



MFS CAPITAL PARTNERS LIMITED

UNAUDITED FINANCIAL STATEMENTS

TWELVE MONTHS ENDING 30TH JUNE 2022

TABLE OF CONTENTS

	PAGE(S)
REPORT TO STOCKHOLDERS	1
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	3
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	5
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	6
CONSOLIDATED STATEMENT OF CASH FLOW	7
COMPANY STATEMENT OF FINANCIAL POSITION	8
COMPANY STATEMENT OF COMPREHENSIVE INCOME	9
COMPANY STATEMENT OF CHANGES IN EQUITY	10
COMPANY STATEMENT OF CASH FLOW	11
NOTES TO THE FINANCIAL STATEMENTS	12-26



REPORT TO OUR STOCKHOLDERS QUARTER ENDING 30TH JUNE 2022

We hereby present the 4th Quarter Results for MFS Capital Partners Limited (MFS), (Formerly SSL Venture Capital Limited, SSLVC).

NET PROFITS

MFS ended the reporting quarter and year with no active operating portfolio company.

For the twelve months ending 30th June 2022, the Group recorded profits after taxes of **\$14.7M**. These profits recorded during the period resulted from the write off of additional external payables, as was previously disclosed in prior quarters.

REVENUES

For the twelve months ending 30th June 2022, the Group recorded nil revenues when compared to **\$19.6M** for the prior year. The revenues earned in the prior period related to Bar Central Limited (BCL) only, which was shuttered in December 2020.

EXPENSES

For the twelve months ending 30th June 2022, the Group's administrative & operational expenses were **\$42.9M** in addition to the finance related costs of **\$1.1M**, bringing overall expenses to **\$43.0M**. The expenses incurred relates to the operating costs for the SSLVC's Head Office and BCL obligations.

FINANCIAL POSITION

Total assets of the Group stood at **\$12.5M** for the quarter ending 30th June 2022 with total liabilities at **\$65.1M** and shareholders' equity at a negative **\$52.6M**.

Profit per stock unit for the twelve months was \$0.03 per share.

OUTLOOK

On May 25, 2022, the majority stake (79.08%) in SSLVC was acquired by MFS Acquisition. This lead to the introduction of a new name, MFS Capital Partners Limited, with a new Management Team and Board of Directors. The new Executive Team has combined experience of over 100 years in Investment and Commercial Banking, Real Estate Management and Development and Private Equity Investing.

As this financial year comes to a close, we look forward to the upcoming year of new opportunities and a new perspective. In the first quarter of the next financial year, our team will be focused on the following:

- Refining our business model and establishing the company as one of the premier private equity outfits in the Caribbean.
- Strengthening the company's balance sheet and positioning the team to take advantage of opportunities in the local and regional markets.
- Executing MOUs to complete our first two (2) strategic acquisitions.
- Strengthening our corporate governance framework and adopting the highest standard of risk management.

As the economy continues to rebound, we are confident in Jamaica and the opportunities that are available locally. We are committed to building a strong brand that will benefit our shareholders, clients and other stakeholders. We currently have a pipeline of targeted acquisitions that we believe will result in attractive and sustainable long term growth for the company and for shareholder value.

The Board of Directors wishes to thank you, our valued shareholders, for your patience and understanding, as well as our management and staff for their unwavering support.



Dino Hinds
Director / CEO



Robert Barnes
Director / COO

MFS CAPITAL PARTNERS LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	Unaudited 30-Jun-22 \$	Audited 30-Jun-21 \$
Assets			
<u>Non-Current Assets</u>			
Property and equipment	4	2,672,087	6,351,680
Intangible Assets	5	-	28,856
Goodwill		-	-
Deferred Tax Asset	6	-	-
Total non-current assets		2,672,087	6,380,536
<u>Current assets</u>			
Inventory		26,146	97,153
Director's Account		-	750,000
Taxation recoverable		4,621,506	4,881,863
Due from related parties		-	5,120,500
Receivables	7	773,849	4,648,577
Cash and bank balances		4,481,282	751,227
Total current assets		9,902,783	16,249,320
Total assets		12,574,870	22,629,856
EQUITY & LIABILITIES			
<u>Equity</u>			
Share capital	8	111,880,297	111,880,297
Capital Reserves		-	294,881
Accumulated deficit		(150,172,057)	(160,625,201)
Total equity		(38,291,760)	(48,450,023)
Non- Controlling interest	9	(14,330,537)	(18,374,021)
		(52,622,297)	(66,824,044)
<u>Non-current liabilities</u>			
Director's Loan		-	-
Due to Related Companies		-	-
Long term Loan		-	-
Total Non-current liabilities		-	-

