in inflation, employment and interest rates. Even though there are economic unknowns in the US, we believe that strategically positioned portfolios could continue to show positive performances in 2025.

In light of the planned actions described above, Jamaican Teas expects to finish the 2024/25 year with fewer investment properties, more liquidity, greater focus and improved profitability.



Delicious cupcakes made with Tetley Boost and Peppermint teas at the sponsored Jamaica Food and Drink Kitchen’s Mother’s Day 2024 event.

# Corporate Social Responsibility

As an employer of Jamaican young women from various socio-economic backgrounds, Jamaican Teas understands the importance and impact of providing avenues through which they can improve their lives and become productive citizens and leaders.

## REAL LIFE TEEN FOCUS

In this regard, Caribbean Dreams Foods Limited (CDFL) undertook sponsorship, for the second year, of an episode of Television Jamaica's (TVJ) Real Life Teen Focus, which aligns with our objectives as a Company and brand. The programme features eight vulnerable teenage girls who are mentored by a team of dedicated practitioners and experts.

Through various activities and information sessions, the girls are helped in unlocking their personal and professional potential in the STEM fields, effective communication, mental health, financial management, child-parent relationships, and how to safeguard themselves from negative influences.

CDFL's role was to challenge the girls to make the perfect pot of soup, dividing them into two teams and providing products from our line of soup mixes - Chicken, Cock, Pumpkin, Fish, Vegetable and Ram Goat. We also provided all the vegetables, seasoning and ground provisions. One team was very innovative in using both the chicken and vegetable soup in their meal.

Members of the winning team were presented with gift boxes complete with soup mixes and branded aprons, and the other team received goodie bags with our products.

## WHITFIELD ALL AGE

JTL's engagement over the years continues to reap notable successes with marked improvements in



Kimone Meikle, Marketing Manager, shares happy moments on set with the runners-up in TVJ's Real Life Teen Focus cooking competition.

## Corporate Social Responsibility *(Continued)*



Whitfield students focus on their work assignments.

students' attendance and grades. The Company's ongoing sponsorship of the extra lesson programme has yielded positive 2024 PEP results with students being placed at Ardenne, Queens, Excelsior, Camperdown, Mona, St. Andrew Technical, Ascot, Norman Manley and Holy Trinity High Schools.

During the year, JTL supported the staff and students with:

- Desks for Grades 4 and 5 teachers
- Continued sponsorship of the weekly extra lesson programme for Grades 4, 5 and 6 classes at no cost to parents, and monthly remuneration to the teachers
- Sponsorship of the Saturday classes at no cost to the parents, and remuneration to the teacher
- Regular supply of an assortment of teas distributed to teachers, workers and parents

JTL remains committed to investing in Whitfield All Age so that our children have the essential ingredients to become productive citizens and future leaders.

### **HURRICANE BERYL**

Category 4 Hurricane Beryl made landfall on 3 July 2024, causing significant damage to mostly rural parishes, leaving residents without light and water for weeks. JTL answered the call from several entities, such as Rotaract Club and TVJ, to participate in their donation drives with non-perishable items - sardines, teas, coconut milk and water, to the most affected residents in parishes such as St. Elizabeth.

### **SUSTAINABILITY POLICY AND WASTE MANAGEMENT**

In a society where sustainable practices are becoming more common and are being demanded by consumers, manufacturers encounter challenges such as cost considerations, market performance and environmental management. JTL engages in several sustainable practices as well as collaborates with several stake-holders who operate from a sustainability mindset.



## Corporate Social Responsibility *(Continued)*

JTL's sustainability policy is closely aligned with our licensor, TATA Global Beverages. All the tea sourced for Tetley is 100 percent Rainforest Alliance certified. Our sustainable sourcing strategy is focused on sustainable agricultural practices, including our tea bag paper supplier that has Chain of Custody Certification. In addition, it includes the minimum requirements regarding social and working conditions, safety and environmental demands and agricultural practices for our other suppliers.

Over ten years ago, JTL took the decision to invest in solar power for its production operations. With our manufacturing and production operations relocated to Temple Hall, additional solar panels were acquired, which has helped to reduce our energy bill by 33 percent.

We continue our quest to reduce the carbon footprint from our plant and operations with simple practices such as motion-operated lights in key areas.

JTL has found ingenious ways to efficiently manage, reduce and productively utilise our waste, which includes keeping some of our teabags stringless, tagless and without envelopes. We also recycle outer cartons resulting from our production process with local company Jamaica Recycles. These strategies help to reduce the amount of waste that ends up in our landfills annually.



CDL Temple Hall Factory's installation of solar panels reduced energy bill by 33 percent.



# Historical Financial Data

BALANCE SHEET	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Shares Issued -'000	2,174,730	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
\$'000										
Shareholders' equity	3,125,137	\$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
Long Term Liabilities	581,042	\$391,209	659,040	482,577	123,334	208,726	163,333	0	188,257	292,504
Fixed Assets	837,446	\$912,809	835,891	371,938	330,750	307,395	328,434	305,237	291,234	287,251
Current Assets	2,088,373	\$1,855,289	1,805,812	1,248,796	1,201,780	1,954,931	722,655	848,087	683,523	698,786
Current Liabilities	695,815	\$787,600	516,866	308,541	581,223	810,294	200,641	378,117	174,265	176,390
Inventories	1,201,856	\$1,398,526	1,191,916	666,030	474,356	344,026	285,497	391,552	446,014	389,280
Receivables	532,893	\$393,319	530,406	393,981	405,383	1,463,428	298,268	383,313	182,946	277,927
Cash & Equivalent	353,198	\$63,075	83,173	188,505	321,701	146,317	135,569	73,222	31,320	22,900
Investments	2,222,640	\$2,007,329	1,980,637	2,138,662	1,599,124	1,363,148	461,737	227,357	157,789	117,571
<b>PROFIT &amp; LOSS</b>										
Total Revenue	3,184,766	\$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
Yearly Change	18.07%	9.25%	8.76%	3.43%	70.00%	-26.92%	13.72%	15.27%	-1.24%	16.89%
Gross Profit	607,613	\$576,035	542,998	553,299	584,887	333,104	337,611	330,158	306,145	259,129
Yearly Change	5.48%	6.08%	-1.86%	-5.40%	75.59%	-1.33%	2.26%	7.84%	18.14%	26.93%
Pretax Profit	305,812	\$213,132	196,641	741,045	-135,435	589,728	202,849	219,160	165,275	78,381
Yearly Change	43.48%	8.39%	-73.46%	647.16%	-122.97%	190.72%	-7.44%	32.60%	110.86%	52.58%
Aftertax Profit	207,309	\$186,237	162,584	586,184	-69,720	483,117	193,259	196,128	146,509	72,201
Yearly Change	11.31%	14.55%	-72.26%	940.77%	-114.43%	149.98%	-1.46%	33.87%	102.92%	39.90%
<b>IMPORTANT RATIOS</b>										
Equity to Debt ratio	0.19	0.13	0.25	0.23	0.07	0.13	0.13	0.00	0.21	0.40
Current Assets ratio	3.00	2.36	3.49	4.05	2.07	2.41	3.60	2.24	3.92	3.96
Return on equity-%	6.80	6.61	6.87	30.86	-4.26	34.50	16.73	20.21	18.28	10.62
Revenues to Inventories	2.65	1.93	2.07	3.41	4.63	3.75	6.19	3.97	3.02	3.51
Revenues to Receivables	5.98	6.86	4.65	5.76	5.41	0.88	5.92	4.05	7.37	4.91
Gross Profit Margin	19%	21%	22%	24%	27%	26%	19%	21%	23%	19%
Return on Assets	5%	4%	4%	20%	-3%	19%	12%	14%	12%	6%
Price Book Ratio	1.73	1.51	2.40	4.20	1.88	2.75	2.67	2.49	1.50	0.72
Price Sales Ratio	1.69	1.66	2.58	3.84	1.48	3.31	1.88	1.70	0.98	0.38
Cash/Invest Per Share	1.18	0.96	0.96	1.08	0.92	0.72	0.29	0.15	0.09	0.07
Net Asset Per Share	1.44	1.37	1.23	0.97	0.82	0.75	0.61	0.52	0.43	0.36
Earnings Per Share (\$)	0.06	0.11	0.09	0.19	0.11	0.18	0.10	0.10	0.07	0.04
Closing Stock Price (\$)	2.48	2.07	2.95	4.06	1.55	2.05	1.62	1.29	0.65	0.26
P.E. Ratio	41.33	18.82	32.78	21.37	14.50	11.39	16.72	13.38	9.07	7.21

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, the number of share in the prior years, the earnings per share and the stock prices have been adjusted to reflect these changes.

# Audited Financial Statements

30 September 2024



## **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 2024, 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 2024;
- 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 2024;
- 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.

ADVISORY • ASSURANCE • TAX

PARTNERS: Wayne Strachan; FCA;FCCA;MBA Emile Lafayette; FCA;FCCA;MBA Roxiana Malcolm-Tyrell; FCA;FCCA;MBA  
Royal Thorpe; FCA;FCCA;MBA

Baker Tilly Strachan Lafayette trading as BakerTilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

**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.

**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 2024 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.

Key audit matters	How the audit addressed the key audit matters
<p><b><i>Measurement of Expected Credit Losses</i></b></p> <p>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.</p> <p>The combination of significant management estimates and judgement increases the risk that management estimates could be materially misstated.</p> <p>See notes 4(a), 5(i) and 14 of the financial statements.</p>	<p>The audit procedures in response to this matter included:</p> <ul style="list-style-type: none"> <li>• Assessed the effectiveness of the design and implementation of controls.</li> <li>• Obtained an understanding of the model used by management for the calculation of expected credit losses on accounts receivables</li> <li>• Tested the completeness and accuracy of the data used in the model to the underlying accounting records.</li> <li>• Assessed the appropriateness of the Group’s impairment methodology, management assumptions and compliance with the requirement of IFRS 9, <i>Financial Instruments</i>.</li> <li>• Assessed the appropriateness of economic parameters including the use of forward-looking information.</li> <li>• Tested the accuracy of the Group’s ageing of accounts receivables.</li> <li>• Tested the accuracy of the ECL calculation.</li> <li>• 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.</li> </ul>

