



QUARTERLY FINANCIAL REPORT
For the Twelve Months Ended JUNE 30, 2024

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QUARTER4

Director's Report to our Stockholders

MFS Capital Partners Limited (MFS CAP) has released its unaudited financial results for the period ending June 30, 2024, covering twelve months of operations. This report, prepared in accordance with International Financial Reporting Standards (IFRS), offers shareholders a comprehensive view of the company's financial status. It showcases significant achievements while also identifying areas for further development.

Moving forward, MFS CAP is focused on two key strategic goals: boosting revenue and expanding its corporate portfolio through carefully planned acquisitions. Our committed team is working diligently to exceed expectations and drive sustained growth in value for our shareholders.

MANAGEMENT DISCUSSION & ANALYSIS

Statement of Comprehensive Income Analysis

The Board of Directors of MFS Capital Partners Limited (MFS CAP) and its subsidiaries (The Group) are pleased to present the unaudited financial statements for the twelve months ended 30 June 2024.

The Group experienced an increase in turnover from \$16.3 million in June 2023 to \$36.5 million for the 12 months period ended 30 June 2024, representing a 124% change. Other operating income decreased from \$16.5 million to \$3.3 million in the same period, a 79.5% decrease.

During the period, administrative and operating expenses increased from \$21.5 million to \$71 million, a 229% increase over the corresponding period, due mainly to one-time expenses associated with the acquisition of Micro-Financing Solutions Limited (Micro-Financing Solutions). Also contributing to the increase in expenses were additional staff costs, occupancy costs, professional fees, and other operating expenses incurred in the set-up of our head office. Consequently, The Group incurred a net loss of \$44.6 million for the twelve months ended 30 June 2024, compared to a net profit of \$9.5 million in the corresponding period ended 30 June 2023.

The Group's earnings per share (EPS) declined from \$0.024 for the period ended 30 June 2023 to (\$0.016) for the corresponding period ended 30 June 2024. This is consistent with the decline in the Group's net profit. Notably, The company issued 260,400,000 new shares, increasing the total number of shares from 400,000,000 to 660,400,000. These new shares were used as part payment for the debt incurred on the acquisition of Micro-Financing Solutions.

MANAGEMENT DISCUSSION & ANALYSIS

Consolidated Financial Position Analysis

Total Assets

Total assets for The Group increased significantly, moving from \$65.6 million as of June 30, 2023, to \$752.6 million as at June 30, 2024, representing an increase of approximately 1,047%. With this increase in our asset base, The Group is now in a stronger financial position, and better able to access capital, take advantage of new growth opportunities, invest in innovation, and drive long-term expansion. This growth will translate directly into increased shareholder value.

Shareholders' Equity

The Group's shareholders' equity improved from a deficit of \$39.9 million as at June 30, 2023 to a positive \$173.3 million as at June 30, 2024. This positive change in shareholders' equity was due mainly to the debt-to-equity conversion which was approved by shareholders at the last AGM held in February 2024.

Total Liabilities

Total liabilities increased from \$105.5 million as of June 30, 2023 to \$579.3 million as at June 30, 2024, representing an increase of 449% year-over-year. This increase was primarily due to increased long-term debt and amounts due to related parties, largely associated with the acquisition of Micro-Financing Solutions.

MANAGEMENT DISCUSSION & ANALYSIS

Strategic Outlook

MFS CAP has undergone a transformative year, marked by the acquisition of Micro-Financing Solutions in March 2024. This strategic move has dramatically altered the company's financial position.


The acquisition has led to a substantial increase in the company's asset base and net equity. This growth is primarily attributed to the addition of investment property, investments in associates, and other assets from Micro-Financing Solutions. The acquisition was financed through a combination of new share issuance and increased long-term debt.

Despite the current year's loss, the company's financial position has improved significantly, especially in shareholders' equity, moving from a negative to a positive value. This improvement is largely due to the new share capital issue and additional paid-in capital.


The company's primary focus now is to grow the branch network of Micro-Financing Solutions in order to further boost its revenues and continue to identify additional acquisition opportunities. The company intends to raise further capital through a Rights Issue to supplement its financial resources. This underpins our growth-oriented approach while managing debt and integration costs.

The Board of Directors wishes to express its sincere appreciation to you, our valued shareholders, our partners, our management, and staff for their steadfast dedication and support.

