



MFS CAPITAL PARTNERS LIMITED

UNAUDITED FINANCIAL STATEMENTS

NINE MONTHS ENDING 31ST MARCH 2023

TABLE OF CONTENTS

	PAGE(S)
MANAGEMENT DISCUSSION & ANALYSIS	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

MFS CAPITAL PARTNERS LIMITED
REPORT TO OUR STOCKHOLDERS
QUARTER ENDING 31st MARCH 2023

We hereby present the 3rd Quarter Results for MFS Capital Partners Limited (MFS Cap).

NET PROFIT/(LOSS)

For the nine months ending 31st March 2023, the Group recorded profits after taxes of **\$3.9M**. These profits recorded year to date resulted from the receivables financing revenue line and other source of income from consulting and financial advisory services. The quarter closed with a loss of \$1.9M as there were no receivables financing transactions realized during this quarter.

REVENUES

For the nine months ending 31st March 2023, the Group recorded revenues of **\$14.5M** primarily from receivables financing. The Other income totalling **\$5.5M** resulting from primarily financial advisory services.

EXPENSES

For the nine months ending 31st March 2023, the Group's administrative & operational expenses were **\$15.5M** in addition to the finance related costs of **\$280k**, bringing overall expenses to **\$15.8M**. The expenses incurred relates to the operating costs for the Head Office.

FINANCIAL POSITION

Total assets of the Group stood at **\$67.3M** for the quarter ending 31st March 2023 with total liabilities at **\$112.1M** and shareholders' equity at a negative **\$44.7M**.

Profit per stock unit for the nine months was \$0.010 per share.

OUTLOOK

Despite the delay in completion of the acquisition of 100% shares in Micro-Financing Solutions Limited, the first such transaction under the current leadership team, we expect to see robust growth after its completion. Micro-Financing Solutions is a known player in the Cambio and Remittance Sector and will be looking to expand across Jamaica over the next 18 months.

We are therefore looking forward to finalise this acquisition as we have identified other prospective transactions in our pipeline.



Clide Leopold Nesbeth
Chairman



Dino Hinds
CEO

MFS CAPITAL PARTNERS LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	Note	Unaudited 31-Mar-23 \$	Unaudited 31-Mar-22 \$	Audited 30-Jun-22 \$
Assets				
<u>Non-Current Assets</u>				
Property and equipment	4	2,441,209	3,830,801	2,672,088
Intangible Assets	5	-	3,783	-
Goodwill		-	-	-
Deferred Tax Asset		-	-	-
Total non-current assets		2,441,209	3,834,584	2,672,088
<u>Current assets</u>				
Inventory		26,146	97,153	26,146
Director's Account		-	-	-
Taxation recoverable		4,755,175	4,621,505	4,755,175
Due from related parties		44,301,028	6,120,500	-
Receivables	6	10,175,659	4,872,130	2,290,315
Cash and bank balances		5,663,034	560,342	4,481,282
Total current assets		64,921,042	16,271,630	11,552,918
Total assets		67,362,251	20,106,214	14,225,006
EQUITY & LIABILITIES				
<u>Equity</u>				
Share capital	7	111,880,297	111,880,297	111,880,297
Capital Reserves		-	294,881	-
Accumulated deficit		(143,579,593)	(149,305,913)	(147,491,795)
Total equity		(31,699,296)	(37,130,735)	(35,611,498)
Non- Controlling interest	8	(13,043,433)	(15,888,925)	(13,043,433)
		(44,742,729)	(53,019,660)	(48,654,931)
<u>Non-current liabilities</u>				
Due to Related Companies		47,302,379	-	-
Long term Loan		-	-	-
Total Non-current liabilities		47,302,379	-	-

MFS CAPITAL PARTNERS LIMITED

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)

AS AT MARCH 31, 2023

	Note	Unaudited 31-Mar-23	Unaudited 31-Mar-22	Audited 30-Jun-22
<u>Current liabilities</u>		\$	\$	\$
Payables		57,619,235	64,949,901	55,746,571
Short Term Loan		1,557,057	7,539,664	-
Current portion of long-term loans		5,050,000	-	1,557,057
Due to Related Companies		576,309	-	5,000,000
Taxation		-	636,309	576,309
Total current liabilities		64,802,601	73,125,874	62,879,937
Total equity & liabilities		67,362,251	20,106,214	14,225,006



