



**QUARTERLY FINANCIAL REPORT  
FOR THE THREE MONTHS ENDED  
30TH SEPTEMBER 2024**

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## DIRECTOR'S REPORT TO SHAREHOLDERS

MFS Capital Partners Limited (MFS CAP) has released its unaudited financial results for the period ending 30 September 2024, covering three months of operations. This report is prepared in accordance with International Financial Reporting Standards (IFRS) which offers shareholders a comprehensive view of the company's financial status.

MFS CAP remains focused on our two key strategic goals previously highlighted which are to boost and diversify revenue and expanding its corporate portfolio through carefully planned acquisitions. Over the next two years, we are working to complete additional acquisitions that are in our pipeline. Additionally, we are also working on improving our war chest so that we can grow our financial assets and be nimbler in our ability to take advantage of swings in the local and international markets. We are very excited about the prospects for our group and look forward to unlocking value for our stakeholders through the diligent work of our committed team to exceed expectations and drive sustained growth.

# MANAGEMENT DISCUSSION & ANALYSIS

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

The Group earned a net profit of **\$46.5M** after for the three months ended 30 September 2024, compared to a net loss of \$8.4M year over year. This increase was primarily due to the income generated from Monolith Financial Services (Formerly Micro-Financing Solution Ltd) and a related company payable write -off.

The group earned revenue for the period of **\$35.9M** compared to **\$297K** earned last year for the period ending 30 September 2023, representing a significant increase year over year which is primarily due to Monolith Financial Services (Formerly Micro-Financing Solution Ltd).

Other operating income was **\$52.0M** for the period which was also a significant increase when compared to **\$2.7M** earned in September 2023. As discussed above relates to an intercompany payable write off of \$50M.

Administrative and operating expenses for the period was **\$22.5M** which is an increase year over year as the September 2023 of **\$11.4M**. This increase is primarily due mainly to the addition of Monolith Financial Services (Formerly Micro-Financing Solution Ltd) operational expenses: staff costs, occupancy costs, professional fees.

The group's Earnings per Share (EPS) was 0.070 for the period.

# MANAGEMENT DISCUSSION & ANALYSIS

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### TOTAL ASSETS

Total assets for the Group as at 30 September 2024 was **\$841.2M** which increased by \$780.9M when compared to 30 September 2023 of \$60.3M. The Group has a stronger financial position and will be 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 shareholders' wealth.

### TOTAL LIABILITIES

Total liabilities as at 30 September 2024 was **\$626.7M**, primarily due to increased amounts due to related parties, payables largely associated with the MFS Group.

### SHAREHOLDERS' EQUITY

The Group's shareholders' equity as at 30 September 2024 was **\$214.5M**. This is a positive change in shareholders' equity when compared to a negative shareholders equity of \$48.2M for 30<sup>th</sup> September 2023.

# MANAGEMENT DISCUSSION & ANALYSIS

## STRATEGIC OUTLOOK

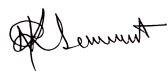
MFS Capital Partners Limited will look to increase stakeholder value through increasing profitability by diversification into new markets. The acquisition of Monolith Financial Services (Formerly Micro-Financing Solution Ltd) has positively altered the company's financial landscape. Our main focus now is to grow the branch network of Monolith Financial Services (Formerly Micro-Financing Solution Ltd) to further penetrate the market and boost its revenues.