**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 (continued)**

<b>Key audit matters</b>	<b>How the audit addressed the key audit matters</b>
<p><b><i>Valuation of investment securities</i></b></p> <p>The Group holds significant investments in equity securities listed on multiple stock exchanges totalling \$2,222,640,469 (2023: \$2,007,329,202) as at the current reporting year end. The Group primarily uses quoted mid prices to value these investments.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>See notes 5(i), 5(v) and 12 of the financial statements.</p>	<p>The audit procedures in response to this matter included:</p> <ul style="list-style-type: none"> <li>❖ Assessed and tested the design and implementation of the Company’s control over the determination and computation of fair values.</li> <li>❖ Reperformed fair value calculations and assessed the reasonableness of prices used by the Group 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.</li> <li>❖ For selected stocks, evaluated the volume of trade for the securities held by the Group at year end, through information directly from the stock exchange and/or pricing services, to determine whether these were actively traded.</li> <li>❖ Assessed the adequacy of the disclosure and determine if such disclosures demonstrate the key judgements as required by the applicable financial reporting framework.</li> <li>❖ 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.</li> </ul>

## **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 the 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.

**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 Emile Lafayette.



**Chartered Accountants**  
Kingston, Jamaica  
2 January 2025

# Consolidated Statement of Financial Position

As at 30 September 2024

	Note	2024 \$'000	2023 \$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	837,446	912,809
Investment properties	7	390,500	426,720
Intangible assets	8	10,333	9,200
Right-of-use assets	11	-	6,601
Investment securities	12	2,222,640	2,007,329
		<u>3,460,919</u>	<u>3,362,659</u>
<b>Current assets</b>			
Inventories	13	1,201,856	1,398,526
Receivables	14	532,893	393,319
Taxation recoverable		426	369
Cash and short-term deposits	15	353,198	63,075
		<u>2,088,373</u>	<u>1,855,289</u>
<b>TOTAL ASSETS</b>		<u>5,549,292</u>	<u>5,217,948</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	16	277,442	264,942
Capital reserves	17	475,500	151,301
Revaluation reserves	18	71,958	341,100
Retained earnings		2,300,237	2,217,589
		<u>3,125,137</u>	<u>2,974,932</u>
<b>Non-controlling interest</b>	19	1,147,298	1,064,207
		<u>4,272,435</u>	<u>4,039,139</u>
<b>Non-current liabilities</b>			
Long-term loans	20	536,073	291,602
Lease liabilities	11	-	2,454
Deferred tax liabilities	21	44,969	97,153
		<u>581,042</u>	<u>391,209</u>
<b>Current liabilities</b>			
Payables	22	320,052	295,339
Short-term loans	23	96,595	109,655
Current portion of long-term loans	20	78,192	90,878
Current portion of lease liabilities	11	-	6,600
Taxation payable		47,290	32,567
Bank overdraft	24	153,686	252,561
		<u>695,815</u>	<u>787,600</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>5,549,292</u>	<u>5,217,948</u>

Approved for issue by the Board of Directors on 2 January 2025 and signed on its behalf by:



John Mahfood

Director



Damien King

Director

# Consolidated Statement of Comprehensive Income

## Year ended 30 September 2024

	Note	2024 \$'000	2023 \$'000
<b>Operating revenue</b>	25	3,184,766	2,697,258
Cost of operating revenue	26 (a)	(2,577,153)	(2,121,223)
<b>Gross profit</b>		607,613	576,035
Fair value gains on investments		244,592	41,268
Other income	29	109,554	75,662
		961,759	692,965
Administrative expenses	26 (b)	(446,962)	(379,158)
Selling and distribution expenses	26 (c)	(47,471)	(51,258)
Impairment (losses)/reversals of expected credit losses	26 (d)	(3,722)	15,339
		(498,155)	(415,077)
<b>Operating profit</b>	30 27	463,604	277,888
Loss on disposal of property, plant and equipment		(100,810)	-
Finance costs – loans and leases		(56,982)	(64,756)
<b>Profit before taxation</b>		305,812	213,132
Taxation	32	(98,503)	(26,895)
<b>Net profit</b>		207,309	186,237
<b>Net profit attributable to:</b>			
Stockholders of the Company		124,218	227,546
Non-controlling interests		83,091	(41,309)
		207,309	186,237
<b>Other comprehensive income:</b>			
Items that will never be reclassified to profit and loss:			
Related tax realised on disposal of land and buildings		84,250	-
		(21,854)	114,471
(Loss)/surplus on revaluation of land and buildings		5,463	(28,618)
Related tax on revaluation of land and buildings		(16,391)	85,853
		275,168	272,090
<b>Total comprehensive income</b>		275,168	272,090
<b>Total comprehensive income attributable to:</b>			
Stockholders of the Company		192,077	313,399
Non-controlling interest	19	83,091	(41,309)
		275,168	272,090
<b>Earnings per share:</b>			
Basic earnings per share	34(a)	\$0.06	\$0.11
Diluted earnings per share	34(b)	\$0.05	\$0.10

# Consolidated Statement of Changes in Equity

## Year ended 30 September 2024

	Attributable to stockholders of the Company					Total Equity \$'000
	Share Capital \$'000	Capital Reserves \$'000	Revaluation Reserves \$'000	Retained Earnings \$'000	Non-controlling Interest \$'000	
<b>Balance at 1 October 2022</b>	261,342	138,878	255,247	2,002,466	1,105,516	3,763,449
<b><u>Total comprehensive income:</u></b>						
Net profit	-	-	-	227,546	(41,309)	186,237
<b><u>Other comprehensive income:</u></b>						
Transfer of franked income from retained earnings	-	12,423	-	(12,423)	-	-
Surplus on revaluation of land and building, net of tax (Note 18)	-	-	85,853	-	-	85,853
	-	12,423	85,853	215,123	(41,309)	272,090
<b>Transactions with owners:</b>						
Share options exercised (Note 16a)	3,600	-	-	-	-	3,600
<b>Balance at 30 September 2023</b>	264,942	151,301	341,100	2,217,589	1,064,207	4,039,139
<b>Balance carried forward</b>	264,942	151,301	341,100	2,217,589	1,064,207	4,039,139

# Consolidated Statement of Changes in Equity

## Year ended 30 September 2024

	Attributable to stockholders of the Company				Non-controlling Interest	Total Equity
	Share Capital	Capital Reserves	Revaluation Reserves	Retained Earnings		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance brought forward</b>	264,942	151,301	341,100	2,217,589	1,064,207	4,039,139
<b>Total comprehensive income:</b>						
Net profit	-	-	-	124,218	83,091	207,309
<u>Other comprehensive income</u>						
Related tax realized on disposal of land and buildings	-	-	84,250	-	-	84,250
Realisation of revaluation reserve	-	337,001	(337,001)	-	-	-
Surplus on revaluation of land and building, net of tax (Note 18)	-	-	(16,391)	-	-	(16,391)
Transfer from accumulated surplus to franked income reserves	-	41,570	-	(41,570)	-	-
	-	378,571	(269,142)	82,648	83,091	275,168
<b>Transactions with owners:</b>						
Share options exercised	12,500	-	-	-	-	12,500
Dividends – capital distribution (Note 35)	-	(54,372)	-	-	-	(54,372)
	12,500	(54,372)	-	-	-	(41,872)
<b>Balance as at 30 September 2024</b>	<b>277,442</b>	<b>475,500</b>	<b>71,958</b>	<b>2,300,237</b>	<b>1,147,298</b>	<b>4,272,435</b>

# Consolidated Statement of Cash Flows

Year ended 30 September 2024

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit for the year	207,309	186,237
Adjustments for:		
Fair value gains on investment properties	(39,000)	(35,259)
Inventories written off	7,477	-
Loss on disposal of property, plant and equipment	100,810	-
Gain on disposal of right-of-use-assets	(2,579)	-
Loss on sale of investment property	7,955	-
Gain on foreign exchange	(15,779)	(14,555)
Fair value gains on investments	(250,027)	(41,268)
Impairment losses/(reversal) of expected credit loss	3,722	(15,339)
Loss on sale of investment securities	5,436	25,206
Depreciation – property, plant and equipment	41,701	48,808
Amortisation – right-of-use assets	1,650	6,601
Amortisation – intangible assets	2,928	2,430
Bad debt expenses	1,855	6,901
Interest expense	56,857	63,900
Interest on lease liabilities	125	856
Interest income	(8,533)	(1,324)
Dividend income	(49,634)	(44,389)
Taxation	98,503	26,895
Operating cashflows before changes in operating assets and liabilities	<u>170,776</u>	<u>215,700</u>
Changes in operating assets and liabilities:		
Decrease/(increase) in inventories	189,193	(206,610)
(Increase)/decrease in receivables	(148,824)	153,092
Increase/(decrease) in payables	24,713	(52,227)
	<u>235,858</u>	<u>109,955</u>
Tax paid	(46,307)	(33,052)
Net cash provided by operating activities	<u>189,551</u>	<u>76,903</u>
<b>Balance carried forward</b>	<u>189,551</u>	<u>76,903</u>

# Consolidated Statement of Cash Flows *(Continued)*

Year ended 30 September 2024

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance brought forward</b>	189,551	76,903
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale/(purchase) of investment securities, net	29,280	(10,630)
Proceeds from disposal of property, plant and equipment	412,867	-
Proceeds on disposal of investment properties	65,670	-
Purchase/sale of investment properties, net	1,595	(3,340)
Purchase of property, plant and equipment	(501,869)	(104,979)
Purchase of intangible assets	(4,061)	(2,216)
Interest received	8,533	1,324
Dividends received	53,307	44,389
Net cash provided by/(used in) investing activities	65,322	(75,452)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from share issue, net	12,500	3,600
Long and short-term borrowings, net	218,725	(215,216)
Lease payment	(1,650)	(6,600)
Interest paid	(56,857)	(63,900)
Dividends paid	(54,372)	-
Net cash provided by/(used in) financing activities	118,346	(282,116)
Net increase/(decrease) in cash and cash equivalents	373,219	(280,665)
Effect of foreign exchange on cash and cash equivalents	15,779	8,006
Cash and cash equivalents at beginning of year	(189,486)	83,173
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	199,512	(189,486)
<b>Represented by:</b>		
Cash and short-term deposits	353,198	63,075
Bank overdraft	(153,686)	(252,561)
	199,512	(189,486)