Clide Leopold Nesbeth
Chairman



Dino Hinds
Director

MFS CAPITAL PARTNERS LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
NINE MONTHS ENDING MARCH 31, 2023

		Unaudited Quarter 31-Mar-23	Unaudited Quarter 31-Mar-22	Unaudited YTD 31-Mar-23	Unaudited YTD 31-Mar-22	Audited Year End 30-Jun-22
	Note	\$	\$	\$	\$	\$
Revenues	9	-	-	14,589,000	-	-
Cost of Sales		-	-	-	-	-
Gross Profit		-	-	14,589,000	-	-
Other Income	10	2,799,916	3,496,847	5,772,285	51,834,893	66,028,130
Impair. losses on financial assets		-	-	-	-	(3,498,232)
Administrative expense	11	(4,999,520)	(14,960,462)	(15,554,513)	(33,660,709)	(43,229,625)
Operating Profit/Loss		(2,199,604)	(11,463,615)	4,806,772	18,174,184	19,300,273
Finance Costs, net		(50,000)	-	(280,000)	(1,132,523)	(1,131,160)
Profit/(Loss) before taxation		(2,249,604)	(11,463,615)	4,526,772	17,041,661	18,169,113
Taxation	12	277,707	183,303	(614,570)	(3,237,277)	-
Profit/(Loss) after taxes		(1,971,897)	(11,280,312)	3,912,202	13,804,384	18,169,113
Net Profit/(loss) Attributable to:						
Stockholders of the Company		(1,971,897)	(8,896,311)	3,912,202	11,319,288	12,838,525
Non-Controlling interest		-	(2,384,001)	-	2,485,096	5,330,588
		(1,971,897)	(11,280,312)	3,912,202	13,804,384	18,169,113
Profit/(Loss) per Stock Unit	13	(0.005)	(0.02)	0.010	0.03	0.30

MFS CAPITAL PARTNERS LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
NINE MONTHS ENDING MARCH 31, 2023

	Number of Shares	Share Capital	Capital Reserve	Accumulated (deficit)/profit	Total	Non- Controlling Interest	Total Equity
		\$	\$	\$	\$	\$	\$
Audited Balances as at 30 Jun 2021	400,000,000	111,880,297	294,881	(160,625,201)	(48,450,023)	(18,374,021)	(66,824,044)
Total Comprehensive profits/(losses)	-	-	-	11,319,288	11,319,288	2,485,096	13,804,384
Unaudited Balances as at 31 Mar 2022	400,000,000	111,880,297	294,881	(149,305,913)	(37,130,735)	(15,888,925)	(53,019,660)
Audited Balances as at 30 Jun 2022	400,000,000	111,880,297	-	(147,491,795)	(35,611,498)	(13,043,433)	(48,654,931)
Total Comprehensive profits/(losses)	-	-	-	3,912,202	3,912,202	-	3,912,202
Unaudited Balances as at 31 Mar 2023	400,000,000	111,880,297	-	(143,579,593)	(31,699,296)	(13,043,433)	(44,742,729)

MFS CAPITAL PARTNERS LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOW
NINE MONTHS ENDING MARCH 31, 2023

	Unaudited 31-Mar-23	Unaudited 31-Mar-22	Audited 30-Jun-22
Cash flow from operating activities:	\$	\$	\$
Profit/(Loss) before taxes	4,526,722	17,041,661	18,169,113
Adjustment for:			
Depreciation & Amortisation	111,214	1,651,502	1,851,944
Impairment losses on financial assets	-	-	3,498,232
Loss/(gain) on Disposal of assets	366,399	50,188	2,056,894
Interest expense	280,000	1,132,523	1,132,523
Interest Income	1,746,333	(1,201)	(1,363)
Operating cash flows before movements in working capital	7,030,718	19,874,673	26,707,343
Changes in working capital:			
(Increase)/decrease in receivable	(7,885,344)	36,635	(1,139,970)
(Decrease)/increase in Payables	1,258,094	591,194	(5,374,858)
Inventories	-	-	71,007
Related party balances, net	3,051,351	(1,000,000)	10,120,500
Directors' accounts, net	-	750,000	750,000
Cash provided/(used) by operations	3,454,819	20,252,502	31,134,022
Taxes recovered/(paid)	-	-	66,688
Interest paid	(280,000)	(1,132,523)	(1,132,523)
Interest received	(1,746,333)	1,201	1,363
Net cash provided/(used) by operating activities	1,428,486	19,121,180	30,069,550
Investing Activities			
Purchase of property, plant and equipment	(266,734)	(168,889)	(200,390)
Proceeds from disposal of motor vehicle/Write-off	20,000	1,013,323	-
Net cash(used in)/provided by investing activities	(246,734)	844,434	(200,390)
Financing Activities			
Short term loans, net	-	(13,857,730)	(21,397,393)
Other/Loan payables, net	-	(2,341,539)	(784,482)
Net cash used in financing activities	-	(16,199,269)	(22,181,875)
Net Increase/(Decrease) in Cash and Bank Balances	1,181,752	3,766,345	7,687,285
Cash and Bank Balances at the beginning of year	4,481,282	(3,206,003)	(3,206,003)
Cash and Bank Balances at the end of year	5,663,034	560,342	4,481,282
Cash at Bank	5,663,034	560,342	4,481,282
Bank Overdraft	-	-	-
Represented by Cash & Bank	5,663,034	560,342	4,481,282