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



Dino Hinds  
Chief Executive Officer

		Unaudited 3 Months Ended 30-Sep-24	Unaudited 3 Months Ended 30-Sep-23	Audited 12 Months Ended 30-Jun-24
<b>NON-CURRENT ASSETS</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>
Property, Plant & Equipment	5	2,714,841	1,795,295	2,617,859
Investment property	7	405,000,000	-	405,000,000
Investment in associate		61,043,861	-	61,043,861
Investment securities		23,557,650	-	23,557,650
Goodwill		66,978,349		66,978,349
Deferred Income Taxes		58,713	-	58,713
Due from related parties	8	172,197,709	-	171,347,799
		<u>731,551,123</u>	<u>1,795,295</u>	<u>730,604,231</u>
<b>Current assets</b>				
Tax Recoverable		4,755,175	5,479,145	4,755,175
Due from related parties		-	38,261,582	-
Receivables		11,521,822	5,946,091	22,754,613
Cash at bank and in hand		93,469,220	8,835,738	62,982,889
		<u>109,746,216</u>	<u>58,522,556</u>	<u>90,492,677</u>
<b>TOTAL ASSETS</b>		<b>841,297,340</b>	<b>60,317,852</b>	<b>821,096,908</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	9	372,280,297	111,880,297	372,280,297
Capital Reserves		(329,729)	-	(329,739)
Accumulated deficit		(141,752,758)	(147,086,140)	(188,258,547)
<b>Total Equity</b>		<u>230,197,800</u>	<u>(35,205,843)</u>	<u>183,692,011</u>
<b>Non-Controlling Interest</b>	10	(15,616,871)	(13,092,576)	(15,616,871)
		<u>214,580,929</u>	<u>(48,298,419)</u>	<u>168,075,140</u>
<b>Non-current Liabilities</b>				
Long-term - Debenture		1,000,000	-	1,000,000
Long-term Payables		71,064,765	-	8,500,000
Due to related parties	8	300,042,808	-	373,575,961
		<u>372,107,573</u>	<u>-</u>	<u>383,075,961</u>
<b>Current liabilities</b>				
Trade Payables		31,443,060	6,603,342	37,531,103
Accrued Charges & Other		97,115,004	52,553,938	125,311,227
Due to related parties		-	47,072,380	-
Current portion of long-term loan		64,831,219	1,113,192	57,016,847
Director's account		7,821,871	697,110	1,124,675
Taxation Payable		53,397,683	576,309	48,961,955
		<u>254,608,838</u>	<u>108,616,271</u>	<u>269,945,797</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>841,297,340</b>	<b>60,317,852</b>	<b>821,096,908</b>



**Clide Leopold Nesbeth**  
Chairman



**Dino Hinds**  
Director

		Unaudited 3 Months Ended 30-Sep-24	Unaudited 3 Months Ended 30-Sep-23	Audited 12 Months Ended 30-Jun-24
	Notes	\$	\$	\$
Revenue	11	35,931,947	297,000	28,536,352
Less Direct Costs - Commission		(14,594,750)	-	(12,463,331)
<b>Gross Profit</b>		<b>21,337,197</b>	<b>297,000</b>	<b>16,073,021</b>
Other Operating Income	12	52,046,358	2,772,958	8,568,458
Share of results of Associate		-	-	262,683
General & Administration Expenses	13	(22,548,754)	(11,456,386)	(70,073,754)
<b>Operating (Loss)/Profit</b>		<b>50,834,801</b>	<b>(8,386,428)</b>	<b>(45,169,592)</b>
Finance Costs, Net		(1,109,021)	-	(636,528)
<b>(Loss)/Profit before taxation</b>		<b>49,725,780</b>	<b>(8,386,428)</b>	<b>(45,806,120)</b>
Taxation	14	(3,219,991)	-	(6,277,010)
<b>Net (Loss)/Profit</b>		<b>46,505,789</b>	<b>(8,386,428)</b>	<b>(49,558,835)</b>
<b>Net (Loss)/Profit Attributable to:</b>				
Stockholders of the Company		46,505,789	(8,386,428)	(49,558,835)
Non-Controlling interest		-	-	(2,524,295)
		<b>46,505,789</b>	<b>(8,386,428)</b>	<b>(52,083,130)</b>
<b>Other Comprehensive Income</b>				
Unrealised loss on securities fair value through other comprehensive income		-	-	(329,739)
<b>Total Comprehensive Income</b>		<b>46,505,789</b>	<b>(8,386,428)</b>	<b>(52,412,869)</b>
<b>Total Comprehensive (Loss)/Profit Attributable to:</b>				
Stockholders of the Company		46,505,789	(8,386,428)	(49,888,574)
Non-Controlling interest		-	-	(2,524,295)
		<b>46,505,789</b>	<b>(8,386,428)</b>	<b>(52,412,869)</b>
<b>Earnings per ordinary stock unit attributable to shareholders of the company</b>	15	<b>0.070</b>	<b>(0.020)</b>	<b>(0.12)</b>