# Company Statement of Financial Position

As at 30 September 2024

	Note	2024 \$'000	2023 \$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	-	683,841
Intangible assets	8	-	4,255
Investments in subsidiaries	9	3,728,879	419,278
Due from subsidiaries	10	2,091,708	1,163,399
Right-of-use assets	11	-	6,601
		<u>5,820,587</u>	<u>2,277,374</u>
<b>Current assets</b>			
Inventories	13	-	570,842
Receivables	14	56,610	343,319
Cash and short-term deposits	15	291,224	32,783
		<u>347,834</u>	<u>946,944</u>
<b>TOTAL ASSETS</b>		<u><u>6,168,421</u></u>	<u><u>3,224,318</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	16	277,442	264,942
Capital reserves	17	302,539	19,910
Revaluation reserves	18	-	252,751
Retained earnings		5,330,353	2,017,576
		<u>5,910,334</u>	<u>2,555,179</u>
<b>Non-current liabilities</b>			
Long-term loans	20	97,415	142,457
Lease liabilities	11	-	2,454
Deferred tax liabilities	21	1,869	104,905
		<u>99,284</u>	<u>249,816</u>
<b>Current liabilities</b>			
Payables	22	24,884	139,182
Short-term loans	23	95,931	109,125
Current portion of long-term loans	20	5,130	37,709
Current portion of lease liabilities	11	-	6,600
Taxation payable		26,934	25,772
Bank overdraft	24	5,924	100,935
		<u>158,803</u>	<u>419,323</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>6,168,421</u></u>	<u><u>3,224,318</u></u>

Approved for issue by the Board of Directors on 2 January 2025 and signed on its behalf by:

  
\_\_\_\_\_  
John Mahfood

Director

  
\_\_\_\_\_  
Damien King

Director

# Company Statement of Comprehensive Income

## Year ended 30 September 2024

	Note	2024	2023
		\$'000	\$'000
<b>Operating revenue</b>	25	533,567	1,957,805
Cost of operating revenue	26(a)	(410,172)	(1,501,109)
<b>Gross profit</b>		123,395	456,696
Other income	29	102,089	39,947
		<u>225,484</u>	<u>496,643</u>
Administrative expenses	26(b)	(148,787)	(244,391)
Selling and distribution expenses	26(c)	(15,745)	(46,053)
Impairment reversals of expected credit losses	26(d)	3,460	93,865
		<u>(161,072)</u>	<u>(196,579)</u>
<b>Operating profit</b>	30	<u>64,412</u>	<u>300,064</u>
Gain on settlement of debt instrument	27	88,698	-
Gains on disposal of manufacturing business	28	3,300,000	-
Loss on disposal of property, plant and equipment		(100,810)	-
Finance costs, loans		(23,359)	(27,357)
Finance costs, leases		(125)	(856)
Finance costs, loans and leases		<u>(23,484)</u>	<u>(28,213)</u>
<b>Profit before taxation</b>		3,328,816	271,851
Taxation	32	(16,039)	(29,454)
<b>Net profit</b>		<u>3,312,777</u>	<u>242,397</u>
<b>Other comprehensive income:</b>			
Items that will never be reclassified to profit and loss:			
Related tax realised on disposal of land and building		<u>84,250</u>	<u>-</u>
Surplus on revaluation of land and buildings		-	89,469
Related tax on revaluation of land on buildings		-	(22,367)
		<u>-</u>	<u>67,102</u>
<b>Total comprehensive income</b>		<u>3,397,027</u>	<u>309,499</u>

# Company Statement of Changes in Equity

Year ended 30 September 2024

	Share Capital	Capital Reserves	Revaluation Reserves	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 October 2022</b>	261,342	19,910	185,649	1,775,179	2,242,080
<b><u>Total comprehensive income:</u></b>					
Net profit	-	-	-	242,397	242,397
<u>Other comprehensive income:</u>					
Surplus on revaluation of land and buildings (Note 18)	-	-	67,102	-	67,102
	-	-	67,102	242,397	309,499
<b>Transactions with owners:</b>					
Share option exercised (Note 16a)	3,600	-	-	-	3,600
<b>Balance at 30 September 2023</b>	264,942	19,910	252,751	2,017,576	2,555,179
<b><u>Total comprehensive income:</u></b>					
Net profit	-	-	-	3,312,777	3,312,777
<u>Other comprehensive income:</u>					
Related tax realized on disposal of land and building	-	-	84,250	-	84,250
Reserve realized on disposal of land and building (Note 17)	-	337,001	(337,001)	-	-
	-	337,001	(252,751)	3,312,777	3,397,027
<b>Transactions with owners:</b>					
Share options exercised (Note 16a)	12,500	-	-	-	12,500
Dividends – capital distribution (Note 35)	-	(54,372)	-	-	(54,372)
	12,500	(54,372)	-	-	41,872
<b>Balance at 30 September 2024</b>	277,442	302,539	-	5,330,353	5,910,334

# Company Statement of Cash Flows

Year ended 30 September 2024

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit for the year	3,312,777	242,397
Adjustments for:		
Inventories written off	3,707	
Loss on disposal of property, plant and equipment	100,810	-
Gain on disposal right-of-use-assets	(2,579)	-
Gain on settlement of debt instruments	(88,698)	-
Gain on disposal of manufacturing business	(3,300,000)	-
Foreign exchange gains	(7,478)	(16,996)
Impairment reversal of expected credit losses	(3,460)	(93,865)
Depreciation – property, plant and equipment	12,665	44,866
Amortisation – right-of-use assets	1,650	6,601
Amortisation – intangible assets	234	974
Bad debt expenses	1,830	6,901
Interest expense	23,359	27,357
Interest on lease liabilities	125	856
Interest income	(8,553)	(66)
Taxation	16,039	29,454
Operating profit before change in operating assets and liabilities	62,428	248,479
Changes in operating assets and liabilities:		
Decrease in inventories	567,135	11,988
Decrease in receivables	288,339	84,327
Increase in due from subsidiaries	(747,043)	(185,818)
Decrease in payables	(25,600)	(96,205)
	145,259	62,771
Interest paid	(23,359)	(27,357)
Cash generated from operations	121,900	35,414
Tax paid	(33,662)	(23,996)
Net cash provided by operating activities	88,238	11,418
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from disposal of property, plant and equipment	407,704	-
Purchase of property, plant and equipment	(11,240)	(88,690)
Purchase of intangible assets	(3,343)	(1,679)
Investment in subsidiary companies	(9,601)	(10)
Interest received	8,553	66
Net cash provided by/(used in) investing activities	392,073	(90,313)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from share issue, net	12,500	3,600
Long and short-term borrowings, net	(90,815)	(26,296)
Lease payment	(1,650)	(6,600)
Dividend paid	(54,372)	-
Net cash used in financing activities	(134,337)	(29,296)
Net increase/(decrease) in cash and cash equivalents	345,974	(108,191)
Effect of foreign exchange on cash and cash equivalents	7,478	10,446
Cash and cash equivalents at the beginning of the year	(68,152)	29,593
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>285,300</b>	<b>(68,152)</b>
<b>Represented by:</b>		
Cash and short-term deposits	291,224	32,783
Bank overdraft	(5,924)	(100,935)
	<b>285,300</b>	<b>(68,152)</b>

# Notes to the Financial Statements

30 September 2024

## 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. During the year the Company changed its registered office from 2 Bell Road, Kingston 11, Jamaica, to Lots 6 & 7 JIDC Estate, Main Road, Temple Hall, Kingston 9. 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. On 4 January 2024 the Company sold the manufacturing business as a going concern to its wholly owned subsidiary Caribbean Dreams Foods Limited. The Company’s subsidiaries are involved in real estate, investments, retail and manufacturing and distribution of various teas and other consumer products to local and export markets.

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	
		2024	2023
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	37.13%	36.07%
Bay City Foods Limited	Retail Distribution	100%	100%
Caribbean Dreams Foods Limited	Manufacturing	100%	100%

- (a) 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 2024, Jamaican Teas Limited purchased additional shares in the subsidiary and increased its shareholding from 360,263,750 shares to 374,801,972 shares as at September 30, 2024.

- (b) Caribbean Dreams Foods Limited, a new subsidiary, was incorporated on 10 August 2021. During the year it issued 3,300,000,000 new shares to Jamaican Teas Limited.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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### 2. Basis of preparation

#### **Basis of measurement and statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and their interpretations adopted by the International Accounting Standards Board and have been prepared under the historical cost convention, as modified by the valuation of certain items. They are also prepared in accordance with the provisions of the Jamaican Companies Act.

The financial statements comprise the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes of the Group. 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 5.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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### 2. Basis of preparation (continued)

#### Basis of measurement and statement of compliance (continued)

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

The following standards have been adopted by the Group for the first time which have been issued and are effective for mandatory adoption for the financial year beginning on or after 1 January 2023:

**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.

Effective April 1, 2023, the Group adopted the amendments to IAS 1, which resulted in the Group disclosing material accounting policies, rather than significant accounting policies, based on the following definition from the amended standard:

“Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements”.

**Deferred Tax related to assets and liabilities (Amendments to IAS 12 Income Taxes)** (effective for annual periods beginning on or after 1 January 2023). These amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

**Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)**, (effective for annual periods beginning on or after 1 January 2023) 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).

Except for Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8, The other amendments did not result in any material effect on the company's financial statements.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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### 2. Basis of preparation (continued)

#### Basis of measurement and statement of compliance (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 2024) 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.

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

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

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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### 2. Basis of preparation (continued)

#### **Basis of measurement and statement of compliance (continued)**

#### **Standards and amendments to published standards that are not yet effective and have not been early adopted by the Group (continued)**

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

There are no other 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.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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### 3. Material accounting policies

#### (a) 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.

#### (b) 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.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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### 3. Material accounting policies (continued)

#### (c) 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 Group 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 Group.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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### 3. Material accounting policies (continued)

#### (c) 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%
Computers	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 2024

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### 3. Material accounting policies (continued)

#### (d) 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.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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### 3. Material accounting policies (continued)

#### (d) 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 2024

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### 3. Material accounting policies (continued)

#### (d) 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.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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### 3. Material accounting policies (continued)

#### (d) 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.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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### 3. Material accounting policies (continued)

#### (d) 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 include 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 assets 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.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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### 3. Material accounting policies (continued)

#### (d) 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.

#### (e) 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.

#### (f) 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 2024

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### 3. Material accounting policies (continued)

#### (g) 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.

#### (h) Investment in subsidiary companies

Investments in subsidiary companies are measured at cost.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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### 3. Material accounting policies (continued)

#### (i) 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).

#### (j) 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.

#### (k) 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.

#### (l) Cash and short-term deposits

Cash and short-term deposits 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 2024

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### 3. Material accounting policies (continued)

#### (m) 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.

#### (n) 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.

#### (o) Trade and other payables

Trade and other payables are measured at amortised cost.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 3. Material accounting policies (continued)

#### (p) 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.

#### (q) 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.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 3. Material accounting policies (continued)