	Unaudited	Audited
	30-Jun-22	30-Jun-21
	\$	\$
<u>Current liabilities</u>		
Payables	58,003,801	61,121,429
Short Term Loan	6,557,057	21,397,393
Current portion of long-term loans	-	2,341,539
Taxation	636,309	636,309
Bank Overdraft	-	3,957,230
Total current liabilities	65,197,167	89,453,900
Total equity & liabilities	12,574,870	22,629,856



C. Leopold Nesbeth
Chairman



Dino Hinds
Director

MFS CAPITAL PARTNERS LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
TWELVE MONTHS ENDING JUNE 30, 2022

		Unaudited Quarter 30-Jun-22	Unaudited Quarter 30-Jun-21	Unaudited Year End 30-Jun-22	Audited Year End 30-Jun-21
	Note	\$	\$	\$	\$
Revenues	10	-	13,941	-	19,697,569
Cost of Sales		-	(13,393)	-	(20,238,126)
Gross Profit			548	-	(540,557)
Other Income	11	11,476,700	70,803,564	63,311,593	322,831,164
Impair. losses on financial assets		-	-	-	(18,551,002)
Administrative expense	12	(9,317,382)	(8,167,101)	(42,978,091)	(81,576,456)
Operating Profit/Loss		2,159,318	62,637,011	20,333,502	222,163,149
Finance Costs, net		-	(2,197,668)	(1,132,523)	(9,876,829)
Profit/(Loss) before taxation		2,159,318	60,439,343	19,200,979	212,286,320
Taxation	13	(1,183,757)	3,263,709	(4,421,034)	(47,446,692)
Profit/(Loss) after taxes		975,561	63,703,052	14,779,945	164,839,628
Net loss Attributable to:					
Stockholders of the Company		769,384	50,239,935	10,453,144	158,919,264
Non-Controlling interest		206,177	13,463,117	4,326,801	5,920,364
		975,561	63,703,052	14,779,945	164,839,628
Profit/(Loss) per Stock Unit	14	0.002	0.16	0.03	0.39

MFS CAPITAL PARTNERS LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
TWELVE MONTHS ENDING 30TH JUNE 2022

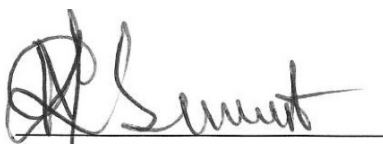
	Number of Shares	Share Capital	Capital Reserve	Accumulated (deficit)/profits	Total	Non- Controlling Interest	Total Equity
		\$	\$	\$	\$	\$	\$
Audited Balances as at 30 June 2020	400,000,000	111,880,297	294,881	(319,544,465)	(207,369,287)	(24,294,385)	(231,663,672)
Total Comprehensive profits/(losses)	-	-	-	158,919,264	158,919,264	5,920,364	164,839,628
Audited Balances as at 30 June 2021	400,000,000	111,880,297	294,881	(160,625,201)	(48,450,023)	(18,374,021)	(66,824,044)
Audited Balances as at 30 June 2021	400,000,000	111,880,297	294,881	(160,625,201)	(48,450,023)	(18,374,021)	(66,824,044)
Capital Reserve			(294,881)	-	(294,881)	(283,317)	(578,198)
Total Comprehensive profits/(losses)	-	-	-	10,453,144	10,453,144	4,326,801	14,779,945
Unaudited Balances as at 30 Jun 2022	400,000,000	111,880,297	-	(150,172,057)	(38,291,760)	(14,330,537)	(52,622,297)