	Notes	Unaudited 12 Months Ended 30-Jun-24	Unaudited 12 Months Ended 30-Jun-23	Audited 12 Months Ended 30-Jun-23
<u>NON-CURRENT ASSETS</u>				
Property, Plant & Equipment	4	\$ 2,707,162	\$ 2,406,777	\$ 1,825,687
Investment property	6	405,000,000	-	-
Investment in associate		60,781,178	-	-
Investment securities		21,281,253	-	-
Deferred Income Taxes		35,417	-	-
Due from related parties		134,837,856	-	-
		<u>624,642,867</u>	<u>2,406,777</u>	<u>1,825,687</u>
<u>Current assets</u>				
Inventory		-	-	-
Tax Recoverable		6,650,062	4,755,175	3,932,005
Due from related parties		37,509,943	46,467,695	26,443,900
Receivables		20,197,545	9,734,306	31,305,241
Cash at bank and in hand		63,662,294	2,135,291	2,135,291
		<u>128,019,843</u>	<u>63,092,467</u>	<u>63,816,437</u>
TOTAL ASSETS		<u>752,662,711</u>	<u>65,499,244</u>	<u>65,642,124</u>
<u>EQUITY AND LIABILITIES</u>				
<u>Equity</u>				
Ordinary share capital	7	372,280,297	111,880,297	111,880,297
Accumulated deficit		(183,375,494)	(138,488,768)	(138,699,712)
Total Equity		<u>188,904,804</u>	<u>(26,608,471)</u>	<u>(26,819,415)</u>
Non-Controlling Interest	8	<u>(15,594,545)</u>	<u>(12,469,694)</u>	<u>(13,092,576)</u>
		<u>173,310,259</u>	<u>(39,078,165)</u>	<u>(39,911,991)</u>
<u>Non-current Liabilities</u>				
Long-term Debt		305,431,219	47,072,380	-
Due to related parties		39,370,428	-	-
		<u>344,801,647</u>	<u>47,072,380</u>	<u>-</u>
<u>Current liabilities</u>				
Payables		134,358,660	55,371,662	56,095,124
Due to related parties		91,108,338	-	47,072,380
Current portion of long-term loan		1,113,192	1,557,058	1,113,192
Director's account		7,394,306	-	697,110
Taxation		576,309	576,309	576,309
		<u>234,550,804</u>	<u>57,505,029</u>	<u>105,554,115</u>
TOTAL EQUITY AND LIABILITIES		<u>752,662,711</u>	<u>65,499,244</u>	<u>65,642,124</u>



Clide Leopold Nesbeth
Chairman



Dino Hinds
Director

	Notes	Unaudited 3 Months Ended 30-Jun-24	Unaudited 3 Months Ended 30-Jun-23	Unaudited 12 Months Ended 30-Jun-24	Unaudited 12 Months Ended 30-Jun-23	Audited 12 Months Ended 30-Jun-23
		\$	\$	\$	\$	\$
Turnover		32,458,279	1,721,000	36,537,479	16,310,000	-
Cost of Sales/Adjustment		(12,011,485)	-	(12,011,485)	-	-
Gross Profit		20,446,794	1,721,000	24,525,994	16,310,000	-
Other Operating Income		1,388,111	10,810,411	3,397,883	16,582,696	32,901,138
General & Administration Expenses		(30,806,887)	(6,039,298)	(71,018,658)	(21,593,811)	(23,096,813)
Operating (Loss)/Profit		(8,971,982)	6,492,113	(43,094,781)	11,298,885	9,804,325
Finance Costs, Net		(1,581,000)	280,000	(1,581,000)	-	(238,215)
(Loss)/Profit before taxation		(10,552,982)	6,772,113	(44,675,781)	11,298,885	9,566,110
Taxation		-	(1,107,549)	-	(1,722,119)	(823,170)
Net (Loss)/Profit		(10,552,982)	5,664,564	(44,675,781)	9,576,766	8,742,940
Net (Loss)/Profit Attributable to:						
Stockholders of the Company		(10,552,982)	5,664,564	(42,173,812)	9,003,027	8,792,083
Non-Controlling interest		-	-	(2,501,969)	573,739	(49,143)
		(10,552,982)	5,664,564	(44,675,781)	9,576,766	8,742,940
Earnings per ordinary stock unit attributable to shareholders of the company	9	(0.016)	0.014	(0.112)	0.024	0.022