## UNAUDITED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

THREE MONTHS ENDED 30TH SEPTEMBER 2024

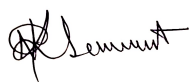
	Number of Shares	Share Capital	Capital Reserve	Accumulated (deficit)/profit	Total	Non- Controlling Interest	Total Equity
		\$	\$	\$	\$	\$	\$
<b>Audited Balances as at 30 Jun 2023</b>	400,000,000	111,880,297	-	(138,699,712)	(26,819,415)	(13,092,576)	(39,911,911)
Total Comprehensive profits/(losses)	-	-	-	(8,386,428)	(8,386,428)	-	(8,386,428)
<b>Unaudited Balances as at 30 Sep 2023</b>	<b>400,000,000</b>	<b>111,880,297</b>	<b>-</b>	<b>(147,086,140)</b>	<b>(35,205,843)</b>	<b>(13,902,576)</b>	<b>(48,298,419)</b>
<b>Audited Balances as at 30 Jun 2024</b>	<b>660,400,000</b>	<b>372,280,297</b>	<b>(329,739)</b>	<b>(188,258,547)</b>	<b>183,692,011</b>	<b>(15,616,871)</b>	<b>168,075,140</b>
Dividends Paid				-	-	-	-
Total Comprehensive profits/(losses)	-	-	-	49,491,303	49,491,303	-	49,491,303
Adjustments			-	-	-	-	-
<b>Unaudited Balances as at 30 Sep 2024</b>	<b>660,400,000</b>	<b>372,280,297</b>	<b>(329,729)</b>	<b>(141,752,758)</b>	<b>230,197,800</b>	<b>(15,616,871)</b>	<b>214,580,929</b>

## UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

THREE MONTHS ENDED 30TH SEPTEMBER 2024

	Unaudited 3 Months Ended 30-Sep-24	Unaudited 3 Months Ended 30-Sep-23	Audited 12 Months Ended 30-Jun-24
<b>Cash flow from operating activities:</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Loss/Profit before taxation for the period/year	49,725,780	(8,386,428)	(45,806,120)
Adjustment:			
Depreciation and amortization	100,022	30,390	652,719
Foreign Exchange losses, net	-	-	(1,056,377)
Interest expense	1,109,021	253,246	1,875,011
Interest income	(202,227)	(8,943)	(182,106)
<b>Operating cash flows before movements in working capital</b>	<b>50,732,596</b>	<b>(8,111,735)</b>	<b>(44,516,873)</b>
<b>Changes in working capital:</b>			
Decrease/(increase) in receivables	2,159,226	6,590,900	19,266,762
Directors' accounts net	6,697,196	-	(6,269,631)
Increase in related parties net	-	5,383,429	-
Increase/(decrease) in payables	(28,430,690)	3,062,156	(13,313,996)
<b>Cash provided/(used) by operations</b>	<b>31,158,327</b>	<b>6,924,750</b>	<b>(44,833,738)</b>
Taxes paid	-	-	(4,283,950)
Interest paid	(1,109,021)	(253,246)	(1,875,011)
Interest received	202,227	8,943	182,106
Net cash provided/(used) by operating activities	30,251,534	6,680,447	(50,810,593)
<b>Investing Activities</b>			
Investment in subsidiary	-	-	(406,771,702)
Proceeds on disposal of property, plant & equipment	-	20,000	-
Purchase of Equipment	(197,004)	-	(65,000)
Net cash used in investing activities	(197,004)	20,000	(406,836,702)
<b>Financing Activities</b>			
Proceeds from shares issued	-	-	260,400,000
Long term loans	20,000,000	-	(427,565)
Related Parties	(74,383,063)	-	257,466,081
Other Payables	54,814,867	-	(29,863,173)
Net cash used in financing activities	431,803	-	517,438,516
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	30,486,332	6,700,447	59,791,221
Effects of changes in exchange rates on cash& cash equivalents	-	-	1,056,377
CASH &BANK BALANCES AT THE BEGINNING OF THE PERIOD	62,982,889	2,135,291	2,135,291
<b>CASH &amp;BANK BALANCES AT THE END OF PERIOD</b>	<b>93,469,220</b>	<b>8,835,738</b>	<b>62,982,889</b>
Represented by:			
Cash at bank	93,469,220	8,835,738	62,982,889