#### (q) Revenue (continued)

Type of product or service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition
	<p>Invoices are usually payable within 30 days.</p> <p>Some contracts permit the customer to return an item. Returned goods are exchanged only for new goods – i.e. no cash refunds are offered.</p> <p>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.</p>	<p>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.</p> <p>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.</p>
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 <i>under contract</i> 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 2024

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### 3. Material accounting policies (continued)

#### (r) 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.

#### (s) 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.

#### (t) 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 2024

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### 3. Material accounting policies (continued)

#### (u) 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 provides a reasonable approximation of the exit price.

#### (v) 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.

#### (w) Expenses

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

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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### 3. Material accounting policies (continued)

#### (x) 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 Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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### 3. Material accounting policies (continued)

#### (x) 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 2024

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### 3. Material accounting policies (continued)

#### (x) 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.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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### 4. 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.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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### 4. 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 (2023: one) customer who is a related party, Amalgamated Distributors Limited (Note 14) and the maximum exposure to credit risk is represented by the carrying amount of each financial asset. As at September 30, 2024, amounts receivable from the customer aggregated \$Nil (2023: \$47,903,000). This represented 14% and 16% of the trade receivables of the Group and the Company as at 30 September 2023. The counterparty is considered to be creditworthy and balances due are routinely collected within credit periods.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 4. 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 2024 and 30 September 2023 was determined as follows for trade receivables:

#### The Group

	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
<b>30 September 2024</b>					
Expected loss rate	0%	1.2%	5.2%	6.3%	1.4%
Gross carrying amount – trade and other receivables	301,510	120,998	40,709	57,021	520,238
Loss allowance	-	1,468	2,112	3,602	7,182
<b>30 September 2023</b>					
Expected loss rate	0.45%	1.13%	2.16%	5.33%	0.95%
Gross carrying amount – trade and other receivables	293,847	27,972	17,061	27,124	366,004
Loss allowance	1,330	316	369	1,445	3,460

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 4. Financial risk management (continued)

#### (a) Credit risk (continued)

Expected credit loss assessment (continued)

#### The Company

	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
<b>30 September 2024</b>					
Expected loss rate	0%	0%	0%	0%	0%
Gross carrying amount – trade and other receivables	-	1,439	26,041	22,283	49,763
Loss allowance	-	-	-	-	-
<b>30 September 2023</b>					
Expected loss rate	0.53%	1.13%	2.16%	5.38%	1.07%
Gross carrying amount – trade and other receivables	252,518	27,972	17,061	26,854	324,405
Loss allowance	1,330	316	369	1,445	3,460

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.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 4. Financial risk management (continued)

#### (a) Credit risk (continued)

Expected credit loss assessment (continued)

#### Changes in allowance for expected credit losses:

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Trade and other receivables:</b>				
Balance at beginning of year	3,460	14,851	3,460	14,851
Impairment losses/(reversals) recognised (Note 26(d))	3,722	(11,391)	(3,460)	(11,391)
Balance at end of year	7,182	3,460	-	3,460
<b>Other receivables:</b>				
Balance at beginning of year	-	3,948	-	3,948
Impairment reversals recognised (Note 26(d))	-	(3,948)	-	(3,948)
Balance at end of year	-	-	-	-
Total allowance for expected credit losses on trade and other receivable (note 14)	7,182	3,460	-	3,460
<b>Related Party Balance:</b>				
Balance at beginning of year	-	-	-	78,526
Impairment recoveries recognised (Note 26(d))	-	-	-	(78,526)
Balance at end of year	-	-	-	-

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 4. 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	Over 5 years	Contractual cashflows	Carrying amount
<b>2024</b>						
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Long term loans	46,447	457,693	251,348	148,960	904,448	614,265
Lease liabilities	-	-	-	-	-	-
Payables	320,052	-	-	-	320,052	320,052
Short-term loans	96,595	-	-	-	96,595	96,595
Bank overdraft	153,686	-	-	-	153,686	153,686
	<b>616,780</b>	<b>457,693</b>	<b>251,348</b>	<b>148,960</b>	<b>1,474,781</b>	<b>1,184,598</b>
<b>2023</b>						
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Long term loans	14,766	217,233	169,686	-	401,685	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
	<b>674,271</b>	<b>223,083</b>	<b>172,140</b>	<b>-</b>	<b>1,069,494</b>	<b>1,049,089</b>

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

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 4. 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
<b>2024</b>					
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Long term loans	12,668	32,462	101,562	146,692	102,545
Payables	24,884	-	-	24,884	24,884
Short-term loans	95,931	-	-	95,931	95,931
Bank overdraft	5,924	-	-	5,924	5,924
	<u>139,407</u>	<u>32,462</u>	<u>101,562</u>	<u>273,431</u>	<u>229,284</u>
<b>2023</b>					
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Long term loans	12,042	36,125	142,456	190,623	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
	<u>363,234</u>	<u>41,975</u>	<u>144,910</u>	<u>550,119</u>	<u>538,462</u>

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

#### (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 4(c)(i)) and interest rates (see 4(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 2024

### 4. 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 2024 includes net foreign assets of US\$1,627,052 (2023: US\$4,731,621) in respect of such transactions arising in the ordinary course of business.

The Statement of Financial Position for the Company as at 30 September 2024 includes net foreign assets of US\$105,610 (2023: US\$1,362,062) 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:

	<u>2024</u>	<u>2024</u>	<u>2023</u>	<u>2023</u>
	\$	\$	\$	\$
	<b>Effect on Profit and loss and equity</b>			
	Revaluation	Devaluation	Revaluation	Devaluation
	1%	4%	1%	4%
<b>Currency:</b>				
USD	<u>(16,271)</u>	<u>65,082</u>	<u>(47,316)</u>	<u>189,265</u>

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 4. Financial risk management (continued)

#### (c) Market risk (continued)

##### (i) Currency risk (continued)

##### The Company:

	2024	2024	2023	2023
	\$	\$	\$	\$
	<b>Effect on Profit and loss and equity</b>			
	Revaluation	Devaluation	Revaluation	Devaluation
	1%	4%	1%	4%
<b>Currency:</b>				
USD	(1,056)	4,224	(13,621)	54,482

##### (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 \$863,546,000 (2023: \$753,656,000). 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 2024

### 4. 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 2024	Non-interest bearing \$'000	Total \$'000
<b>Assets</b>					
Investment securities	-	-	-	2,222,640	2,222,640
Receivables	-	-	-	532,893	532,893
Cash and short-term deposits	127,065	225,000	-	1,133	353,198
Total financial assets	127,065	225,000	-	2,756,666	3,108,731
<b>Liabilities</b>					
Long-term loans	35,083	392,863	186,319	-	614,265
Payables	-	-	-	320,052	320,052
Short-term loans	96,595	-	-	-	96,595
Bank overdraft	153,686	-	-	-	153,686
Total financial liabilities	285,364	392,863	186,319	320,052	1,184,598
Total interest re-pricing gap	(158,299)	(167,863)	(186,319)	2,436,614	1,924,133

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 4. 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
	<b>2023</b>				
<b>Assets</b>					
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
<b>Liabilities</b>					
Long term loans	11,470	74,409	296,601	-	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	298,737	295,339	1,049,089
Total interest re-pricing gap	(311,918)	(80,020)	(298,737)	2,105,309	1,414,634

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 4. 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 \$204,400,000 (2023: \$399,279,000). 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	3 to 12 months	1 to 5 years	Non- interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
	2024				
<b>Assets</b>					
Receivables	-	-	-	56,610	56,610
Due from related parties	-	-	-	2,091,708	2,091,708
Cash and short-term deposits	66,224	225,000	-	-	291,224
Total financial assets	66,224	225,000	-	2,148,318	2,439,542
<b>Liabilities</b>					
Long-term loans	2,631	23,166	76,748	-	102,545
Payables	-	-	-	24,884	24,884
Short-term loans	95,931	-	-	-	95,931
Bank overdraft	5,924	-	-	-	5,924
Total financial liabilities	104,486	23,166	76,748	24,884	229,284
Total interest re-pricing gap	(38,262)	201,834	(76,748)	2,123,434	2,210,258

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 4. Financial risk management (continued)

#### (c) Market risk (continued)

##### (ii) Interest rate risk (continued)

#### The Company:

	1 to 3 months	3 to 12 months	1 to 5 years	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
	2023				
<b>Assets</b>					
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	-	-	1,506,718	1,539,501
<b>Liabilities</b>					
Long-term loans	9,427	28,282	142,457	-	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	144,593	139,182	538,462
Total interest re-pricing gap	(188,542)	(33,363)	(144,593)	1,367,535	1,001,039

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.

An 8% (2023: 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 \$209,515,000 (2023: \$120,440,000). An 2% (2023: 3%) decrease would cause a decrease in the Group's profit or loss and other comprehensive income of \$52,379,000 (2023: \$60,220,000).

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 4. 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:

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Debt	864,546	753,750	204,400	399,280
Equity	3,125,137	2,974,932	5,910,334	2,555,179
Total capital	3,989,683	3,728,682	6,114,734	2,954,459
Gearing ratio	21.7%	20.2%	3.3%	13.5%

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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### 4. 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 2024

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### 5. 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.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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### 5. 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) Recognition and measurement of intangible assets**

The recognition and measurement of intangible assets, other than goodwill, in a business combination, involve the utilization of valuation techniques. These intangibles may be market related, consumer related, contract based or technology based. For significant amounts of intangibles arising from a business combination, the group and company has utilized independent professional advisors to assist management in determining the recognition and measurement of these assets.