	Number of Shares	Share Capital	Share Premium	Accumulated Deficit	Total	Non- controlling Interest	Total Equity
		\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	400,000,000	111,880,297	-	(147,491,795)	(35,611,498)	(13,043,433)	(48,654,931)
Realization of capital reserve	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	8,792,083	8,792,083	(49,143)	8,742,940
Balance at 30 June 2023	400,000,000	111,880,297	-	(138,699,712)	(26,819,415)	(13,092,576)	(39,911,991)
New Share Capital Issue	260,400,000	244,776,000	-	-	244,776,000	-	244,776,000
Additional Paid-In Capital	-	-	15,624,000	-	15,624,000	-	15,624,000
Total comprehensive loss	-	-	-	(44,675,781)	(44,675,781)	(2,501,969)	(47,177,750)
Balance at 30 June 2024	660,400,000	356,656,297	15,624,000	(183,375,493)	188,904,804	(15,594,545)	173,310,259

MFS CAPITAL PARTNERS LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
TWELVE MONTHS ENDED 30th JUNE 2024



	Unaudited 12 Months Ended	Unaudited 12 Months Ended	Audited 12 Months Ended
	30-Jun-24	30-Jun-23	30-Jun-23
	\$	\$	\$
Cash flow from operating activities:			
Loss/Profit before taxation for the period/year	(44,675,781)	11,298,885	9,566,110
Adjustment for non-cash items:			
Depreciation and amortization	498,414	145,647	753,034
Loss on Disposal of assets	-	366,399	340,102
Gain on acquisition of subsidiary	161,301	-	-
Foreign Exchange losses, net	1,063,025	-	2,675
Interest expense	289,323	-	253,245
Interest income	(179,873)	2,450,705	(17,705)
Operating cash flows before movements in working capital	(42,843,592)	14,261,636	10,897,461
Changes in working capital:			
Decrease in receivables	(11,107,696)	(7,443,992)	(29,014,926)
Increase in related parties net	13,784,099	(4,395,315)	15,628,480
Decrease in inventory	-	26,146	26,146
Increase/(decrease) in payables	264,495,925	(2,097,026)	1,045,663
Cash provided/(used) by operations	224,328,736	351,449	(1,417,176)
Taxes paid	-	-	-
Interest paid	(1,063,025)	-	(253,245)
Interest received	179,873	(2,450,706)	17,705
Net cash provided/(used) by operating activities	223,445,585	(2,099,257)	(1,652,716)
Investing Activities			
Investment in subsidiary	(401,229,259)	-	-
Related parties, net	239,600,000	-	-
Proceeds on disposal of property, plant and equipment	-	20,000	20,000
Purchase of Equipment	-	(266,734)	(266,735)
Net cash used in investing activities	(161,629,259)	(246,734)	(246,735)
Financing Activities			
Long term loans	-	-	(443,865)
Net cash used in financing activities	-	-	(443,865)
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	61,816,326	(2,345,991)	(2,343,316)
Effects of changes in exchange rates on cash and cash equivalents	(289,323)	-	(2,675)
CASH AND BANK BALANCES AT THE BEGINNING OF THE PERIOD	2,135,291	4,481,282	4,481,282
CASH AND BANK BALANCES AT THE END OF PERIOD	63,662,294	2,135,291	2,135,291
Represented by:			
Cash at bank	63,662,294	2,135,291	2,135,291
Bank Overdraft	-	-	-
	63,662,294	2,135,291	2,135,291