MFS CAPITAL PARTNERS LIMITED
UNAUDITED COMPANY STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	Note	Unaudited 31-Mar-23 \$	Unaudited 31-Mar-22 \$	Audited 30-Jun-22 \$
Assets				
<u>Non-current assets</u>				
Property and equipment	4	633,594	1,448,508	864,472
Intangible Assets	5	-	3,783	-
Deferred Tax Asset		-	-	-
Total non-current assets		633,594	1,452,291	864,472
<u>Current assets</u>				
Taxation recoverable		4,755,175	4,621,506	4,755,175
Receivables	6	10,175,657	4,827,590	2,290,314
Due from Related company		44,301,028	6,120,500	-
Cash and bank balances		5,663,034	550,342	4,481,282
Total current assets		64,894,894	16,119,938	11,526,771
Total assets		65,528,488	17,572,229	12,391,243
EQUITY & LIABILITIES				
<u>Equity</u>				
Share capital	7	111,880,297	111,880,297	111,880,297
Accumulated deficit		(114,318,123)	(116,296,070)	(118,230,325)
Total equity		(2,437,826)	(4,415,773)	(6,350,028)
<u>Non-current liabilities</u>				
Long-term Debt		47,302,380	-	-
Total Non-current liabilities		47,302,380	-	-
<u>Current liabilities</u>				
Payables		62,624	1,134,888	847,457
Other Payables		6,827,548	10,011,294	4,201,137
Related Party		5,050,000	-	5,000,000
Loan Payables		-	5,620,500	-
Payroll Liabilities		8,723,762	5,221,320	8,692,677
Total current liabilities		20,663,934	21,988,002	18,741,271
Total equity & liabilities		65,528,488	17,572,229	12,391,243



Clide Leopold Nesbeth
Chairman



Dino Hinds
Director

MFS CAPITAL PARTNERS LIMITED
UNAUDITED COMPANY STATEMENT OF COMPREHENSIVE INCOME
NINE MONTHS ENDING MARCH 31, 2023

		Unaudited Quarter 31-Mar-23	Unaudited Quarter 31-Mar-22	Unaudited YTD 31-Mar-23	Unaudited YTD 31-Mar-22	Audited Year End 30-Jun-21
	Note	\$	\$	\$	\$	\$
Revenues	9	-	-	14,589,000	-	-
Other Income	10	2,799,916	(1,913,886)	5,772,285	33,780,172	40,990,218
Impairment losses on financial assets		-	-	-	-	(3,498,232)
Administrative expense	11	(4,999,520)	(9,862,221)	(15,554,513)	(25,595,067)	(32,265,539)
Operating Profit/(Loss)		(2,199,604)	(11,776,107)	(4,806,772)	8,185,105	5,226,447
Finance Costs, net		(50,000)	-	(280,000)	-	1,363
Profit/(Loss) before taxation		(2,249,604)	(11,776,107)	4,526,772	8,185,105	5,227,810
Taxation		277,707	1,472,013	(614,570)	(1,023,138)	-
Profit/(Loss) from after taxation		(1,967,897)	(10,304,094)	3,912,202	7,161,967	5,227,810