		Unaudited 3 Months Ended 30-Sep-24	Unaudited 3 Months Ended 30-Sep-23	Audited 12 Months Ended 30-Jun-24
	Notes	\$	\$	\$
<b>NON-CURRENT ASSETS</b>				
Property, Plant & Equipment	5	665,996	598,328	507,482
Investment in Subsidiary	6	500,000,000	-	500,000,000
Due from related company	8	43,006,582		50,461,582
		543,672,578	598,328	550,969,064
<b>Current assets</b>				
Tax Recoverable		4,755,175	5,479,145	4,755,175
Due from related parties		-	38,261,582	-
Receivables		8,280,512	5,946,091	12,677,378
Cash at bank and in hand		35,328,794	8,835,738	595,897
		48,364,482	58,522,556	18,028,450
<b>TOTAL ASSETS</b>		<b>592,037,060</b>	<b>59,120,884</b>	<b>568,997,514</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Ordinary share capital	9	372,280,297	111,880,297	372,280,297
Accumulated deficit		(97,193,338)	(118,143,466)	(152,336,007)
<b>Total Equity</b>		275,086,959	(6,263,169)	219,944,290
<b>Non-current Liabilities</b>				
Long-term Debt		20,000,000	-	-
Due to related parties	8	264,111,755	-	327,348,338
		284,111,755	-	327,348,338
<b>Current liabilities</b>				
Trade Payables		2,137,327	2,260,905	730,547
Due to related parties	8	3,360,000	47,072,380	3,360,000
Other Payables & Accruals		21,281,461	7,700,876	11,065,612
Payroll Liabilities		6,059,558	8,349,892	6,545,728
		32,838,346	65,384,052	21,704,886
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>592,037,060</b>	<b>59,120,884</b>	<b>568,997,514</b>



Clide Leopold Nesbeth  
Chairman



Dino Hinds  
Director

		Unaudited 3 Months Ended 30-Sep-24	Unaudited 3 Months Ended 30-Sep-23	Audited 12 Months Ended 30-Jun-24
	Notes	\$	\$	\$
Revenue	11	3,330,417	297,000	-
Other Operating Income	12	65,211,8007	2,772,958	8,551,450
General & Administration Expenses	13	(13,390,180)	(11,456,386)	(51,106,024)
<b>Operating (Loss)/Profit</b>		<b>55,152,044</b>	<b>(8,386,428)</b>	<b>(42,554,574)</b>
Finance Costs, Net		(9,375)	-	(24,395)
<b>(Loss)/Profit before taxation</b>		<b>55,142,669</b>	<b>(8,386,428)</b>	<b>(42,578,969)</b>
Taxation	14	-	-	-
<b>Net (Loss)/Profit</b>		<b>55,142,669</b>	<b>(8,386,428)</b>	<b>(42,578,969)</b>

	Number of Shares	Share Capital	Accumulated Deficit	Total
		\$	\$	\$
<b>Audited Balances as at 30 Jun 2023</b>	400,000,000	111,880,297	(109,757,038)	2,123,259
Total comprehensive deficit for the period	-	-	(8,386,428)	(8,386,428)
<b>Balance at 30 September 2023</b>	<b>400,000,000</b>	<b>111,880,297</b>	<b>(118,143,466)</b>	<b>(6,263,169)</b>
<b>Audited Balances as at 30 Jun 2024</b>	660,400,000	372,280,297	(152,336,007)	219,944,290
New Share Capital Issue	-	-	-	-
Total comprehensive deficit for the year	-	-	55,142,669	55,142,669
<b>Balance at 30 Sep 2024</b>	<b>660,400,000</b>	<b>372,280,297</b>	<b>(97,193,338)</b>	<b>275,086,959</b>