		Unaudited 12 Months Ended	Unaudited 12 Months Ended	Audited 12 Months Ended
	Notes	30-Jun-24	30-Jun-23	30-Jun-23
<u>NON-CURRENT ASSETS</u>				
		\$	\$	\$
Property, Plant & Equipment	4	507,482	599,161	628,718
Investment in Subsidiary	5	500,000,000	-	-
		<u>500,507,482</u>	<u>599,161</u>	<u>628,718</u>
<u>Current assets</u>				
Inventory		-	-	-
Tax Recoverable		6,650,062	4,755,175	3,932,005
Due from related parties		51,461,582	46,467,696	26,443,900
Receivables		9,782,491	9,734,306	31,305,241
Cash at bank and in hand		595,897	2,135,291	2,135,291
		<u>68,490,032</u>	<u>63,092,468</u>	<u>63,816,437</u>
TOTAL ASSETS		<u>568,997,514</u>	<u>63,691,629</u>	<u>64,445,155</u>
<u>EQUITY AND LIABILITIES</u>				
<u>Equity</u>				
Ordinary share capital	7	372,280,297	111,880,297	111,880,297
Accumulated deficit		(152,336,007)	(110,948,444)	(109,757,038)
Total Equity		<u>219,944,291</u>	<u>931,853</u>	<u>2,123,259</u>
<u>Non-current Liabilities</u>				
Long-term Debt		-	47,072,380	-
Due to related parties		239,600,000	-	-
		<u>239,600,000</u>	<u>47,072,380</u>	<u>-</u>
<u>Current liabilities</u>				
Payables		11,799,158	7,382,950	15,249,516
Due to related parties		91,108,338	-	47,072,380
Taxation		6,545,727	8,304,446	-
		<u>109,453,223</u>	<u>15,687,396</u>	<u>62,321,896</u>
TOTAL EQUITY AND LIABILITIES		<u>568,997,514</u>	<u>63,691,629</u>	<u>64,445,155</u>

	Unaudited 3 Months Ended 30-Jun-24	Unaudited 3 Months Ended 30-Jun-23	Unaudited 12 Months Ended 30-Jun-24	Unaudited 12 Months Ended 30-Jun-23	Audited 12 Months Ended 30-Jun-23
	\$	\$	\$	\$	\$
Turnover	2,492,250	1,721,000	6,571,450	16,310,000	-
Cost of Sales/Adjustment	-	-	-	-	-
Gross Profit	2,492,250	1,721,000	6,571,450	16,310,000	-
Other Operating Income	4,894	8,201,216	2,014,666	13,973,501	30,265,796
General & Administration Expenses	(10,953,313)	(6,039,298)	(51,165,085)	(21,593,811)	(20,984,369)
Operating (Loss)/Profit	(8,456,169)	3,882,918	(42,578,969)	8,689,690	9,281,427
Finance Costs, Net	-	280,000	-	-	15,030
(Loss)/Profit before taxation	(8,456,169)	4,162,918	(42,578,969)	8,689,690	9,296,457
Taxation	-	(793,308)	-	(1,407,879)	(823,170)
Net (Loss)/Profit	(8,456,169)	3,369,610	(42,578,969)	7,281,811	8,473,287



	Share Capital	Share premium	Accumulated Deficit	Total
	\$		\$	\$
Balance at 1 July 2022	111,880,297.00	-	(118,230,325)	(6,350,028)
Total comprehensive deficit for the period	-	-	8,473,287	8,473,287
Balance at 30 June 2023	111,880,297.00	-	(109,757,038)	2,123,259
New Share Capital Issue	244,776,000.00	-	-	244,776,000
Additional Paid-In Capital	-	15,624,000.00	-	15,624,000
Total comprehensive deficit for the year	-	-	(42,578,969)	(42,578,969)
Balance at 30 June 2024	356,656,297	15,624,000	(152,336,007)	219,944,290

	Unaudited 12 Months Ended 30-Jun-24	Unaudited 12 Months Ended 30-Jun-23	Audited 12 Months Ended 30-Jun-23
Cash flow from operating activities:	\$	\$	
Loss/Profit before taxation for the period/year	(42,578,969)	8,689,690	9,296,457
Adjustment for non-cash items:			
Depreciation and amortization	121,236	145,647	142,387
Loss on Disposal of assets	-	366,399	340,102
Gain on acquisition of subsidiary	-	-	-
Foreign Exchange losses	54,373	-	2,675
Interest expense	-	-	-
Interest income	(34,666)	2,450,705	(17,705)
Operating cash flows before movements in working capital	(42,438,026)	11,652,441	9,763,916
Changes in working capital:			
Increase in receivables	(27,735,739)	(7,443,992)	(29,014,927)
Increase in related parties net	21,522,751	538,246	15,628,480
Increase/(decrease) in payables	47,131,327	(4,395,245)	1,508,245
Cash provided/(used) by operations	(1,519,686)	351,450	(2,114,286)
Interest received	34,666	(2,450,705)	17,705
Net cash provided/(used) by operating activities	(1,485,021)	(2,099,255)	(2,096,581)
Investing Activities			
Investment in subsidiary	(500,000,000)	-	-
Related parties, net	500,000,000	-	-
Proceeds on disposal of property, plant and equipment	-	20,000	20,000
Purchase of Equipment	-	(266,734)	(266,735)
	-	(246,734)	(246,735)
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	(1,485,021)	(2,345,989)	(2,343,316)
Effects of changes in exchange rates on cash and cash equivalents	(54,373)	-	(2,675)
CASH AND BANK BALANCES AT THE BEGINNING OF THE PERIOD	2,135,291	4,481,280	4,481,282
CASH AND BANK BALANCES AT THE END OF PERIOD	595,897	2,135,291	2,135,291
Represented by:			
Cash at bank	595,897	2,135,291	2,135,291
	-	-	-
	595,897	2,135,291	2,135,291