MFS CAPITAL PARTNERS LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOW
TWELVE MONTHS ENDING 30TH JUNE 2022


	Unaudited 30-Jun-22	Audited 30-Jun-21
	\$	\$
Cash flow from operating activities:		
Profit/(Loss) before taxes	19,200,979	212,286,320
Adjustment for:		
Depreciation & Amortisation	1,851,944	2,120,440
Bad Debts	-	-
Impairment losses on financial assets	-	18,551,002
Amortisation of rights of use assets	-	-
Foreign exchange losses	-	514,703
Loss/(gain) on Disposal of assets	2,035,494	(177,756)
Interest expense	1,132,523	9,402,666
Interest Income	(1,363)	(40,540)
Operating cash flows before movements in working capital	24,219,577	242,656,835
Changes in working capital:		
Accounts receivable	4,134,914	22,735,863
Accounts Payables	(8,199,789)	6,915,099
Inventories	71,007	2,079,688
Cash provided/(used) by operations	20,225,709	274,387,485
Taxes paid	-	(1,720,323)
Lease Interest paid	-	-
Interest paid	(1,132,523)	(8,573,866)
Interest received	1,363	40,540
Net cash provided/(used) by operating activities	19,094,549	264,133,836
Investing Activities		
Purchase of property, plant and equipment	(168,889)	(540,837)
Proceeds from disposal of motor vehicle	73,000	5,094,001
	(95,889)	4,553,164
Financing Activities		
Directors' accounts, net	750,000	2,640,301
Related companies, net	5,120,500	(276,030,572)
Short term loans, net	(14,840,336)	8,088,365
Other/Loan payables, net	(2,341,539)	(5,629,547)
	(11,311,375)	(270,931,453)
Net Increase/(Decrease) in Cash and Bank Balances	7,687,285	(2,244,453)
Effects of changes in exchange rates on cash and cash equivalents	-	(514,703)
Cash and Bank Balances at the beginning of year	(3,206,003)	(446,847)
Cash and Bank Balances at the end of year	4,481,282	(3,206,003)
Cash at Bank	4,481,282	751,227
Bank Overdraft	-	(3,957,230)
Represented by Cash & Bank	4,481,282	(3,206,003)

MFS CAPITAL PARTNERS LIMITED
UNAUDITED COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2022

	Note	Unaudited 30-Jun-22 \$	Audited 30-Jun-21 \$
Assets			
<u>Non-current assets</u>			
Property and equipment	4	864,472	1,563,857
Intangible Assets	5	-	28,856
Due from Related Company		-	-
Investment in subsidiaries		-	-
Deferred Tax Asset	6	-	-
Total non-current assets		864,472	1,592,713
<u>Current assets</u>			
Taxation recoverable		4,621,506	4,755,175
Receivables	7	773,849	2,274,616
Due to Related company		-	5,120,500
Cash and bank balances		4,481,282	548,449
Total current assets		9,876,637	12,698,740
Total assets		10,741,109	14,291,453
EQUITY & LIABILITIES			
<u>Equity</u>			
Share capital	8	111,880,297	111,880,297
Accumulated deficit		(118,795,186)	(123,458,135)
Total equity		(6,914,889)	(11,577,838)
<u>Non-current liabilities</u>			
Long-term Debt		-	-
Total Non-current liabilities		-	-
<u>Current liabilities</u>			
Payables		847,457	5,597
Other Payables		3,115,863	3,051,786
Loan Payables		5,000,000	19,258,328
Payroll Liabilities		8,692,678	3,553,580
Total current liabilities		17,655,998	25,869,291
Total equity & liabilities		10,741,109	14,291,453