	Unaudited 3 Months Ended 30-Sep-24	Unaudited 3 Months Ended 30-Sep-23	Audited 12 Months Ended 30-Jun-24
<b>Cash flow from operating activities:</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Loss/Profit before taxation for the period/year	55,142,699	(8,386,428)	(42,578,969)
Adjustment for non-cash items:			
Depreciation and amortization	38,490	30,390	121,326
Loss on Disposal of assets	-	-	-
Gain on acquisition of subsidiary	-	-	-
Foreign Exchange losses	-	-	54,373
Interest expense	9,375	-	4,687
Interest income	(11,807)	(8,943)	(34,666)
<b>Operating cash flows before movements in working capital</b>	<b>55,178,726</b>	<b>(8,364,981)</b>	<b>(42,433,338)</b>
<b>Changes in working capital:</b>			
Increase in receivables	3,546,866	6,590,900	18,627,863
Increase in related parties net	(44,031,583)	5,383,429	259,618,276
Increase/(decrease) in payables	233,460	3,062,156	3,095,370
<b>Cash provided/(used) by operations</b>	<b>14,927,469</b>	<b>6,671,504</b>	<b>238,908,171</b>
Taxation Paid	-	-	(823,170)
Interest received	11,807	8,943	34,666
Interest Paid	(9,375)	-	(4,687)
Net cash provided/(used) by operating activities	14,929,901	6,680,447	238,114,979
<b>Investing Activities</b>			
Investment in subsidiary	-	-	(500,000,000)
Proceeds on disposal of property, plant and equipment	-	20,000	-
Purchase of Equipment	(197,004)	-	-
	(197,004)	20,000	(500,000,000)
<b>Financing Activities</b>			
Loans, net	20,000,000	-	-
Proceeds from shares issued	-	-	260,400,000
	20,000,000	-	260,400,000
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	34,732,897	6,700,447	(1,485,021)
Effects of changes in exchange rates on cash and cash equivalents	-	-	(54,373)
CASH AND BANK BALANCES AT THE BEGINNING OF THE PERIOD	595,897	2,135,291	2,135,291
<b>CASH AND BANK BALANCES AT THE END OF PERIOD</b>	<b>35,328,794</b>	<b>8,835,738</b>	<b>595,897</b>
Represented by:			
Cash at bank	35,328,794	8,835,738	595,897

**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 59.06% 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.

The Company's core business model 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. Basis of preparation**

The interim financial report should be analysed in conjunction with the audited financial statements for the year concluding on June 30, 2024. 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, 2024.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and their interpretations adopted by the International Accounting Standards Board and have been prepared under the historical cost convention, as modified by the valuation of certain items. They are also prepared in accordance with the provisions of the Jamaican Companies Act. The financial statements comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes.

**3. Material 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 consolidation**

The consolidated financial statements comprise the financial statements of both the Company and its subsidiaries as at September 30, 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.

**b. 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 Group and the Company as at 30 September 2024, has accumulated deficit of \$141,752,758 (30 June 2024 - \$188,258,547); and \$97,193,338 (30 June- 2024 - \$152,336,007) respectively. Further as at September 30, 2024, the Group's current liabilities exceed the current assets by \$144,862,621 however, as at 30 June 2024, the company's current assets exceeded its current liabilities by \$15,526,136.

The parent company, MFS Acquisition Limited has demonstrated its intent to continue to provide financial support to the Group and the Company for the foreseeable future.



**3. Material Accounting Policies (continued)**

**c. 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 in which they were incurred.

**d. 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 three years.

**e. 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.

**f. Related parties**

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

- i. 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.
- ii. The party is an associate of the Company.
- iii. The party is a joint venture in which the Company is a participant.

**3. Material Accounting Policies (continued)****f. Related parties (continued)**

- iv. The party is a key management personnel member of the Company or its parent.
- v. The party is a close family member of any individual mentioned in 1 or 4.
- vi. 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.
- vii. 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.

**g. 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.

**h. Fair Value of Financial instruments**

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. Financial assets carried on the statement of financial position include cash and cash equivalents, due from related parties, directors' accounts and receivables. Financial liabilities consist of payables, long term loans, directors' accounts, short term loans and due to related parties. Generally financial instruments are recognized on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments. The particular recognition methods adopted are disclosed in the respective accounting policies associated with each item.

**i. 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.

**3. Material Accounting Policies (continued)****j. 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: Current tax is the expected taxation payable on the taxable income for the year, using 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: 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.

**4. Critical accounting estimates and judgement in applying accounting policies**

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 and liabilities in the upcoming financial year.