1. Identification and principal activities

MFS CAP, referred to as "the Company," is a limited liability entity that was established in accordance with the Companies Act of Jamaica on November 24, 2011. It operates as a subsidiary of MFS Acquisition Limited, which is similarly incorporated and headquartered in Jamaica and presently holds 53.52% of the Company's issued shares. The Company's registered office and primary place of business are situated at Suite 2, 14 Canberra Crescent, Kingston 6. The Company has been listed on the Junior Market of the Jamaica Stock Exchange (JSE) since May 29, 2012.

On May 25, 2022, MFS Acquisition Limited acquired a 79.08% stake in the Company from Stock and Securities Limited. On June 13, 2022, an Extraordinary General Meeting (EGM) was convened, where shareholders approved a name change, transitioning from SSL Venture Capital Jamaica Limited to MFS Capital Partners Limited. This change officially took effect on August 3, 2022.

The Company's core business focuses on investments in entities that are mature in their lifecycle, and have shown a track record for strong performance, as well as companies that have demonstrated the potential for sustained growth and development for the medium or long term. The Company's subsidiaries collectively referred to as "The Group," include the following:

- July 2, 2018 | Bar Central Limited | Distribution and Provision of Branding Services | 75% (2022: 75%)
- July 20, 2018 | Muse 360 Integrated Limited | Marketing and Commercial Solutions | 51% (2022: 51%)
- March 29, 2024 | Micro-Financing Solutions Limited | Money Services | 100%

All of the Company's subsidiaries are incorporated and based in Jamaica. Bar Central Limited ceased its operational activities as of December 31, 2019, while Muse 360 Integrated Limited ceased operations as of August 31, 2019.

The consolidated financial statements comprise the financial reports of The Company and its subsidiaries. These financial statements are presented in Jamaican dollars, which serves as the functional currency.

2. Summary of significant accounting policies

These accounting policies have been consistently utilised for all the years presented. In cases where it was required, comparative figures from previous years have been adjusted and reorganised to align with the current year's presentation.

a) Basis of preparation

The interim financial report should be analysed in conjunction with the audited financial statements for the year concluding on June 30, 2023. The explanatory notes attached to the interim financial statements offer a detailed account of events and transactions that hold significance in comprehending the alterations in the financial position and performance of the Company since the fiscal year ending on June 30, 2023.

b) Basis of consolidation

The consolidated financial statements comprise the financial statements of both The Company and its subsidiaries as at March 31, 2024. A subsidiary is an entity under the control of The Company. Control is realised when The Group is exposed to variable returns from its association with the investee or holds rights in that regard and possesses the capability to influence these returns through its authority over the investee.

Precisely, the group exercises control over an investee only when the group has:

- authority over the investee, meaning it possesses existing rights enabling it to direct the pertinent activities of the investee.
- exposure to or rights concerning variable returns stemming from its participation with the investee.
- the capacity to apply its authority over the investee to shape its returns.

The financial statements of the subsidiaries are included in the consolidated financial statements starting from the initiation of control until control concludes.

As necessary, adjustments are implemented to the financial statements of the subsidiaries to align their accounting policies with those of The Group. All intra-group assets, liabilities, equity, income, expenses, and cash flows related to transactions among the members of The Group are fully eliminated in the process of consolidation.

2. Summary of significant accounting policies (continued)

c) Going concern

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

The Company reported a net loss for the quarter of \$8,456,169. The Group and The Company as at June 30, 2024, have accumulated deficit of \$152,336,007; 30 June 2023 \$110,948,444 and \$183,375,494 30 June 2023; \$138,488,768 respectively. Further as at 30 June 2024, The Group's current liabilities exceed the current assets by \$106,530,962, however, as at 30 June 2023, the company's current assets exceeded its current liabilities by \$5,587,438.