**(vi) 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 2024

### 6. Property, plant and equipment

#### The Group:

	<b>Land and Buildings</b>	<b>Plant, equipment, furniture, fixtures, and computers</b>	<b>Motor Vehicles</b>	<b>Leasehold improvements</b>	<b>Work-in- Progress</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cost</b>						
<b>1 October 2022</b>	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)	-
Transfers to investment	(93,722)	-	-	-	-	(93,722)
<b>30 September 2023</b>	673,371	321,682	41,437	29,964	51,962	1,118,416
Additions	368,161	99,992	-	-	33,716	501,869
Transfers	57,149	21,472	-	-	(78,621)	-
Revaluation adjustment	(21,854)	-	-	-	-	(21,854)
Disposals	(500,804)	(11,755)	-	(20,539)	(4,013)	(537,111)
<b>30 September 2024</b>	576,023	431,391	41,437	9,425	3,044	1,061,320
<b>Depreciation</b>						
1 October 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
Charge for the year	702	28,269	7,148	5,582	-	41,701
Relieved on disposals	-	(6,592)	-	(16,842)	-	(23,434)
<b>30 September 2024</b>	11,865	170,931	32,458	8,620	-	223,874
<b>Net book value</b>						
30 September 2024	564,158	260,460	8,979	805	3,044	837,446
30 September 2023	662,208	172,428	16,127	10,084	51,962	912,809

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 6. Property, plant and equipment (continued)

#### The Company:

	Land and Buildings	Plant, equipment, furniture, fixtures, and computers	Motor Vehicles	Leasehold improvements	Work-in- Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cost:</b>						
<b>1 October 2022</b>	447,164	208,771	41,437	13,306	4,726	715,404
Additions	1,792	79,665	-	7,233	-	88,690
Revaluation, adjustment	51,135	-	-	-	-	51,135
Transfers	713	-	-	-	(713)	-
<b>30 September 2023</b>	500,804	288,436	41,437	20,539	4,013	855,229
Additions	-	11,240	-	-	-	11,240
Disposals	(500,804)	-	-	(20,539)	(4,013)	(525,356)
Transfers to related party	-	(299,676)	(41,437)	-	-	(341,113)
<b>30 September 2024</b>	-	-	-	-	-	-
<b>Depreciation</b>						
1 October 2022	28,378	114,468	17,940	4,070	-	164,856
Charge for the year	9,956	18,738	7,370	8,802	-	44,866
Revaluation adjustment	(38,334)	-	-	-	-	(38,334)
<b>30 September 2023</b>	-	133,206	25,310	12,872	-	171,388
Charge for the year	-	6,873	1,822	3,970	-	12,665
Relieved on disposals	-	-	-	(16,842)	-	(16,842)
Transfers to related party	-	(140,079)	(27,132)	-	-	(167,211)
<b>30 September 2024</b>	-	-	-	-	-	-
<b>Net book value</b>						
30 September 2024	-	-	-	-	-	-
30 September 2023	500,804	155,230	16,127	7,667	4,013	683,841

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 6. 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 2024 by K.B. Real Estate Company Limited, Independent Valuers. 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 \$672,568,000 (2023: \$304,407,000) for the Group and \$Nil (2023: \$166,924,000) for the Company. Land and buildings include land at a cost of \$31,000,000 (2023: \$240,209,000) for the Group and \$Nil (2023: \$115,000,000) for the Company.

(Losses)/gains arising on revaluation of land and buildings recognised in OCI was (\$16,391,000) (2023: \$85,853,000) for the Group and \$Nil (2023: \$67,102,000) for the Company determined as follows:

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Revaluation adjustment recognized (Note 18)	(21,854)	114,471	-	89,469
Deferred taxation on revaluation adjustment (Note 21)	5,463	(28,618)	84,250	(22,367)
Revaluation gain recognized net of tax	<u>(16,391)</u>	<u>85,853</u>	<u>84,250</u>	<u>67,102</u>

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 7. Investment properties

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	426,720	294,399	-	-
Additions	-	3,340	-	-
Transfer (to)/from property, plant, and equipment, net (note 6)	-	93,722	-	-
Disposals	(73,625)	-	-	-
Adjustment	(1,595)	-	-	-
Change in fair value, net (note 29)	39,000	35,259	-	-
Balance at end of year	<u>390,500</u>	<u>426,720</u>	<u>-</u>	<u>-</u>

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

Except as noted below, investment properties were valued in September 2024 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 20).

Rental income earned on the commercial properties during the year amounted to \$5,196,000 (2023: \$7,645,000) for the Group and \$Nil (2023: \$ Nil) for the Company. The related expenses totaled \$5,345,689 (2023: \$4,733,000) for the Group and \$Nil (2023: \$ 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.

The fair value measurement for investment properties of \$390,500,000 (2023: \$426,720,000) for the Group and \$Nil (2023: \$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.

# Notes to the Financial Statements *(Continued)*

30 September 2024

## 7. 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 realizable value.

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<p><b>Market based approach</b></p> <p>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.</p> <p>The approach requires comparison of the subject property with others of similar design and utility, inter alia, which were sold in the recent past.</p> <p>However, as no two properties are exactly alike, adjustment is made for the difference between the property subject to valuation and comparable properties.</p>	<ul style="list-style-type: none"> <li>• Details of the sales of comparable properties.</li> <li>• Conditions influencing the sale of the comparable properties.</li> <li>• Comparability adjustment.</li> </ul>	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> <li>• Sale value of comparable properties were higher/(lower).</li> <li>• Comparability adjustment were higher/(lower).</li> </ul>

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 8. Intangible assets

	<b>Computer software licenses</b>	
	<b>Group</b>	<b>Company</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cost:</b>		
1 October 2022	13,118	5,812
Additions	2,216	1,679
30 September 2023	15,334	7,491
Additions	4,061	3,343
Disposals	(3,470)	(3,470)
Transfers	-	(7,364)
30 September 2024	15,925	-
<b>Amortisation:</b>		
1 October 2022	3,704	2,262
Charge for the year	2,430	974
30 September 2023	6,134	3,236
Charge for the year	2,928	234
Relieved on disposals	(3,470)	(3,470)
30 September 2024	5,592	-
<b>Carrying value:</b>		
30 September 2024	10,333	-
30 September 2023	9,200	4,255

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 9. Investments in subsidiaries

	<b>The Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
LTJ Managers Limited Shares	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	343,358	333,757
Bay City Foods Limited	1	1
Caribbean Dreams Foods Limited	3,300,010	10
	<u>3,728,879</u>	<u>419,278</u>

### 10. Due from subsidiaries

	<b>The Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
LTJ Managers Limited	53,055	42,683
H. Mahfood & Sons Limited	744,807	995,033
H. Mahfood & Sons 2020 Limited	65,524	66,854
KIW International Limited	2,850	1,173
QWI Investments Limited	8,282	2,545
Bay City Foods Limited	88,176	46,730
Caribbean Dreams Foods Limited	1,129,014	8,381
	<u>2,091,708</u>	<u>1,163,399</u>

Balances due from 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.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 11. Right-of-use assets 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 assets

	<u>The Group and Company</u>	
	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance as at beginning of year	6,601	13,202
Amortization	(1,650)	(6,601)
Disposals	(4,951)	-
Balance as at end of year	<u>-</u>	<u>6,601</u>

#### Lease liabilities

	<u>The Group and Company</u>	
	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance as at beginning of year	9,054	14,798
Lease payments	(1,650)	(6,600)
Interest expense	125	856
Disposals	(7,529)	-
Balance as at end of the year	<u>-</u>	<u>9,054</u>

#### Comprises:

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Current	-	6,600
Non-current	-	2,454
Balance as at end of year	<u>-</u>	<u>9,054</u>

#### (ii) Amounts recognized in the Statement of Comprehensive Income

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

	<u>The Group and Company</u>	
	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Amortization charge of right-of-use assets (included in administrative expenses)	1,650	6,601
Interest expense (included in finance costs)	<u>125</u>	<u>856</u>

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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

#### (iii) Amounts recognized in the Statement of Cash Flows

	<b>The Group and Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Total cash outflows for leases	1,650	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.

### 12. Investment securities

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b><u>Comprises:</u></b>				
Investment securities at Fair Value through Profit and Loss (FVTPL):				
Trinidad and Tobago quoted equities	67,144	80,437	-	-
United States quoted equities	738,596	436,738	-	-
Jamaican quoted equities	1,416,900	1,490,154	-	-
	<u>2,222,640</u>	<u>2,007,329</u>	<u>-</u>	<u>-</u>

Certain of the quoted equities are held as collateral for margin loans and a bank overdraft facility (Note 20 and 24).

Included in Jamaican quoted equities are United States dollar denominated stocks valued at US\$43,413 (2023: US\$111,283).

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 13. Inventories

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Manufacturing:</b>				
Finished goods	147,772	126,965	-	126,965
Goods in transit	9,847	5,117	-	5,117
Raw material	444,138	438,760	-	438,760
	601,757	570,842	-	570,842
<b>Retail</b>	42,829	34,470	-	-
<b>Development:</b>				
Housing under construction	557,270	793,214	-	-
	1,201,856	1,398,526	-	570,842

For year ended 30 September 2024, inventories valuing \$7,477,328 (2023: \$6,308,000) were written off to the statements of comprehensive income for the Group and \$3,707,000 (2023: \$6,308,000) for the Company.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 14. Receivables

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Trade receivables	415,966	312,580	1,747	306,357
Other receivables	104,272	53,424	48,016	18,048
	520,238	366,004	49,763	324,405
Less: Expected credit loss provision (Note 4(a))	(7,182)	(3,460)	-	(3,460)
	513,056	362,544	49,763	320,945
Prepayments	19,837	30,775	6,847	22,374
	<b>532,893</b>	<b>393,319</b>	<b>56,610</b>	<b>343,319</b>

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 15. Cash and short-term deposits

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and in hand				
Cash in hand	2,038	330	58	100
Operating and savings deposits	78,014	60,100	20,823	32,683
Term deposits	273,146	2,645	270,343	-
	<u>353,198</u>	<u>63,075</u>	<u>291,224</u>	<u>32,783</u>

Cash at bank substantially comprise term, savings and operating accounts at licensed deposit taking institutions in Jamaica. The rate of interest earned on the Group's and Company's term, savings and operating account ranges from 0% to 8.15% (2023: 0% to 8.15%).

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 16. Share capital

#### (a) Share capital

	2024		2023	
	<u>No. of shares</u>	<u>\$'000</u>	<u>No. of shares</u>	<u>\$'000</u>
<b>Authorised:-</b>				
Ordinary shares of no par value	<b>Unlimited</b>		<b>Unlimited</b>	
<b>Stated capital:</b>				
In issue at beginning of year	2,163,405,377	264,942	2,158,605,377	261,342
Exercise of share options (16(b))	<u>11,325,000</u>	<u>12,500</u>	<u>4,800,000</u>	<u>3,600</u>
In issue at end of year – fully paid ordinary shares of no par value	<u>2,174,730,377</u>	<u>277,442</u>	<u>2,163,405,377</u>	<u>264,942</u>

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

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.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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### 16. Share capital (continued)

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

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.

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 Extraordinary 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.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 16. Share capital (continued)

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

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. At 30 September 2024, 190,219,994 share options were unexercised.