C. Leopold Nesbeth
Chairman



Dino Hinds
Director

MFS CAPITAL PARTNERS LIMITED
UNAUDITED COMPANY STATEMENT OF COMPREHENSIVE INCOME
TWELVE MONTHS ENDING 30TH JUNE 2022

		Unaudited Quarter 30-Jun-22	Unaudited Quarter 30-Jun-21	Unaudited Year End 30-Jun-22	Audited Year End 30-Jun-21
	Note	\$	\$	\$	\$
Revenues	10	-	-	-	-
Other Income	11	5,237,184	(27,523,082)	39,017,354	221,221,377
Impairment of Investments in subsidiaries		-	-	-	(32,365,577)
Impairment losses on financial assets		-	-	-	(18,675,412)
Administrative expense	12	(8,082,312)	(4,702,768)	(33,677,378)	(53,693,610)
Operating Profit/(Loss)		(2,845,128)	(32,225,850)	5,339,976	116,486,778
Finance Costs, net		-	(1,760,812)	-	(8,295,574)
Profit/(Loss) before taxation		(2,845,128)	(33,986,662)	5,339,976	108,191,204
Taxation	13	346,011	4,258,695	(677,127)	(9,096,057)
Profit/(Loss) from after taxation		(2,499,117)	(29,727,967)	4,662,849	99,095,147

MFS CAPITAL PARTNERS LIMITED
UNAUDITED COMPANY STATEMENT OF CHANGES IN EQUITY
TWELVE MONTHS ENDING 30TH JUNE 2022

	Number of Shares	Share Capital	Accumulated profit/(deficit)	Total
		\$	\$	\$
Audited Balances as at 30 June 2020	111,880,297	111,880,297	(222,553,282)	(110,672,985)
Net Profit/(Loss)	-	-	99,095,147	99,095,147
Misc.			-	-
Audited Balances as at 30 June 2021	111,880,297	111,880,297	(123,458,135)	(11,577,838)
Audited Balances as at 30 June 2021	111,880,297	111,880,297	(123,458,135)	(11,577,838)
Total Comprehensive loss	-	-	4,662,849	4,662,849
Misc.	-	-	100	100
Unaudited Balances as at 30 Jun 2022	111,880,297	111,880,297	(118,795,186)	(6,914,889)

MFS CAPITAL PARTNERS LIMITED
UNAUDITED COMPANY STATEMENT OF CASH FLOW
TWELVE MONTHS ENDING 30TH JUNE 2022

	Unaudited	Audited
	30-Jun-22	30-Jun-21
	\$	\$
Cash flow from operating activities:		
Profit/(loss) before taxes	5,339,977	108,191,204
Adjustment for:		
Depreciation and amortization	154,922	306,466
Foreign exchange losses	-	514,703
Impairment of investment in subsidiaries	-	32,365,577
Impairment losses on financial assets	-	18,675,412
Loss on disposal of assets	742,309	-
Interest expense	-	7,783,035
Interest income	(1,363)	(2,164)
Operating cash flows before movements in working	6,235,845	167,834,233
Changes in working capital:		
Accounts Receivable	1,634,437	17,148,087
Accounts Payables	5,367,905	854,541
Cash provided/(used) by operations	13,238,187	185,836,861
Taxes paid	-	(1,675,783)
Interest paid	-	(6,954,235)
Interest received	1,363	2,164
Net cash provided/(used) by operating activities	13,239,550	177,209,007
Investing Activities		
Proceeds from disposal in subsidiary	-	-
Purchase of Equipment/Assets	(168,889)	(540,837)
	(168,889)	(540,837)
Financing Activities		
Related companies, net	5,120,500	(182,663,907)
Loans payables, net	(14,258,328)	5,949,300
	(9,137,826)	(176,714,607)
Net Increase/(Decrease) in Cash and Bank Balances	3,932,833	(46,437)
Effects of exchange losses on cash and cash equivalents	-	(514,703)
Cash and Bank Balances at the beginning of year	548,449	1,109,589
Cash and Bank Balances at the end of year	4,481,282	548,449
Represented by Cash & Bank	4,481,282	548,449

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
TWELVE MONTHS ENDING 30TH JUNE 2022

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

The company was incorporated under the Companies Act of Jamaica on 24 November 2011. The registered office of the company is located at Unit 15, Barbican Centre, 88 Barbican Road Kingston 6.

On July 1, 2018, the shareholders of Stocks and Securities Limited entered into a rescue plan to acquire the majority shares in C2W Music Limited in an effort to rescue the company from financial failure. The rescue of C2W Music Limited was approved by the Jamaica Stock Exchange and the Financial Services Commission. On May 25, 2022, MFS Acquisition Limited acquired the majority shares owned by Stocks and Securities Limited.