The subsidiaries Bar Central Limited and Muse 360 Integrated Limited for the quarter remain dormant and it is management's intention to dispose of these companies within the short term. But with the addition of the new wholly owned subsidiary Micro-Financing Solutions an entity with robust earnings, the future of the company looks positive.

2. Summary of significant accounting policies (continued)

d) Property, plant and equipment

Owned assets: property, plant and equipment items are reported at their initial cost or deemed cost, reduced by the cumulative depreciation and any impairment losses. The cost comprises expenses that are directly linked to the acquisition of these assets. For self-constructed assets, the cost includes the expenses for materials, direct labour, and related costs necessary to put the asset into operational use. Depreciation is recorded as the cost minus the cumulative depreciation and any impairment losses (as detailed below).

Depreciation is computed using a straight-line method, with rates designed to amortise the carrying values of assets over their expected useful life. The annual depreciation rates are as follows:

- Computer equipment: 25%
- Furniture and Fixtures: 10%
- Leasehold improvements: 10%
- Motor vehicles: 20%
- Office equipment: 10%

Gains and losses from asset disposals are determined by comparing the proceeds with the carrying amount and are reported in the statement of comprehensive income. Expenses related to repairs and maintenance are recognised in the statement of comprehensive income in the financial period during which they were incurred.

e) Intangible assets

Intangible assets pertain to computer software that is purchased separate from computer hardware and has finite useful lives. These assets are reported at their cost, reduced by the accumulated amortisation and any accumulated impairment losses. Amortisation is recognised using a straight-line method over an estimated useful life of twelve years.

f) Cash and bank balances

Cash and cash equivalents are presented on the statement of financial position at their cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash held in bank accounts and in-hand, short-term deposits, and bank overdrafts.

2. Summary of significant accounting policies (continued)

g) Receivables

Receivables are initially recognised at their fair value and subsequently measured at amortised cost using the effective interest method, minus any loss allowance. When assessing impairment provisions for trade receivables, The Group and The Company apply the simplified approach allowed by IFRS 9. This approach mandates the recognition of expected lifetime losses from the initial recognition of the receivables. To calculate expected credit losses collectively, trade receivables are grouped based on similar credit risk and aging.

h) Payables

Payables, inclusive of provisions, are presented at their nominal value. A provision is reported on the statement of financial position when the group holds a current legal or constructive obligation due to a past event. It must be probable that an outflow of resources representing economic benefits will be necessary to fulfil the obligation, and a dependable estimate of the amount can be made. If the effect is substantial, provisions are determined by discounting the expected future cash flows at a rate that reflects the group's current assessments of the time value of money, and where applicable, the risks associated with the liability.

i) Revenue recognition

Revenue encompasses the fair value of the consideration received or receivable for goods and the customer acceptance or service performance. Revenue is presented net of General Consumption Tax (GCT), returns, rebates, and discounts. Revenue recognition follows these principles:

- Sales of goods: sales of goods are acknowledged upon the delivery of goods and the acceptance or performance of services.
- Interest income: interest income is recognised in the statement of comprehensive income for all interest-bearing instruments on an accrual basis using the effective yield method, which is based on the actual purchase price.

2. Summary of significant accounting policies (continued)

j) Related parties

A party is considered related to The Group if any of the following conditions exist:

- a) The party, either directly or indirectly, through intermediaries, has control over the Company, is controlled by the Company, or shares common control with the Company. This includes parents, subsidiaries, and fellow subsidiaries. It also applies if the party has an interest in the entity that provides it with significant influence over the Group or has joint control over the Group.
- b) The party is an associate of the Company.
- c) The party is a joint venture in which the Company is a participant.
- d) The party is a key management personnel member of the Company or its parent.
- e) The party is a close family member of any individual mentioned in 1 or 4.
- f) The party is an entity that is controlled, jointly controlled or significantly influenced by any individual mentioned in (4) or (5), or for which significant voting power in such an entity is held directly or indirectly.
- g) The party is a post-employment benefit plan designed for the benefit of employees of the Company or any related party of the Company.