MFS CAPITAL PARTNERS LIMITED
UNAUDITED COMPANY STATEMENT OF CHANGES IN EQUITY
NINE MONTHS ENDING MARCH 31, 2023

	Number of Shares	Share Capital	Accumulated profit/(deficit)	Total
		\$	\$	\$
Audited Balances as at 30 Jun 2021	111,880,297	111,880,297	(123,458,135)	(11,577,838)
Net Profit/(Loss)	-	-	7,161,967	7,161,967
Misc.			98	98
Unaudited Balances as at 31 Mar 2022	111,880,297	111,880,297	(116,296,070)	(4,415,773)
Audited Balances as at 30 Jun 2022	111,880,297	111,880,297	(118,230,325)	(6,350,028)
Total Comprehensive loss	-	-	3,912,202	3,912,202
Unaudited Balances as at 31 Mar 2023	111,880,297	111,880,297	(114,318,123)	(2,437,826)

MFS CAPITAL PARTNERS LIMITED
UNAUDITED COMPANY STATEMENT OF CASH FLOW
NINE MONTHS ENDING MARCH 31, 2023

	Unaudited 31-Mar-23 \$	Unaudited 31-Mar-22 \$	Audited 30-Jun-22 \$
Cash flow from operating activities:			
Profit/(loss) before taxes	4,526,772	8,185,105	5,227,810
Adjustment for:			
Depreciation and amortization	111,214	309,483	154,922
Foreign exchange losses	-	-	-
Impairment losses on financial assets	-	-	3,498,232
Loss on disposal of assets	366,399	-	773,705
Interest expense	280,000	-	-
Interest income	1,746,333	(1,201)	(1,363)
Operating cash flows before movements in working capital	7,030,718	8,493,387	9,653,306
Changes in working capital:			
(Increase)/decrease in Receivable	(7,885,343)	(2,419,306)	(3,513,930)
(Decrease)/increase in Payables	3,051,353	8,733,329	7,130,308
Related parties net	1,258,093	(1,000,000)	10,120,500
Cash provided/(used) by operations	3,454,820	13,807,410	23,390,184
Taxes paid	-	-	-
Interest paid	(280,000)	-	-
Interest received	(1,746,333)	1,201	1,363
Net cash provided/(used) by operating activities	1,428,487	13,808,611	23,391,547
Investing Activities			
Purchase of Equipment/Assets	(266,734)	(168,889)	(200,386)
Proceeds from disposal	20,000	-	-
Net Cash used in investing activity	(246,734)	(168,889)	(200,386)
Financing Activities			
Related companies, net	-	-	-
Loans payables, net	-	(13,637,829)	(19,258,328)
Net cash used in financing activity	-	(13,637,829)	(19,258,328)
Net Increase/(Decrease) in Cash and Bank Balances	1,181,752	1,893	3,932,833
Effects of exchange losses on cash and cash equivalents	-	-	-
Cash and Bank Balances at the beginning of year	4,481,282	548,449	548,449
Cash and Bank Balances at the end of year	5,663,034	550,342	4,481,282
Represented by Cash & Bank	5,663,034	550,342	4,481,281

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
NINE MONTHS ENDING MARCH 31, 2023

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

The company was incorporated under the Companies Act of Jamaica on 24 November 2011. At the end of the quarter, MFS Capital Partners Limited changed its registered office from Unit 15, Barbican Centre, 88 Barbican Road to Suite 2, 14 Canberra Crescent, Kingston 6.

On 25 May 2023, MFS Acquisition Limited acquired the 79 % stake previously held by Stock and Securities Limited. Effective 3 August 2023, the name of the Company was changed from SSL Venture Capital Jamaica Limited to MFS Capital Partners Limited. The name was changed pursuant to Section 17 of the Companies Act and was approved by shareholders at an Extraordinary General Meeting held on 13 June 2023.

The business model of the Company has not changed significantly as they will continue specializing in investing in equity of small to medium sized companies that show great potential for growth and profits. 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.

Bar Central Limited ceased operational activities as of March 31, 2019. Muse 360 Integrated Limited ceased operational activities as of August 31, 2019. New Management has decided to dispose of shares in both companies: Muse 360 Integrated Limited and Bar Central Limited.

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
NINE MONTHS ENDING MARCH 31, 2023

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, 2022. 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, 2022.

b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 31st March 2023. A subsidiary is an entity controlled by the company. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the group controls an investee, if and only if, the group has:

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

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

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

c) Going concern

The Group and company reported profits in 2023 of \$3,912,202. The Group and the Company as at 31st March 2023 have accumulated deficit of \$143,579,593 (June 2022: \$147,491,795) and \$114,318,123 (June 2022: \$118,230,325) respectively. Further, as at 31 March 2023, the Group's current liabilities exceed its current assets by \$118,441 (June 2022: \$51,327,019) however the Company's current assets exceeded its current liabilities by \$44,230,696 (June 2022: (\$7,214,500)) respectively.