### 17. Capital reserves

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
(a) Realised surplus: -				
Gain on disposal on investment property	90,425	90,425	-	-
Gain on disposal of property, plant and equipment	6,759	6,759	-	-
Revaluation reserve, realised*	337,001	-	337,001	-
Waiver of directors' loan	229	229	-	-
Gain on disposal of investments	9,553	9,556	3,455	3,455
Capital distributions paid (Note 35)**	(54,372)	-	(54,372)	-
	<u>389,595</u>	<u>106,969</u>	<u>286,084</u>	<u>3,455</u>
(b) Franked income*	<u>85,905</u>	<u>44,332</u>	<u>16,455</u>	<u>16,455</u>
	<u>475,500</u>	<u>151,301</u>	<u>302,539</u>	<u>19,910</u>

\*This represents accumulated surplus on revaluation of a property that was sold during 2024. The amount has therefore been reclassified from unrealised revaluation reserve to realised capital reserve (note 18).

\*\*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.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 18. Revaluation reserves

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

Comprising:	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Revaluation gains	95,944	454,800	-	337,001
Deferred taxation on revaluation gains (Note 21)	(23,986)	(113,700)	-	(84,250)
Balance at end of year	<u>71,958</u>	<u>341,100</u>	<u>-</u>	<u>252,751</u>

The movements on revaluation reserves during the year were as follows:

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	341,100	255,247	252,751	185,649
Deferred tax revaluation reserve realised	84,250	-	84,250	-
Revaluation reserve, realised	(337,001)	-	(337,001)	-
Revaluation adjustments (Note 6)	(21,854)	114,471	-	89,469
Less: deferred tax on revaluation adjustment (Note 21)	<u>5,463</u>	<u>(28,618)</u>	<u>-</u>	<u>(22,367)</u>
Balance at end of year	<u>71,958</u>	<u>341,100</u>	<u>-</u>	<u>252,751</u>

During the year, the company sold its land and building. The accumulated surplus on revaluation has been reclassified from unrealised revaluation reserve to realised capital reserve (note 17).

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 19. Non-controlling interests

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

	% interest	
	2024	2023
KIW International Limited ("KIW")	46.09%	46.09%
QWI Investments Limited ("QWI")	62.86%	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.

	2024			
	KIW	QWI	Intra group	Total
	\$'000	\$'000	\$'000	\$'000
Non-current assets	169,050	-	-	166,199
Current assets	4,821	2,237,381	-	2,242,202
Non-current liabilities	-	(267,982)	-	(267,982)
Current liabilities	(7,418)	(157,585)	-	(162,152)
Net assets	166,453	1,811,814	-	1,978,267
NCI share of subsidiary net assets	76,718	1,138,906	(68,326)	1,147,298
Revenue	9,970	294,226	-	304,196
Total comprehensive profit/(loss) for the year	8,508	125,958	-	134,464
Comprehensive profit/(loss) allocated to NCIs	3,914	79,177	-	83,091
Cashflow from operating	(1,569)	(56,941)	-	(58,510)
Cashflow from investing	-	-	-	-
Cashflow from financing	1,677	(39,759)	-	(38,082)
Net decrease in cash and cash equivalents	108	(96,700)	-	(96,592)

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 19. Non-controlling interests (continued)

	2023			Total
	KIW	QWI	Intra group	
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Non-current assets	158,077	2,004,782	-	2,162,859
Current assets	4,670	17,158	-	21,828
Non-current liabilities	-	(125,625)	-	(125,625)
Current liabilities	(4,802)	(210,552)	-	(215,354)
Net assets	<u>157,945</u>	<u>1,685,763</u>	<u>-</u>	<u>1,843,708</u>
NCI share of subsidiary net assets	<u>72,797</u>	<u>1,077,708</u>	<u>(86,298)</u>	<u>1,064,207</u>
Revenue	<u>(26,634)</u>	<u>59,018</u>	<u>-</u>	<u>32,384</u>
Total comprehensive losses for the year	<u>(28,429)</u>	<u>(44,119)</u>	<u>-</u>	<u>(72,548)</u>
Comprehensive profit/(loss) allocated to NCIs	<u>(13,103)</u>	<u>(28,206)</u>	<u>-</u>	<u>(41,309)</u>
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 increase in cash and cash equivalents	<u>2,639</u>	<u>(192,800)</u>	<u>-</u>	<u>(190,161)</u>

#### Acquisition of NCI

During 2024, the Group acquired an additional 1.06% interest in QWI Investments Limited increasing its ownership from 36.07% to 37.13% in QWI Investments Limited. The ownership in KIW International Limited remains unchanged at 53.91%.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 20. Long-term loans

		The Group		The Company	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
Bank of Nova Scotia Jamaica Limited	(a)	-	83,333	-	83,333
Bank of Nova Scotia Jamaica Limited	(b)	-	21,860	-	21,860
Bank of Nova Scotia Jamaica Limited	(c)	-	7,750	-	7,750
Bank of Nova Scotia Jamaica Limited	(d)	-	31,466	-	31,466
Bank of Nova Scotia Jamaica Limited	(e)	11,876	15,600	-	-
Bank of Nova Scotia Jamaica Limited	(f)	15,230	19,799	-	-
Bank of Nova Scotia Jamaica Limited	(g)	177,000	-	-	-
Margin loans	(h)	88,238	154,140	-	32,225
Sagicor Bank Jamaica Limited	(i)	102,545	3,532	102,545	3,532
Sagicor Bank Jamaica Limited	(j)	145,390	-	-	-
Bank of Nova Scotia Jamaica Limited	(k)	28,736	-	-	-
Bank of Nova Scotia Jamaica Limited	(l)	5,250	-	-	-
Vendor's Mortgage	(m)	40,000	45,000	-	-
		<u>614,265</u>	<u>382,480</u>	<u>102,545</u>	<u>180,166</u>
Less: current portion		<u>(78,192)</u>	<u>(90,878)</u>	<u>(5,130)</u>	<u>(37,709)</u>
		<u>536,073</u>	<u>291,602</u>	<u>97,415</u>	<u>142,457</u>

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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### 20. Long term loans (continued)

- (a) This loan, which was issued to refinance previous loan 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.
- (b) 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.
- (c) 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.
- (d) This loan, which was received in September 2023, attracts interest at a rate of 7% per annum and is repayable over 42 equal monthly instalments of \$898,000.
- (e) This represents a non-revolving term loan facility of \$18,000,000 maturing on 27 January 2028, which was received on 27 January 2023. It attracts interest at 8.5% per annum and is repayable in 60 equal monthly installments of \$300,000.
- (f) 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. It attracts interest at 8.5% per annum and is repayable in 60 equal monthly installments of \$380,750.
- (g) This represents a non-revolving term loan facility of \$177,000,000 amortised over 15 years, with 12 months moratorium on the principal payments. The facility was received on 27 October 2023. It attracts interest at 8.0% per annum, is repayable in 47 equal monthly installments of \$983,333 and a ballon payment of \$130,783,349 at maturity.
- (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 collateralised by the securities held with the brokerage firms.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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### 20. Long term loans (continued)

- (i) This loan was received during the year and attracts interest at a rate of 9.5% per annum. The loan is repayable over a period of 60 months in instalments of \$1,666,667.
- (j) This represents a term loan facility of \$150,000,000 that will be repaid in monthly blended instalments of \$1,940,963 over sixty (60) months with a bullet payment in year five (5) in the amount of \$94,359,599. The facility attracts interest at 9.5% per annum and is secured by investments charged in favour of the bank valued at \$314 million.
- (k) This loan, which was received May 15, 2024, attracts interest at 7% per annum and is repayable over 22 equal monthly instalments of \$250,000.
- (l) This loan, which was received July 22, 2024, attracts interest at 7% per annum and is repayable over 35 equal monthly instalments of \$898,110.
- (m) 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, 2025.

Loan (a) and (d) 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) 4<sup>th</sup> and 5<sup>th</sup> 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 (e), (f) and (g) are also secured by:

- (i) Demand debenture creating a first fixed charge over all the assets of the company and supported by:
  - Unlimited guarantee by H Mahfood & Sons Limited;
  - Limited guarantee by Bay City Foods Ltd.
- (ii) Debenture to be stamped and supported by 1st Legal Mortgages to be stamped collaterally to Debenture over commercial real estate located at Lots 4 & 6 part of J.I.D.C. Industrial Estate in Temple Hall, St. Andrew, Certificate of Titles at Volume 1194 Folios 5 & 7, to be registered in the name of Caribbean Dreams Foods Limited.
- (iii) General Security Agreements in the name of Caribbean Dreams Foods Limited over Horizontal Form-Fill-Seal (HFFS) machine and Universal Pack BU4T square teabag machine purchased.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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### 20. Long term loans (continued)

Loans (k) and (l) are secured by:

- (i) 2nd Legal Mortgage to be stamped over commercial real estate located at 9 Chancery Street, Kingston. CoT registered at Vol. 1378 Fol. 211, Lot 399, in the name of H Mahfood & Sons Limited. (A.V by K.B. Real Estate Co Ltd.)
- (ii) Assignment of peril insurance policies in aggregate, over commercial properties & contents located at: 9 Chancery Street, Kingston. Endorsement held by the Bank.
- (iii) Unlimited guarantee H. Mahfood & Sons Limited.
- (iv) Unlimited guarantee Jamaican Teas Limited

Loans (b) and (c) 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.

Bank of Nova Scotia Jamaica Limited facilities (a) - (d) 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 (m) 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 2024

### 21. Deferred tax liabilities

Deferred tax assets/(liabilities) is calculated in full on all temporary differences under the liability method using the applicable tax rate.

Deferred tax assets/(liabilities) recognised on the statement of financial position are as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Deferred tax liabilities	<u>(44,969)</u>	<u>(97,153)</u>	<u>(1,869)</u>	<u>(104,905)</u>

The movement on the net deferred tax assets/(liabilities) balance is as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Net (liabilities)/assets at the beginning of year	(97,153)	(86,419)	(104,905)	(87,170)
Deferred tax credited/(charged) to profit and loss (Note 32)	46,721	17,884	18,786	4,632
Deferred tax credited/(charged) to OCI (Note 18)	<u>5,463</u>	<u>(28,618)</u>	<u>84,250</u>	<u>(22,367)</u>
Net liabilities at the end of year	<u>(44,969)</u>	<u>(97,153)</u>	<u>(1,869)</u>	<u>(104,905)</u>

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 21. Deferred tax liabilities (continued)

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

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Deferred tax assets/(liabilities):				
Unrealised revaluation surplus on property, plant and equipment (Note 18)	(23,986)	(113,700)	-	(84,250)
Accelerated tax depreciation on property, plant and equipment	(28,534)	(12,116)	-	(17,885)
Right-of-use assets, net of lease obligations	110	854	-	613
Interest payable	50	505	-	-
Unrealised gains on investment	(114,561)	41,400	-	-
Unrealised gains on investment properties	(26,085)	(17,977)	-	-
Unutilised tax losses	145,470	90,064	-	-
Unrealised foreign exchange gains	(3,945)	(4,248)	(1,869)	(4,248)
Expected credit losses allowance	937	-	-	-
Other	5,575	865	-	865
Net deferred tax liabilities at end of year	<u>(44,969)</u>	<u>(97,153)</u>	<u>(1,869)</u>	<u>(104,905)</u>

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

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Deferred tax assets/(liabilities) to be recovered/(settled):				
- after more than 12 months	<u>(44,969)</u>	<u>(97,153)</u>	<u>(1,869)</u>	<u>(104,905)</u>

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 22. Payables

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Trade payables*	200,857	191,275	3,250	120,520
Due to brokers**	11,485	30,298	-	-
Other payables	107,710	73,766	21,634	18,662
	<u>320,052</u>	<u>295,339</u>	<u>24,884</u>	<u>139,182</u>

\* The Group and the Company include nil (2023: \$10,447,000) due to a related party, Amalgamated Distributors Limited (ADL), (see note 36).