A related party transaction encompasses the exchange of resources, services, or obligations between related parties, regardless of whether a price is involved.

k) Foreign currencies

Foreign currency transactions are recorded at the prevailing exchange rate at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies are converted into Jamaican dollars using the exchange rate as of the statement of financial position date. This rate corresponds to the weighted average buying and selling rates of the Bank of Jamaica at that specific date. Any gains or losses stemming from currency exchange rate fluctuations are presented in the statement of comprehensive income.

l) Financial instruments

Financial assets and financial liabilities are acknowledged when an entity becomes party to the contractual terms of the instrument. Initially, financial assets and financial liabilities are measured at their fair value. Transaction costs directly linked to the acquisition or issuance of financial assets and financial liabilities (excluding those categorised as fair value through profit or loss) are either added to or deducted from the fair value of the respective financial assets or financial liabilities upon initial recognition. Transaction costs related to the acquisition of financial assets or financial liabilities at fair value through profit or loss are immediately recognised in the statement of comprehensive income.

2. Summary of significant accounting policies (continued)

m) Taxation

The tax impact on the year's profit or loss includes both current and deferred taxes. Current and deferred taxes are reported as income tax expense or benefit in the statement of comprehensive income. However, if they pertain to items recorded in shareholders' equity, they are also reflected in shareholders' equity.

- Current taxation: this represents the anticipated tax liability on the taxable income for the year, using the tax rates enacted as of the statement of financial position date, along with adjustments for tax payable and tax losses from previous years.
- Deferred income taxes: these are recognised for temporary differences between the carrying amounts of assets and liabilities and their values as measured for tax purposes, which will result in taxable amounts in future periods. Deferred tax assets are recognised for temporary differences that will result in deductible amounts in future periods, but only to the extent that sufficient taxable profits will likely be available to offset these differences. Deferred tax assets and liabilities are measured using the tax rates expected to apply in the period when the asset will be realised or the liability will be settled, based on enacted rates. Current and deferred tax assets and liabilities can be offset when a legal right of offset exists.

3. Critical accounting judgments and key sources of estimation uncertainty

In applying the Company's accounting policies, management is required to exercise judgment, make estimates, and formulate assumptions about the carrying amounts of assets and liabilities that are not readily evident from other sources. These estimates and associated assumptions rely on historical experience and other factors deemed relevant, but actual results may vary from these estimates. These estimates and underlying assumptions undergo ongoing review, and any revisions to accounting estimates are recognised in the period in which the estimate is revised, affecting either that period or both the current and future periods.

Critical judgments in the application of the Company's accounting policies:

Management believes that no significant judgments were made during the application of the Company's accounting policies that would materially impact the amounts disclosed in the financial statements. Additionally, management holds the view that no critical assumptions regarding the future pose a significant risk of necessitating substantial adjustments to the carrying amounts of assets and liabilities in the upcoming financial year.

4. Property, plant & equipment

The Group

	Leasehold Improvements	Computer Equipment	Furniture & Fixtures	Office Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
<u>Cost</u>						
1-Jul-22	266,960	2,768,874	1,446,580	814,095	1,023,852	6,320,361
Additions	-	171,735	-	95,000	-	266,735
Disposals	(188,960)	-	-	(270,309)	-	(459,269)
30-Jun-23	78,000	2,940,609	1,446,580	638,786	1,023,852	6,127,827
Acquisition through business combination	-	153,793	964,276	261,822	-	1,379,891
30-Jun-24	78,000	3,094,402	2,410,856	900,608	1,023,852	7,507,718
<u>Accumulated Depreciation</u>						
1-Jul-22	79,344	2,075,210	302,507	167,360	1,023,852	3,648,273
Charge for the year	12,524	510,662	160,731	69,117	-	753,034
Relieved on disposals	(60,667)	-	-	(38,500)	-	(99,167)
30-Jun-23	31,201	2,585,872	463,238	197,977	1,023,852	4,302,140
Charge for the period	6,500	285,092	137,430	69,394	-	498,416
30-Jun-24	37,701	2,870,964	600,668	267,371	1,023,852	4,800,556
<u>Net Book Value</u>						
30-Jun-24	40,949	312,412	1,839,125	653,426	-	2,707,162
30-Jun-23	46,799	354,737	983,342	440,809	-	1,825,687