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
NINE MONTHS ENDING MARCH 31, 2023

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 nine 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
NINE MONTHS ENDING MARCH 31, 2023

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
NINE MONTHS ENDING MARCH 31, 2023

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
NINE MONTHS ENDING MARCH 31, 2023

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 believes 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
NINE MONTHS ENDING MARCH 31, 2023

4. PROPERTY, PLANT & EQUIPMENT

The Group

	Computer Equipment	Furniture & Fixtures	Office Equipment	Motor Vehicle	Leasehold Improve- ments	Total
	\$	\$	\$	\$	\$	\$
At Cost						
At Jun 30, 2022	2,768,874	1,446,580	814,095	1,023,852	266,960	6,320,361
Adjustment	-	-	-	2,016,148	-	2,016,148
Additions	171,734	-	95,000	-	-	266,734
Disposals	-	-	(270,309)	-	(188,960)	(459,269)
At Mar 31, 2023	2,940,608	1,446,580	638,786	3,040,000	78,000	8,143,974
Accumulated depreciation						
At June 30, 2022	2,075,210	302,507	167,360	1,023,852	79,344	3,648,273
Adjustment	-	-	-	2,016,148	-	2,016,148
Charge for period	44,110	-	56,527	-	10,576	111,213
Eliminated Depreciation from disposal	-	-	(12,202)	-	(60,667)	(72,869)
At Mar 31, 2023	2,119,320	302,507	211,685	3,040,000	29,253	5,702,765
Net Book Value						
At Mar 31, 2023	821,288	1,144,073	427,101	-	48,747	2,441,209
At Jun 30, 2022	693,664	1,144,073	646,735	-	187,616	2,672,088

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
NINE MONTHS ENDING MARCH 31, 2023

PROPERTY, PLANT & EQUIPMENT(Con't)

The Company

	Computer Equipment	Office Equipment	Leasehold Improve-ments	Total
	\$	\$	\$	\$
At Cost				
At Jun 30, 2022	85,558	814,094	266,960	1,166,612
Addition	171,734	95,000	-	266,734
Disposals	-	(270,309)	(188,960)	(459,269)
At Mar 31, 2023	257,292	638,785	78,000	974,077
Accumulated depreciation				
At Jun 30, 2022	55,437	167,360	79,344	302,141
Charge for the period	44,110	56,527	10,574	111,211
Relieved on disposal	-	(12,202)	(60,667)	(72,869)
At Mar 31, 2023	99,547	211,685	29,251	340,483
Net Book Value				
At Mar 31, 2023	157,745	427,100	48,749	633,594
At Jun 30, 2022	30,122	646,734	187,616	864,472

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
NINE MONTHS ENDING MARCH 31, 2023

5. INTANGIBLE ASSETS

The Group	Unaudited
	31-Mar-23
Cost	\$
30 Jun 2022	2,219,403
Additions/(Disposals)/Adjustments	-
Balance at end of Period	<u>2,219,403</u>
Amortisation	
30 Jun 2022	2,219,403
Adjustments	-
Charge for the period	-
Balance at end of Period	<u>2,219,403</u>
Net Book Value	
At Mar 31, 2023	-
At Jun 30, 2022	<u>-</u>
The Company	Unaudited
	31-Mar-23
Cost	\$
30 Jun 2022	2,404,184
Additions/(Disposals)	-
Balance at end of Period	<u>2,404,184</u>
Amortisation	
30 Jun 2022	2,404,184
Charge for the period	-
Balance at end of Period	<u>2,404,184</u>
Net Book Value	
At Mar 31, 2023	-
At Jun 30, 2022	<u>-</u>

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
NINE MONTHS ENDING MARCH 31, 2023

6. RECEIVABLES

Group

	Unaudited 31-Mar-23	Unaudited 31-Mar-22	Audited 30-Jun-22
	\$	\$	\$
Trade	3,542,726	3,542,726	3,542,726
Other	32,349,304	23,547,542	24,463,959
	<u>35,892,030</u>	<u>27,090,268</u>	<u>28,006,685</u>
Less: Impairment losses	(25,716,370)	(22,218,138)	(25,716,370)
	<u>10,175,659</u>	<u>4,872,130</u>	<u>2,290,315</u>

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.