## 5. Property, plant &amp; equipment

## The Group

	Leasehold Improvements	Computer Equipment	Furniture & Fixtures	Office Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
<b>Cost</b>						
At 30 Jun 2024	78,000	3,159,402	2,410,856	900,608	1,023,852	7,572,718
Additions	197,004	-	-	-	-	197,004
Disposals	-	-	-	-	-	-
At 30 Sep 2024	3,291,406	3,159,402	2,410,856	900,608	1,023,852	7,769,722
<b>Accumulated Depreciation</b>						
At 30 Jun 2024	39,001	2,913,990	607,896	370,120	1,023,852	4,954,859
Charge for the year	1,950	19,420	44,970	33,682	-	100,222
Relieved on disposals	-	-	-	-	-	-
At 30 Sep 2024	40,951	2,933,410	652,866	403,802	1,023,852	5,054,881
<b>Net Book Value</b>						
At 30 Sep 2024	37,047	422,992	1,757,990	496,806	-	2,714,841
At 30 Jun 2024	38,999	245,412	1,802,960	530,488	-	2,617,859

## 5. Property, plant &amp; equipment (cont'd)

## The Company

	<b>Computer Equipment</b>	<b>Office Equipment</b>	<b>Leasehold</b>	<b>Total</b>
<b>Cost</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
At 30 Jun 2024	257,294	638,785	78,000	974,079
Additions	197,004	-	-	197,004
Disposals	-	-	-	-
At 30 Sep 2024	454,297	638,785	78,000	1,171,082
<b>Depreciation</b>				
At 30 Jun 2024	164,022	263,583	39,001	466,597
Charge for the year	20,138	16,401	1,950	38,489
Relieved on disposals	-	-	-	-
At 30 Sep 2024	184,151	279,984	40,951	505,086
<b>Net Book Value</b>				
At 30 Sep 2024	270,146	358,801	37,049	665,996
At 30 Jun 2024	93,280	375,202	38,999	507,481

**6. Investments in subsidiaries**

	<b>The Company</b>	
	<b>30-Sep-24</b>	<b>30-Jun-24</b>
	\$	\$
Muse 360 Integrated Ltd.	26,368,577	26,368,577
Bar Central Limited	5,997,000	5,997,000
MFS Limited	500,000,000	500,000,000
	532,365,577	532,365,577
Less Impairment of investment in subsidiaries	(32,365,577)	(32,365,577)
	<b>500,000,000</b>	<b>500,000,000</b>

In 2021, the Group's investments in Bar Central Limited and Muse 360 Integrated Limited were tested for impairment. It was assessed by management that the investments were impaired and as a result a provision has been made. Both subsidiaries have ceased operational activities since 2019 and management has yet to decide on their future operations. As at 30 September 2024, the investment in Micro – Financing Solutions (MFS) Limited was tested for impairment. After review, analysis and assessment, management is of the opinion, that there is no impairment on the investment, as the recoverable amount is higher than the carrying amount.

**7. Investment property**

	<b>Unaudited</b>	<b>Unaudited</b>
	<b>3 Months Ended</b>	<b>3 Months Ended</b>
	<b>30-Sep-24</b>	<b>30-Sep-24</b>
	<b>The Group</b>	<b>The Company</b>
	\$	\$
Balance at the beginning of the period	405,000,000	-
Addition during the period	-	-
Balance at the end of the period	<b>405,000,000</b>	-

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.

## 8. Due from/(to) companies

	The Group		The Company	
	Unaudited Sep 2024	Audited Jun 2024	Unaudited Sep 2024	Audited Jun 2024
	\$	\$	\$	\$
Due from:				
Micro-Financing Solutions (MFS) Limited	-	-	24,026,305	20,800,000
MFS Acquisition Limited	65,797,455	68,270,234	18,980,277	29,661,582
MFS Group Limited	9,471,989	7,770,989	-	-
Alpha & Omega Energy Company	96,928,265	95,306,576	-	-
	<u>172,197,709</u>	<u>171,347,799</u>	<u>43,006,582</u>	<u>50,461,582</u>
Due to – Non-current:				
MFS Group Limited	34,931,053	46,067,624	-	-
MFS Acquisition Limited	265,111,754	327,508,337	264,111,754	327,348,338
	<u>300,042,808</u>	<u>373,575,961</u>	<u>264,111,754</u>	<u>327,348,338</u>
Due to – Current:				
MFS Group Limited	-	-	3,360,000	3,360,000
	<u>300,042,808</u>	<u>373,575,961</u>	<u>267,471,755</u>	<u>330,708,338</u>
	<u>(127,845,099)</u>	<u>(202,228,162)</u>	<u>(224,471,755)</u>	<u>(280,246,756)</u>

These companies are related by common shareholders and directors. The balances are unsecured and have no fixed payment/repayment terms.