The business model of the company was changed to specializing in investing in equity of companies that show great potential through sale to private parties. The company’s income thereafter, consists mainly of management fees earned from its affiliated companies.

Effective August 3, 2022, SSL Venture Capital Limited’s name was legally changed to MFS Capital Partners Limited. The Company is listed as a member of the Junior Market of the Jamaica Stock Exchange.

The company’s subsidiaries, together with the company are referred to as “the group”; the subsidiaries are as follows:

Date of Acquisition	Subsidiaries	Principal Activities	Proportion of issued share capital held by company
Jul 2, 2018	Bar Central Ltd.	Distribution and provision of branding services	75%
July 20, 2018	Muse 360 Integrated Ltd.	Marketing and commercial solutions	51%

All of the company's subsidiaries are incorporated and domiciled in Jamaica.

The consolidated financial statements include the financial statements for the company and its subsidiaries. The financial statements are presented in Jamaican dollars, which is the functional currency.

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
TWELVE MONTHS ENDING 30TH JUNE 2022

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The interim financial report is to be read in conjunction with the audited financial statements for the year ended June 30, 2021. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the financial year ended June 30, 2021.

b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 30th June 2022. A subsidiary is an entity controlled by the company. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the group controls an investee, if and only if, the group has:

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

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

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

c) Going concern

The Group reported profits in 2022 of \$14,779,945; the Company reported profits in 2022 of \$4,662,849. The Group and the Company as at 30th June 2022 have accumulated deficit of \$150,172,057 (June 2021: \$160,625,201) and \$118,795,186 (June 2021: \$123,458,135) respectively. Further, as at 30 June 2022, the Group's current liabilities exceeded its current assets by \$55,294,384 (2021: \$73,204,580); as at 30th June 2022 the company's current liabilities exceeded its current assets by \$7,779,360 (2021: \$13,170,551).

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
TWELVE MONTHS ENDING 30TH JUNE 2022

SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Property and Equipment

Owned Assets: Items of plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the assets. The cost of self-constructed assets includes the cost of materials, direct labour and related costs to put the asset into service.

Depreciation are stated as cost less accumulated depreciation and impairment losses (see below). Depreciation is calculated on a straight line basis at rates to write-off carrying values of the assets over their period of expected useful lives. The annual depreciation rates are as follows:

Computer Equipment 25%; Furniture - 10%; Leasehold improvements - 10%; Motor Vehicles - 20% & Office Equipment- 10%

Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are included in the statement of comprehensive income. Repairs and Maintenances are charged to the statement of comprehensive income during the financial period in which they are incurred.

e) Intangible Assets

Intangible assets represent purchased computer software not integral to computer hardware, with finite useful lives that are acquired separately and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life of six years.

f) Inventories

Inventories are stated at the lower of cost and net realisable value, cost being determined on a first in first out basis. Net Realisable value is the estimate of the selling price in the ordinary course of the business, less selling expenses.

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
TWELVE MONTHS ENDING 30TH JUNE 2022

g) Cash and bank balances

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand, short term deposits and bank overdraft.

h) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. For trade receivables impairment provisions, the group and company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

i) Payables

Payables, including provisions, are stated at their nominal value. A provision is recognised in the statement of financial position when the group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

j) Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable of goods and customer acceptance or performance of service. Revenue is shown net of General Consumption Tax, returns, rebates and discounts. Revenue is recognized as follows:

i) Sales of goods- Sales of goods are recognized upon the delivery of goods and acceptance or performance of services.

ii) Interest income - Interest income is recognized in the statement of comprehensive income for all interest-bearing instruments on an accrual basis using the effective yield method based on the actual purchase price.