4. Property, plant & equipment (cont'd)

The Company

	Computer Equipment	Office Equipment	Leasehold	Total
<u>Cost</u>	\$	\$	\$	\$
1-Jul-22	85,559	814,094	266,960	1,166,613
Additions	171,735	95,000	-	266,735
Disposals	-	(270,309)	(188,960)	(459,269)
30-Jun-23 and 30- June-24	257,294	638,785	78,000	974,079
 <u>Depreciation</u>				
1-Jul-22	55,437	167,360	79,344	302,141
Charge for the year	60,746	69,117	12,524	142,387
Relieved on disposals	-	(38,500)	(60,667)	(99,167)
30-Jun-23	116,183	197,977	31,201	345,361
Charge for the period	47,831	65,605	7,800	121,236
30-Jun-24	164,013	263,583	39,001	466,597
 <u>Net Book Value</u>				
30-Jun-24	93,281	375,202	38,999	507,482
30-Jun-23	141,111	440,808	46,799	628,718

5. Investment in subsidiary

The company acquired a subsidiary and voting shares as follows:

<u>Date of Acquisition</u>	<u>Subsidiary</u>	<u>Principal activities</u>	<u>Portion of issued share capital held by company</u>
March 29, 2024,	MFS Limited	Cabio services, bill remittances and private credit.	100%

The fair value of the identifiable assets and liabilities of the subsidiary as at the date of Acquisition were:

	Total
	<u>\$</u>
Non-current assets	
Property, plant and equipment	1,379,891
Investment property	405,000,000
Investment in associate	60,781,178
Investment securities	21,281,253
Due from related party	101,832,757
	<u>590,275,079</u>
Current assets	
Receivables	8,187,037
Due from related party	11,160,761
Cash at bank and in hand	99,438,541
	<u>118,786,339</u>
Non-current liabilities	
Long-term loan	103,225,488
Due to related party	38,092,275
Deferred tax liabilities	32,688
	<u>141,350,451</u>
Current liabilities	
Payables	66,881,866
Bank overdraft	667,800
	<u>67,549,666</u>
Fair value on net assets	<u><u>500,161,301</u></u>

5. Investment in subsidiary (continued)

Bargain gain at acquisition:

	\$
Purchase consideration	500,000,000
Less: Fair value of net assets acquired	<u>(500,161,301)</u>
Net surplus arising on the acquisition of subsidiary	<u>(161,301)</u>

Cash flow on acquisition

		\$
Total consideration		500,000,000
Less: cash, net transferred from subsidiary on acquisition		
Cash at bank and in hand	(99,438,541)	
Bank overdraft	<u>667,800</u>	<u>(98,770,741)</u>
		<u>401,229,259</u>

6. Investment property

	Unaudited 12 Months Ended 30-Jun-24 The Group	Unaudited 12 Months Ended 30-Jun-24 The Company
	\$	\$
Addition during the period	405,000,000	-
Balance at the end of the period	<u>405,000,000</u>	<u>-</u>

The property was valued at current market value as at 23 October 2023, by V.B. Williams Realty Company Limited, qualified Property Appraisers and Auctioneers. The method used to determine the revaluation surplus is the depreciated replacement cost basis.

7. Share capital

	Unaudited 12 Months Ended 30-Jun-24	Audited 12 Months Ended 30-Jun-23
The Group & Company		
	\$	\$
Authorised Capital:		
Ordinary Share at no par value	Unlimited	1,000,000,000
Issued and fully paid		
400,000,000 Ordinary Share at no par value	111,880,297	111,880,297
244,776,000 Ordinary Shares below no par value	244,776,000	
15,624,000 Ordinary Share Premium	15,624,000	
	<u>372,280,297</u>	<u>111,880,297</u>

8. Non-controlling interest

	Unaudited 12 Months Ended 30-Jun-24	Audited 12 Months Ended 30-Jun-23
The Group		
	\$	\$
Balance at beginning of period/year	(13,092,576)	(13,043,433)
Share of loss	(2,501,969)	(49,143)
Balance at end of period/year	<u>(15,594,545)</u>	<u>(13,092,576)</u>

9. Earnings per stock unit

	Unaudited 12 Months Ended 30-Jun-24	Unaudited 12 Months Ended 30-Jun-23	Audited 12 Months Ended 30 June 2023
	\$	\$	\$
(Loss)/profit for period/year	(42,173,812)	9,003,027	8,792,940
Weighted average number of ordinary shares	660,400,000	400,000,000	400,000,000
Basic (Loss)/earnings per share	(0.016)	0.024	0.022

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