## 9. Share capital

	Unaudited 3 Months Ended 30-Sep-24	Unaudited 3 Months Ended 30-Sep-23	Audited 12 Months Ended 30-Jun-24
	\$	\$	\$
<b>Authorised Capital:</b>			
Ordinary Share at no par value	1,000,000,000	1,000,000,000	1,000,000,000
	\$	\$	\$
Issued and fully paid			
400,000,000 Ordinary Share at no par value	111,880,297	111,880,297	111,880,297
260,400,000 Ordinary Shares below no par value	260,400,000	-	244,776,000
	<b>372,280,297</b>	<b>111,880,297</b>	<b>372,280,297</b>

## 10. Non-Controlling interest

The Group	Unaudited 3 Months Ended 30-Sep-24	Audited 3 Months Ended 30-Jun-24
	\$	\$
Balance at beginning of period/year	(15,616,871)	(13,092,576)
Share of loss	-	(2,524,295)
Balance at end of period/year	<b>(15,616,871)</b>	<b>(15,616,871)</b>

## 11. Revenue

Revenue represents management and remittance services fees and is stated net of discounts, allowances and General Consumption tax.

## 12. Other Income

	The Group 30-Sep-24	The Company 30-Sep-24
	\$	\$
Dividend Income	26,955	-
Related Party Write-Off	50,000,000	50,000,000
Other	2,019,403	15,211,807
	<b>52,046,358</b>	<b>65,211,807</b>



## 13. Administrative Expenses

	The Group			The Company		
	Unaudited 30-Sep-24	Unaudited 30-Sep-23	Audited 30-Jun-24	Unaudited 30-Sep-24	Unaudited 30-Sep-23	Audited 30-Jun-24
	\$	\$	\$	\$	\$	\$
Accounting Fees	1,226,590	1,040,000	3,611,250	1,226,590	1,040,000	3,110,000
Advertising & PR	402,000	31,050	1,063,147	302,000	31,050	1,063,147
Audit Fees	3,117,235	2,704,399	4,198,496	2,892,235	2,704,399	2,184,996
Bank Charges	258,878	21,234	250,304	18,610	21,234	76,855
Co. Secretary	90,000	257,214	994,630	90,000	257,214	994,630
Depreciation	100,021	30,390	652,719	38,490	30,390	121,236
Director Fees	690,000	630,000	2,430,000	690,000	630,000	2,430,000
Subscriptions	33,034	34,788	125,655	33,034	34,788	125,655
IT Services	41,825	36,825	142,800	41,825	36,825	142,800
Legal & Prof. Fees	880,000	150,000	6,700,000	880,000	150,000	6,550,000
Management Fees	4,650,000	2,850,000	14,088,000	2,850,000	2,850,000	11,400,000
Motor Expenses	261,000	-	261,000	-	-	-
Administrative Exp.	523,925	272,986	7,946,941	523,925	272,986	7,946,941
Other	1,588,013	685,000	858,721	-	685,000	-
Payroll Expenses	4,131,407	590,074	6,620,614	678,552	590,074	2,360,294
Penalty & Interest	1,000,000	-	8,156,217	1,000,000	-	3,380,986
Registrar/JSE Fee	880,142	767,430	3,204,057	880,142	767,430	3,204,057
Rent	1,484,249	979,996	5,242,780	859,249	979,996	3,722,780
Repairs	14,000	-	-	-	-	-
Security	100,050	-	207,575	-	-	-
Stationery	55,743	-	667,537	21,379	-	392,783
Travelling	275,000	375,000	1,650,000	125,000	375,000	1,500,000
Utilities	745,642	-	1,001,311	239,150	-	398,864
<b>Total Operating Expenses</b>	<b>22,548,754</b>	<b>11,456,386</b>	<b>70,073,754</b>	<b>13,390,180</b>	<b>11,456,386</b>	<b>51,106,024</b>