7. SHARE CAPITAL

	Unaudited 31-Mar-23	Audited 30-Jun-22
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
NINE MONTHS ENDING MARCH 31, 2023

8. NON-CONTROLLING INTEREST

The Group

	Unaudited 31-Mar-23	Unaudited 31-Mar-22	Audited 30-Jun-22
	\$	\$	\$
Balance at beginning of period	(13,043,433)	(18,374,021)	(18,374,021)
Capital Reserves	-	-	-
Share of (Loss)/Gain for the year	-	2,485,096	5,330,588
Balance at end of period	(13,043,433)	(15,88,925)	(13,043,433)

9. 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.

10. OTHER INCOME

	31-Mar-23 The Group	31-Mar-23 The Company
	\$	\$
Net Payables Write off	-	-
Other	5,772,285	5,772,285
	5,772,285	5,772,285

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
NINE MONTHS ENDING MARCH 31, 2023

11. ADMINISTRATIVE EXPENSES

	The Group			The Company		
	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
	31-Mar-23	31-Mar-22	30-Jun-22	31-Mar-23	31-Mar-22	30-Jun-22
	\$	\$	\$	\$	\$	\$
Advertising & PR	260,129	-	-	260,129	-	-
Bank Charges	40,730	-	484,456	40,730	-	109,805
Audit Fee	2,415,390	991,738	3,049,245	2,415,390	991,738	1,707,745
Rent	691,450	2,898,960	3,869,591	691,450	1,728,960	2,309,591
Depreciation	111,214	1,651,502	1,851,944	111,214	309,483	154,922
Director Fees	1,390,000	675,000	75,000	1,390,000	675,000	75,000
Co. Secretary	320,010	725,000	305,000	320,010	725,000	305,000
Legal & Prof.Fees	150,000	3,919,198	2,419,198	150,000	3,919,198	2,419,198
Motor Expenses	-	653,187	762,674	-	653,187	762,674
Dues & Subscrip.	131,727	455,548	502,967	131,727	455,548	502,967
Office / Admin Ex	819,240	101,457	436,270	819,240	67,907	352,720
Registrar/JSE Fee	1,383,806	829,139	1,941,223	1,383,806	829,139	1,941,223
Travelling	643,478	1,800,000	2,400,000	643,478	1,800,000	2,400,000
Other expenses	1,861,634	8,358,415	9,526,442	1,861,634	2,854,093	4,459,265
Payroll Expenses	4,319,652	10,156,868	14,984,228	4,319,652	10,156,868	14,925,829
Management Fees	900,000	-	-	900,000	-	-
Repairs	-	93,437	122,742	-	93,437	122,741
Utilities	116,053	351,260	498,645	116,053	335,509	478,770
Total Operating Expenses	15,554,513	33,660,709	43,229,625	15,554,513	25,595,067	32,265,539

MFS CAPITAL PARTNERS LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
NINE MONTHS ENDING MARCH 31, 2023

12. TAXATION

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

	The Group		The Company	
	Unaudited Mar-23	Audited Jun-22	Unaudited Mar-23	Audited Jun-22
	\$	\$	\$	\$
Income Tax @ 25%	614,570	-	614,570	-
Deferred Income Tax (Note 6)	-	-	-	-
	<u>614,570</u>	<u>-</u>	<u>614,570</u>	<u>-</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.

Subject to agreement with the Commissioner, General, Tax Administration Jamaica, the Group and the Company have tax losses of approximately June 2022 is \$282,266,701 and \$167,287,250 respectively that can be carried forward indefinitely for offset against future taxable profits.

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 Mar-23	Audited Jun-22	Unaudited Mar-23	Audited Jun-22
	\$	\$	\$	\$
Profit/(Loss) before tax	<u>4,526,772</u>	<u>18,169,113</u>	<u>4,526,772</u>	<u>5,227,810</u>
Tax calculated at the appropriate tax rate	565,847	4,542,278	565,847	1,306,953
Adjusted for the effects of :				
Expenses not allowed for tax purposes*	-	3,308,355	-	836,457
Other charges and allowances*	48,724	(7,850,633)	48,724	(2,143,410)
	<u>614,570</u>	<u>-</u>	<u>614,570</u>	<u>-</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
NINE MONTHS ENDING MARCH 31, 2023

13. 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
	31-Mar-23	30-Jun-22
	\$	\$
Profit / (Loss)	3,912,202	12,838,525
Weighted average number of ordinary shares	400,000,000	400,000,000
Basic profit /(loss) per share	0.010	0.03