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
TWELVE MONTHS ENDING 30TH JUNE 2022

k) Related Parties

A party is related to the group, if:

- i) Directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Company (this includes parent, subsidiaries and fellow subsidiaries); has an interest in the entity that gives it significant influence over the group; or has joint control over the group;
- ii) the party is an associate of the Company;
- iii) the party is a joint venture in which the Company is a venture;
- iv) the party is a member of the key management personnel of the Company or its parent;
- v) the party is a close member of the family of any individual referred to in (i) or (iv);
- vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- vii) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

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

l) Foreign Currencies

Foreign currency transactions are accounted for at the exchange rate prevailing at the rate of the transactions. Monetary assets and liabilities that are denominated in foreign currencies are translated into Jamaican dollars at the exchange rate prevailing at the statement of financial position date; that is in the case of each currency, the Bank of Jamaica weighted average buying and selling rates at that date. Gains or losses arising from fluctuations in the exchange rates are reflected in the statement of comprehensive income.

m) Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of comprehensive income.

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
TWELVE MONTHS ENDING 30TH JUNE 2022

n) Taxation

Taxation on the profit or loss for the year comprises current and deferred tax. Current and deferred taxes are recognized as income tax expense or benefit in the statement of comprehensive income except, where they relate to items recorded in shareholders' equity, they are also charged or credited to shareholders' equity.

Current taxation - is the expected taxation payable on the taxable income for the year using the tax rates enacted at the statement of financial position date and any adjustment to tax payable and tax losses in respect of previous years.

Deferred Income taxes - are recognized for temporary differences between the carrying amounts of assets and liabilities and their amounts as measured for tax purposes, which will result in taxable amounts in future periods. Deferred tax assets are recognized for temporary differences which will result in deductible amounts in future periods, but only to the extent it is probable that sufficient taxable profits will be available against which these differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset will be realized or the liability will be settled based on enacted rates.

Current and deferred tax assets and liabilities are offset when the legal right of offset exists.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies.

Management believe there were no judgements made in the process of applying the Company's accounting policies that had a significant effect on the amounts recognised in the financial statements.

Management is of the opinion that there were no critical assumptions concerning the future that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
TWELVE MONTHS ENDING 30TH JUNE 2022

4. PROPERTY, PLANT & EQUIPMENT

The Group

	Computer Equip- ment	Furniture & Fixtures	Office Equip- ment	Motor Vehicle	Leasehold Improvements	Total
	\$	\$	\$	\$	\$	\$
At Cost						
At June 30, 2021	4,470,145	2,520,085	1,475,866	2,023,852	266,960	10,756,908
Adjustment	-	-	-	2,016,148	-	2,016,148
Additions	168,889	-	-	-	-	168,889
Disposals	(1,788,440)	(1,073,505)	(693,268)	(1,000,000)	-	(4,555,213)
At June 30, 2022	2,850,594	1,446,580	782,598	3,040,000	266,960	8,386,732
Accumulated depreciation						
At June 30, 2021	2,291,205	554,889	341,444	1,165,042	52,648	4,405,228
Adjustment	-	-	-	2,016,148	-	2,016,148
Charge for period	841,528	160,732	78,260	715,665	26,696	1,822,881
Eliminated Depreciation from disposal	(1,007,613)	(467,506)	(197,638)	(856,855)	-	(2,529,612)
At June 30, 2022	2,125,120	248,115	222,066	3,040,000	79,344	5,714,645
Net Book Value						
At June 30, 2022	725,474	1,198,465	560,532	-	187,616	2,672,087
At June 30, 2021	2,178,940	1,965,196	1,134,422	858,810	214,312	6,351,680

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
TWELVE MONTHS ENDING 30TH JUNE 2022

PROPERTY, PLANT & EQUIPMENT

The Company

	Computer Equipment	Camera Equip- ment	Office Equip- ment	Leasehold Improve- ments	Total
	\$	\$	\$	\$	\$
At Cost					
At June 30, 2021	865,580	-	1,057,733	266,960	2,190,273
Addition/Transfer	168,889	-	81,724	-	250,613
Disposals	(948,914)	-	(275,136)	-	(1,224,048)
At June 30, 2022	<u>85,557</u>	<u>-</u>	<u>864,321</u>	<u>266,960</u>	<u>1,216,838</u>