**14. Taxation**

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

	The Group		The Company	
	Unaudited Sep-24	Audited Jun-24	Unaudited Sep-24	Audited Jun-24
	\$	\$	\$	\$
Income Tax @ 33.3%	3,219,991	6,277,010	-	-
	3,219,991	6,277,010	-	-

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 2024 is \$323,990,588 and \$203,518,763 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 Sep-24	Audited Jun-24	Unaudited Sep-24	Audited Jun-24
	\$	\$	\$	\$
Profit/(Loss) before tax	49,725,780	(45,806,120)	55,142,669	(42,578,969)
Tax calculated at the appropriate tax rate	16,558,685	(11,451,530)	18,362,509	(10,644,742)
Adjusted for the effects of :				
Expenses not allowed for tax purposes*	432,907	19,567,263	379,117	10,644,742
Tax Credit	-	(375,000)	-	-
Other charges and allowances*	(13,771,601)	(1,463,723)	(18,741,626)	-
	3,219,991	6,277,010	-	-

**15. Earnings per stock unit**

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

	Unaudite	Unaudited	Audited
	3 Months Ended 30-Sep-24	3 Months Ended 30-Sep-23	12 Months Ended 30-Jun-2024
	\$	\$	\$
(Loss)/profit for period/year	46,505,789	(8,386,428)	(49,888,574)
Weighted average number of ordinary shares	660,400,000	400,000,000	404,987,000
<b>Basic (Loss)/earnings per share</b>	<b>0.070</b>	<b>(0.02)</b>	<b>(0.12)</b>

## 16. Operating Segments

	Private Credit Unaudited 30 Sep-2024	Distribution & Marketing 30 Sep-2024	Money Services Unaudited 30 Sep-2024	Consolidation Adjustments 30 Sep-2024	Group Unaudited 30 Sep-2024
	\$	\$	\$	\$	\$
Revenue	3,330,417	-	32,601,530	-	35,931,947
Less Direct Costs - Commission	-	-	(14,594,750)	-	(14,594,750)
<b>Gross Profit</b>	<b>3,330,417</b>	<b>-</b>	<b>18,006,780</b>	<b>-</b>	<b>21,337,197</b>
Other Operating Income	65,211,807	-	1,834,550	(15,000,000)	52,046,358
General & Administration Expenses	(13,390,180)	-	(9,158,573)	-	(22,548,754)
<b>Operating (Loss)/Profit</b>	<b>55,152,044</b>	<b>-</b>	<b>10,682,757</b>	<b>(15,000,000)</b>	<b>50,834,801</b>
Finance Costs, Net	(9,375)	-	(1,099,646)	-	(1,109,021)
<b>(Loss)/Profit before taxation</b>	<b>55,142,669</b>	<b>-</b>	<b>9,583,111</b>	<b>(15,000,000)</b>	<b>49,725,780</b>
Taxation					(3,219,991)
<b>Net (Loss)/Profit</b>					<b>46,505,789</b>
<b>Net (Loss)/Profit Attributable to:</b>					
Stockholders of the Company					46,505,789
Non-Controlling interest	-		-		-
					<b>46,505,789</b>

## 16. Operating Segments (continued)

	Private Credit Unaudited 30 Sep-2023	Distribution& Marketing 30 Sep-2023	Money Services Unaudited 30 Sep-2023	Consolidation Adjustments 30 Sep-2023	Group Unaudited 30 Sep-2023
	\$	\$	\$	\$	\$
Revenue	297,000	-	-	-	297,000
Less Direct Costs - Commission	-	-	-	-	-
<b>Gross Profit</b>	<b>297,000</b>	-	-	-	<b>297,000</b>
Other Operating Income	2,772,958	-	-	-	2,772,958
General & Administration Expenses	(11,456,386)	-	-	-	(11,456,386)
<b>Operating (Loss)/Profit</b>	<b>(8,386,428)</b>	-	-	-	<b>(8,386,428)</b>
Finance Costs, Net	-	-	-	-	-
<b>(Loss)/Profit before taxation</b>	<b>(8,386,428)</b>	-	-	-	<b>(8,386,428)</b>
Taxation					-
<b>Net (Loss)/Profit</b>					<b>(8,386,428)</b>
<b>Net (Loss)/Profit Attributable to:</b>					
Stockholders of the Company					(8,386,428)
Non-Controlling interest					-
					<b>(8,386,428)</b>