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

### 23. Short-term loans

		<b>The Group</b>		<b>The Company</b>	
		<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Demand loans	(a)	72,314	98,924	72,314	98,394
Other loans	(b)	23,616	10,731	23,617	10,731
Insurance premium financing	(c)	665	-	-	-
		<u>96,595</u>	<u>109,655</u>	<u>95,931</u>	<u>109,125</u>

(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 36).

(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.

(c) This represents insurance premium financing which bears interest at 6.05% (2023: 3.80%) per annum and is payable in equal monthly instalments. The loan is repayable on March 16, 2025.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 24. Bank overdraft

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Bank of Nova Scotia Jamaica Limited	(a) 96,646	125,872	5,924	76,937
Sagicor Bank Jamaica Limited	(b) 57,040	126,689	-	23,998
	<u>153,686</u>	<u>252,561</u>	<u>5,924</u>	<u>100,935</u>

- (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 2024, a subsidiary's assets were charged in the sum of \$106,053,447 (2023: \$112,075,835) 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 \$41,765,190 (2023: \$48,766,996).

- (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 2024, 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 \$57,070,490 (2023: \$102,690,762).

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 25. Operating revenue

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Export sales- manufacturing	1,343,164	1,263,644	304,553	1,263,644
Domestic sales - manufacturing	799,626	694,161	229,014	694,161
Retail sales	779,497	731,808	-	-
Sale and rental of properties	258,690	7,645	-	-
Investments	3,789	-	-	-
	<u>3,184,766</u>	<u>2,697,258</u>	<u>533,567</u>	<u>1,957,805</u>

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 2024

### 26. Expenses by nature

(a) Cost of operating revenue	The Group		The Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cost of inventories recognised as expense	2,200,193	1,828,848	318,396	1,251,580
Inventory write-offs	7,477	6,308	3,707	6,308
Depreciation	18,523	15,552	3,982	11,610
Amortization of intangible asset	1,486	1,456	-	-
Machinery repairs and maintenance	25,296	32,038	8,850	29,918
Staff costs (Note 31)	212,302	157,003	50,228	131,702
Utilities	33,806	25,825	8,245	17,115
Other costs of operating revenue	78,070	54,193	16,764	52,876
	<u>2,577,153</u>	<u>2,121,223</u>	<u>410,172</u>	<u>1,501,109</u>
<b>(b) Administrative expenses</b>				
Audit fee	22,419	21,873	3,495	11,158
Bad debt expense	1,855	6,901	1,830	6,901
Motor vehicle repairs and maintenance	1,603	7,979	1,603	7,979
Depreciation - admin	23,178	33,256	8,683	33,256
Amortization - leases	1,650	6,601	1,650	6,601
Amortization of intangible assets	1,442	974	234	974
Director's emoluments:				
- Fees	16,601	15,008	7,209	7,458
- Management remuneration	20,985	31,865	20,985	17,980
Impairment losses	5,590	20,807	-	-
Rental and security	25,738	4,710	2,153	4,710
Legal and professional fees	22,545	18,114	3,355	11,790
Utilities	10,464	6,815	4,022	6,725
Staff costs (Note 31)	85,152	89,145	35,527	74,999
Insurance	46,932	26,664	13,564	18,454
Local and overseas travel	18,383	15,938	3,327	15,938
Investment committee fees	33,871	24,928	-	-
Irrecoverable General Consumption Tax	8,727	240	-	-
Other administration expense	99,827	47,340	41,150	19,468
	<u>446,962</u>	<u>379,158</u>	<u>148,787</u>	<u>244,391</u>
<b>(c) Selling and distribution expenses:</b>				
Advertising and promotions	<u>47,471</u>	<u>51,258</u>	<u>15,745</u>	<u>46,053</u>
<b>(d) Impairment losses/(gains)</b>				
Trade receivables (Note 4(a))	3,722	(11,391)	(3,460)	(11,391)
Other receivables (Note 4(a))	-	(3,948)	-	(3,948)
Related party (Note 4(a))	-	-	-	(78,526)
	<u>3,722</u>	<u>(15,339)</u>	<u>(3,460)</u>	<u>(93,865)</u>

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 27. Gain on purchase of debt instruments

This represent the gains arising from the settlement of a trade debt on behalf of a subsidiary.

### 28. Gains on disposal of manufacturing business

On 2 January 2024, the company sold the tea manufacturing business (as a going concern) to its subsidiary (Caribbean Dreams Foods Limited). As per the Deed of Purchase and Sale of Manufacturing Business, the company purchased sold aa of its rights, title, interest and property in and to the Assets and Manufacturing Business. The sale included, machinery and equipment, computer software, customers list, trade secretes and licensing.

The company determines whether goodwill is impaired at least on an annual basis or when events or changes in circumstances indicate the carrying value may be impaired. This requires an estimation of the recoverable amount of the cash generating unit (CGU) to which goodwill is allocated. The recoverable amount is usually determined by reference to the value in use. Estimating the value in use requires the company to make an estimate of the expected future cash flows from the CGU and also to choose an appropriate discount rate in order to calculate the present value of those future cash flows.

The fair value of the identifiable assets and liabilities of the division as at the date of the sale were:

	<b>Total</b>
	<b>\$</b>
<b>Non-current assets</b>	
Property, plant and equipment	169,423,368
Intangible assets	7,364,307
	<u>176,787,675</u>
<b>Current assets</b>	
Inventories	<u>548,419,645</u>
<b>Fair value of net assets</b>	<u>725,207,320</u>

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 28. Gains on disposal of manufacturing business (continued)

	<b>Jamaican Teas Limited – Manufacturing Division</b>
	<u>\$</u>
Sale proceeds	4,025,207,320
Less: Fair value of net assets sold	<u>(725,207,320)</u>
	<u><u>3,300,000,000</u></u>

### 29. Other income

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Interest income	8,553	1,324	8,553	66
Rental income	-	1,535	4,000	-
Dividend income	49,634	44,389	-	-
Gain on disposal of right-of-use and lease	2,579	-	2,579	-
Realised loss on sale of investments	(5,436)	(25,206)	-	-
Realised loss on the sale of investment property	(7,955)	-	-	-
Decrease/increase in fair value of investment properties (note 7)	39,000	35,259	-	-
Foreign exchange gain, net	15,779	14,555	7,478	16,996
Management fees	-	-	74,056	22,809
Miscellaneous income	7,400	3,806	5,423	76
	<u>109,554</u>	<u>75,662</u>	<u>102,089</u>	<u>39,947</u>

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 30. Operating profit

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

	<b>The Group</b>		<b>The Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Auditors' remuneration	22,419	21,873	3,495	11,158
Amortization of intangible assets	2,928	2,430	234	974
Depreciation (note 6)	41,701	48,808	12,665	44,866
Amortization – leases (note 11)	1,650	6,601	1,650	6,601
Directors' emoluments:				
- Fee	16,601	15,008	7,209	7,458
- Management remuneration	20,985	31,865	20,985	17,980
Gain on disposal of manufacturing business (note 28)	-	-	(3,300,000)	-
Loss on disposal of property, plant and equipment	100,810	-	100,810	-
Staff costs (Note 31)	297,454	246,148	85,755	206,701

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 31. Staff costs

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	211,788	235,686	77,330	198,301
Pension	3,739	2,488	1,731	2,385
Other employee benefits	81,927	7,974	6,694	6,015
	<u>297,454</u>	<u>246,148</u>	<u>85,755</u>	<u>206,701</u>
Included in profit or loss as:				
Direct manufacturing labour (Note 26(a))	212,302	157,003	50,228	131,702
Administration (Note 26(b))	85,152	89,145	35,527	74,999
	<u>297,454</u>	<u>246,148</u>	<u>85,755</u>	<u>206,701</u>

### 32. Taxation

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

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current tax expense:				
Current tax expense- current year	87,920	45,500	34,825	34,086
Urban renewal tax relief	(5,207)	(721)	-	-
	<u>82,713</u>	<u>44,779</u>	<u>34,825</u>	<u>34,086</u>
Deferred tax expense:				
Deferred income tax	10,582	-	-	-
Tax losses	(41,513)	-	-	-
Originating and reversal of temporary differences (Note 21)	46,721	(17,884)	(18,786)	(4,632)
	<u>98,503</u>	<u>26,895</u>	<u>16,039</u>	<u>29,454</u>

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 32. 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:

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Profit before taxation	305,812	213,132	3,328,816	271,851
Tax calculated at the appropriate rate @ 25%	76,453	53,283	832,204	67,963
Adjusted for the effects of: -				
Expenses not allowed for tax purposes	48,657	17,936	22,415	1,313
Employment Tax Credit	(14,860)	(16,632)	(13,580)	(14,609)
Urban renewal tax effect	(5,207)	-	-	-
Effect of gains on investments properties	4,327	-	-	-
Other charges and allowances	1,531	(23,472)	-	(25,213)
Fair value gains	(2,450)	-	-	-
Dividend income	(3,646)	(3,499)	-	-
Adjustment for the effect of remission of tax	-	(721)	-	-
Deferred tax asset not recognised	323	-	-	-
Income not allowed for tax purposes	(6,625)	-	-	-
Gain on sale of business not subjected to tax	-	-	(825,000)	-
	<u>98,503</u>	<u>26,895</u>	<u>16,039</u>	<u>29,454</u>

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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### 32. Taxation (continued)