Accumulated depreciation

At June 30, 2021	289,644	-	284,125	52,646	626,415
Transfer	-	-	50,396	-	50,396
Charge for the period	20,900	-	78,261	26,698	125,859
Relieved on disposal	(255,594)	-	(194,709)	-	(450,303)
At June 30, 2022	<u>54,950</u>	<u>-</u>	<u>218,073</u>	<u>79,344</u>	<u>352,367</u>

Net Book Value

At June 30, 2022	30,607	-	646,248	187,616	864,472
At June 30, 2021	575,937	-	773,608	214,312	1,563,857

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
TWELVE MONTHS ENDING 30TH JUNE 2022

5. INTANGIBLE ASSETS

The Group	Unaudited 30-Jun-22
Cost	\$
30 June 2021	2,219,403
Additions/(Disposals)/Adjustments	184,781
Balance at end of Period	<u>2,404,184</u>
 Amortisation	
30 June 2021	2,190,547
Adjustments	184,781
Charge for the period	28,856
Balance at end of Period	<u>2,404,184</u>
 Net Book Value	
At June 30, 2022	<u>-</u>
At June 30, 2021	<u>28,856</u>
 The Company	
	Unaudited 30-Jun-22
Cost	\$
30 June 2021	2,404,184
Additions/(Disposals)	-
Balance at end of Period	<u>2,404,184</u>
 Amortisation	
30 June 2021	2,375,328
Charge for the period	28,856
Balance at end of Period	<u>2,404,184</u>
 Net Book Value	
At June 30, 2022	<u>-</u>
At June 30, 2021	<u>28,856</u>

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
TWELVE MONTHS ENDING 30TH JUNE 2022

6. DEFERRED TAXES

Deferred Income Taxes are calculated in full on all temporary differences under the liability method using the applicable tax rate. Deferred Assets recognised on the statement of financial position are as follows:

	The Group		The Company	
	Unaudited	Audited	Unaudited	Audited
	Jun-22	Jun-21	Jun-22	Jun-21
	\$	\$	\$	\$
Deferred Income Tax	-	-	-	-

The movement on the net deferred income tax balance is as follows:

	The Group		The Company	
	Unaudited	Audited	Unaudited	Audited
	Jun-22	Jun-21	Jun-22	Jun-21
	\$	\$	\$	\$
Net Assets at beginning of year	-	47,392,303	-	9,096,057
Transferred on Acquisition		-		-
Deferred Tax credit (Note 13)	-	(47,392,303)	-	(9,096,057)
Transferred on Disposal				
	-	-	-	-

Deferred income tax assets are attributable to the following items:

	The Group		The Company	
	Unaudited	Audited	Unaudited	Audited
	Jun-22	Jun-21	Jun-22	Jun-21
	\$	\$	\$	\$
Deferred Income Tax Assets:				
Property, plant & Equipment	-	-	-	-
Unutilized taxes losses	-	-	-	-
	-	-	-	-

Deferred tax assets were written off at the year ended 30 June 2021 due to the Group's and Company's uncertainty regarding its ability to utilize those losses in the foreseeable future.

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
TWELVE MONTHS ENDING 30TH JUNE 2022

7. RECEIVABLES

Group

	Unaudited	Audited
	30-Jun-22	30-Jun-21
	\$	\$
Trade	3,542,726	3,542,726
Other	22,947,493	23,323,989
	<hr/> 26,490,219	<hr/> 26,866,715
Less: Impairment losses	(25,716,370)	(22,218,138)
	<hr/> 773,849	<hr/> 4,648,577

The Company will provide fully for all receivables outstanding in excess of one year as management believes receivables that are past due beyond this period are generally not recoverable.