(c) As at September 30, 2024, subject to the agreement of The Commissioner, Tax Administration Jamaica, tax losses available for offset against future taxable profits for the Group aggregated \$609,043,000 (2023: \$377,156,000) and \$Nil (2023: \$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 (JMSE) if certain conditions were achieved after the date of initial admission

Effective July 3, 2010, the Company's shares were listed on the JMSE. 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 2024

### 33. Segment financial information

	<b>2024</b>				
	<b>Manufacturing</b>	<b>Retailing</b>	<b>Real Estate</b>	<b>Investments</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Gross revenue	2,142,790	789,894	258,690	3,789	3,195,163
Inter-segment revenue	-	(10,397)	-	-	(10,397)
Revenue from external customers	2,142,790	779,497	258,690	3,789	3,184,766
Segment profit	138,282	49,159	21,591	254,572	463,604
Loss on disposal of property, plant and equipment	(100,810)	-	-	-	(100,810)
Finance costs	(28,073)	(1,031)	-	(27,878)	(56,982)
Profit before taxation	9,399	48,128	21,591	226,694	305,812
Taxation charge					(98,503)
Non-controlling interest					(83,091)
Profit attributable to equity holders of the parent					124,218
Segment assets	1,933,066	174,994	735,258	2,705,974	5,549,292
Segment liabilities	713,502	115,687	3,303	444,365	1,276,857
<b><u>Other segment information</u></b>					
Capital expenditure	469,670	36,260	-	-	505,930
Depreciation and amortization	40,812	5,467	-	-	46,279
Fair value gains from revaluation of investments at FVTPL	-	-	-	244,592	244,592
Other income	75,993	1,829	5,232	26,500	109,554

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 33. Segment financial information (continued)

	<b>2023</b>				
	<b>Manufacturing</b>	<b>Retailing</b>	<b>Real Estate</b>	<b>Investments</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
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	17,186	3,700	35,486	19,290	75,662

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 34. 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.

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
Net profit attributable to stockholders (\$'000)	124,218	227,546
Weighted average number of ordinary stocks units in issue, basic	2,168,580,377	2,159,805,377
Basic earnings per stock unit (\$)	0.06	0.11

#### 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.

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
Net profit attributable to stockholders (\$'000)	124,218	227,546
Weighted average number of fully diluted stock units in issue	2,358,800,371	2,358,675,371
Diluted earnings per stock unit (\$)	0.05	0.10

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

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
Weighted average number of stock units in issue, basic	2,168,580,377	2,159,805,377
Effect of unexercised share options, weighted average	190,219,994	198,869,994
Weighted average number of fully diluted stock units at September 30	2,358,800,371	2,358,675,371

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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### 35. Capital distributions

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Capital distributions paid (Note 17)	<u>54,372</u>	<u>-</u>

At Board of Directors meeting held on 25 July 2024, it was resolved that the Company shall on 16th August 2024 pay capital distributions to the Company's shareholders of record on 9th August, 2024, in the amount of Fifty-Four Million Three Hundred and Seventy-Two Thousand and Nine Dollars and Forty-three Cents Jamaican currency (J\$54,372,009.43) in the aggregate.

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 36. 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:

	<b>The Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(a)</b> Due from subsidiaries (Note 10):		
Bay City Foods Limited	88,176	46,730
H. Mahfood & Sons Limited	744,807	995,033
H. Mahfood & Sons 2020 Limited	65,524	66,854
KIW International Limited	2,850	1,173
LTJ Managers Limited	53,055	42,683
QWI Investments Limited	8,282	2,545
Caribbean Dreams Foods Limited	1,129,014	8,381
	<u>2,091,708</u>	<u>1,163,399</u>

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

### 36. Related party balances and transactions (continued)

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
(b) Due from/ (to) related Company: Amalgamated Distributors Limited (ADL) (related by common directors):				
Due from*	-	47,903	-	47,903
Due to***	-	(10,447)	-	(10,447)
(c) Trade payables due to close family member of a director ***	-	-	-	-
(d) Due to directors **	9,362	31,908	9,362	31,908
(e) Short-term borrowings due to a director and close family	62,952	66,486	62,952	66,486
	<u>72,314</u>	<u>98,394</u>	<u>72,314</u>	<u>98,394</u>
(f) Directors' emoluments:				
Fees	16,601	15,008	7,209	7,458
Management	20,985	31,865	20,985	17,980
(g) Transactions with related parties and subsidiaries-				
Sale of goods - ADL	-	576,866	-	576,866
Advertising and publishing - ADL	-	(3,107)	-	(3,107)
Management fees: - subsidiaries	-	-	74,056	22,809
Gain on disposal of manufacturing business	-	-	3,300,000	-
Sale of investment property- to close family members of director	-	-	-	-
QWI loan interest income	-	-	-	-

\*Included in receivables (note 14)

\*\* Included in short term borrowings (note 23)

\*\*\* Included in payables (note 22)

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

# Notes to the Financial Statements *(Continued)*

## 30 September 2024

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### 37. Pension scheme

The Group contributes to various multi-employer, defined contribution pension scheme, including, inter-alia, the “Jamaican Teas Limited Group Superannuation Fund”. Membership to these schemes are open to all permanent employees and they are administered by various providers. The schemes are funded by combined contributions of the employers and employees.

Contributions during the year amounted to \$3,739,000 (2023: \$2,488,000) for the group and \$1,731,000 (2023: \$2,385, 000) for the company.

### 38 Contingent liabilities and commitments

- (a) In the normal course of business, the Group is subject to various claims, disputes and legal proceedings, which occur as part of the normal course of business. Provision is made for such matters when, in the opinion of management and its legal advisors, it is probable that a payment will be made by the Group and the amount can be reasonably estimated.
- (b) In respect of claims asserted against the Group, which, according to the principles outlined above, have not been provided for, management is of the opinion that such claims are either without merit, can be successfully defended or will result in exposure to the Group which is immaterial to both the financial position and financial performance.

# Proxy Form



**For The Annual General Meeting of Jamaican Teas Limited to be held at 12 noon on the 12th day of June 2025.**

1. Being member(s) of Jamaican Teas Limited, I/We:

NAME OF SHAREHOLDER(S) \_\_\_\_\_  
of \_\_\_\_\_  
ADDRESS \_\_\_\_\_

2. Hereby appoint (select only one of the following):

- The Meeting Chairman       Any Company Director       The Company Secretary

as my/our proxy, to vote for me/us on my/our behalf at the Annual General Meeting of the said Company to be held on the 12th day of June 2025 at the Jamaica Pegasus Hotel and Suites, 81 Knutsford Boulevard, Kingston 5, and any adjournment thereof, as follows:

*(Shareholders are required to insert "X" in the appropriate column below to show how they wish to vote in relation to each resolution.)*

RESOLUTIONS	FOR	AGAINST
<p><b>RESOLUTION NO. 1 - 2024 Audited Financial Statements &amp; Reports of the Directors</b></p> <p>a) To receive and approve the Audited Financial Statements and the Reports of the Directors for the year ended 30 September 2024 together with the Auditors' Report therein.</p> <p>Be it resolved:</p> <p><b>THAT</b> the Audited Financial Statements, the Auditors' Report and the Reports of the Directors for said period, be and are hereby approved.</p>		
<p><b>RESOLUTION NO. 2 - Appointment and Remuneration of Auditors</b></p> <p>Be it resolved:</p> <p><b>THAT</b> Baker Tilly, Chartered Accountants, be reappointed as Auditors of the Company for the next financial year and to authorise the Directors to fix their remuneration.</p>		
<p><b>RESOLUTION NO. 3 - Approval of Dividends</b></p> <p>Be it resolved:</p> <p><b>THAT</b> the dividends of 2.0 and 0.5 cents paid on 16 August 2024 to holders of record on 9 August 2024, be approved and declared final in respect of the year ended 30 September 2024.</p>		
<p><b>RESOLUTION NO. 4 - Remuneration of the Directors</b></p> <p>Be it resolved:</p> <p><b>THAT</b> the amount shown in the Audited Financial Statements for the year ended 30 September 2024 as fees to the Directors for services as Directors, be and is hereby approved.</p>		

# Proxy Form *(Continued)*

RESOLUTIONS	FOR	AGAINST
<p><b>RESOLUTION NO. 5 – Re-elect Directors</b></p> <p>Suzette Smellie-Tomlinson retires by rotation as a Director, in accordance with the Company’s Articles of Association, and being eligible offers herself for re-election.</p> <p>Damien King retires by rotation as a Director, in accordance with the Company’s Articles of Association, and being eligible, offers himself for re-election.</p> <p>Be it resolved:</p> <p style="padding-left: 20px;"><b>THAT</b> Suzette Smellie-Tomlinson, be and is hereby re-elected a Director of the Company.</p> <p>Be it resolved:</p> <p style="padding-left: 20px;"><b>THAT</b> Damien King, be and is hereby re-elected a Director of the Company.</p>		
<p><b>RESOLUTION NO. 6 – Special Business</b></p> <p><b>Extension of share options</b></p> <p>Be it resolved:</p> <p>a) <b>THAT</b> the expiry dates for the 56,000,000 shares set aside as part of a stock option plan for Directors and Senior Executives to be issued between 30 June 2020 and 30 June 2025, approved at the Annual General Meeting of 20 March 2020, be extended by two years.</p> <p>b) <b>THAT</b> an additional 30,000,000 shares of the authorised but unissued shares of the Company be set aside as part of a stock option plan for Senior Executives to be issued between 30 June 2025 and 30 June 2029 at an exercise price of \$3.33 per share.</p> <p>c) <b>THAT</b> an additional 30,000,000 shares of the authorised but unissued shares of the Company be set aside as part of a stock purchase plan for employees to be issued between 30 June 2025 and 30 June 2033. The shares allocated for the employees are to be priced at the last stock market selling price on the date each offer is taken up. The staff will be given a specific time in each year in which to take up the offer and they will be able to access an interest free loan with a three-year term from the Company to acquire the shares.</p>		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2025 \_\_\_\_\_  
Signature

**NOTES:**

1. This Form of Proxy must be received by Jamaica Central Securities Depository Limited at 40 Harbour Street, Kingston, not less than forty-eight (48) hours before the time appointed for the Annual General Meeting.
2. If executed by a Corporation, this Form of Proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised in writing.
3. The Proxy Form shall bear the stamp duty of One Hundred Jamaican Dollars (J\$100) before being signed. Adhesive stamp is to be cancelled by the person executing the Proxy Form.

# Jamaican Teas LTD.

A graphic of three green tea leaves with small white flowers, positioned to the right of the word 'Teas' in the company logo.

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