8. SHARE CAPITAL

	Unaudited	Audited
	30-Jun-22	30-Jun-21
Authorised capital:		
Ordinary shares at no par value	1,000,000,000	1,000,000,000
Issued and fully paid:		
400,000,00 Ordinary shares of no par value	\$111,880,297	\$111,880,297

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
TWELVE MONTHS ENDING 30TH JUNE 2022

9. NON-CONTROLLING INTEREST

The Group

	Unaudited	Audited
	30-Jun-22	30-Jun-21
	\$	\$
Balance at beginning of period	(18,374,021)	(24,294,385)
Capital Reserves	(283,317)	-
Share of (Loss)/Gain for the year	4,326,801	5,920,364
Balance at end of period	(14,330,537)	(18,374,021)

10. REVENUE

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

11. OTHER INCOME

	30-Jun-22	30-Jun-22
	The Group	The Company
	\$	\$
Net Payables Write off	14,137,828	14,137,828
Other	49,173,765	24,879,526
	63,311,593	39,017,354

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
TWELVE MONTHS ENDING 30TH JUNE 2022

12. ADMINISTRATIVE EXPENSES

	The Group		The Company	
	Unaudited	Audited	Unaudited	Audited
	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21
	\$	\$	\$	\$
Accounting Fees	-	-	-	-
Advertising & PR	-	14,972	-	-
Adj. Write-off	-	29,918,269	-	26,725,371
Audit Fee	2,322,318	2,314,069	1,322,318	1,149,842
Rent	3,869,591	4,113,303	2,309,591	2,054,413
Bad Debt	-	1,335,027	-	-
Depreciation	1,851,944	2,120,440	154,922	306,466
Director Fees	(1,125,000)	1,200,000	(1,125,000)	1,200,000
Co. Secretary	305,000	1,222,960	305,000	1,222,960
Legal & Prof.Fees	2,419,198	557,325	2,419,198	384,325
Motor Expenses	762,674	1,620,390	762,674	268,478
Dues & Subscrip.	581,563	742,807	581,563	537,506
Office / Admin Ex	429,150	5,054,068	352,720	801,342
Registrar/JSE Fee	1,941,223	1,217,023	1,941,223	1,217,023
Travelling	2,400,000	2,240,940	2,400,000	2,219,500
Other expenses	11,507,835	993,536	6,531,683	630,265
Payroll Expenses	15,119,975	25,988,906	15,119,975	14,418,704
Repairs	122,741	32,618	122,741	32,618
Security	-	7,177	-	-
Utilities	469,879	882,625	478,770	524,797
Total Operating Expenses	42,978,091	81,576,456	33,677,378	53,693,610

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
TWELVE MONTHS ENDING 30TH JUNE 2022

13. TAXATION

Taxation is computed on the loss for the year adjusted for taxation purposes and comprises:

	The Group		The Company	
	Unaudited	Audited	Unaudited	Audited
	Jun-22	Jun-21	Jun-22	Jun-21
	\$	\$	\$	\$
Income Tax @ 25%	4,421,034	54,389	677,127	-
Deferred Income Tax (Note 6)	-	47,392,303	-	9,096,057
	<u>4,421,034</u>	<u>47,446,692</u>	<u>677,127</u>	<u>9,096,057</u>

Entities listed on the Junior Stock Exchange in Jamaica benefit from tax incentives of tax rates of 0% in year 1-5, and 50% of regular tax rates in year 6 -10.

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

	The Group		The Company	
	Unaudited	Audited	Unaudited	Audited
	Jun-22	Jun-21	Jun-22	Jun-21
	\$	\$	\$	\$
Profit/(Loss) before tax	19,200,979	212,286,320	5,339,976	108,191,204
Tax calculated at the appropriate tax rate	4,132,748	35,501,983	667,497	13,523,901
Adjusted for the effects of : Expenses not allowed for tax purposes*	-	179,140	-	103,600
Other charges and allowances*	288,286	11,765,569	9,630	(4,531,444)
	<u>4,421,034</u>	<u>47,446,692</u>	<u>677,127</u>	<u>9,096,057</u>

* A recalculation of taxes will be done at the end of the year in the audited financial statements.

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
TWELVE MONTHS ENDING 30TH JUNE 2022

14. PROFIT/LOSS PER SHARE

Basic profit/(loss) per share as calculated by dividing the loss by the weighted average number of ordinary shares in issue.

	Unaudited	Audited
	30-Jun-22	30-Jun-21
	\$	\$
Profit / (Loss)	10,453,144	158,919,264
Weighted average number of ordinary shares	400,000,000	400,000,000
Basic profit /(loss) per share	0.03	0.39