



**QUARTERLY FINANCIAL REPORT
FOR THE SIX MONTHS ENDED
31ST DECEMBER 2024**

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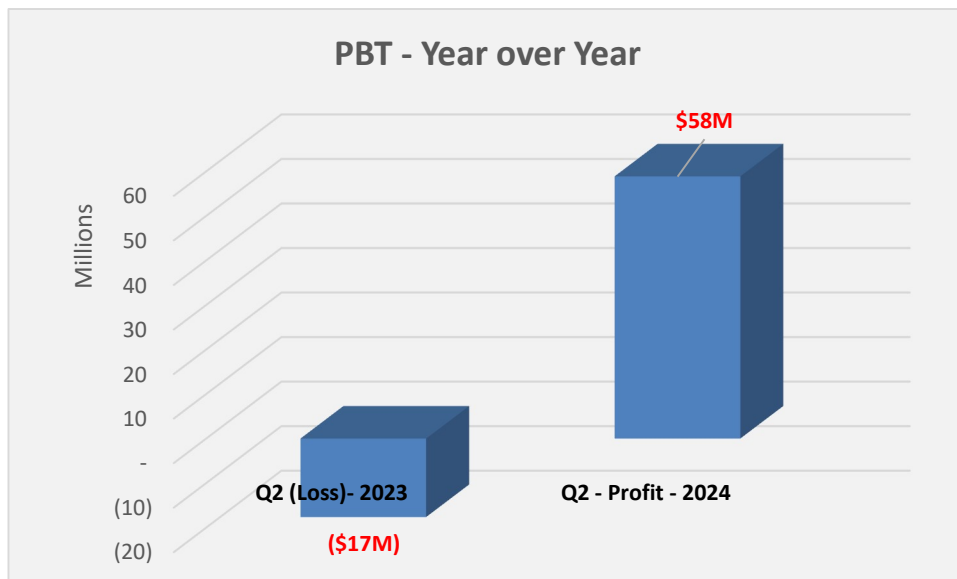


DIRECTOR'S REPORT TO SHAREHOLDERS

MFS Capital Partners Limited (MFS CAP) is pleased to report its unaudited financial results for the six months ending 31 December 2024. 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 Group continues to show steady growth in the second quarter of the financial year. The profit before taxes (PBT) was \$58.8M or \$76.5M higher than the same period in 2023, an increase of over 430%. This growth is primarily due to the performance of our main subsidiary, Monolith Financial Services (Formerly Micro-Financing Solution Ltd).

The Group will continue to focus on diversifying revenue and expanding its corporate portfolio through carefully planned acquisitions. We continue to ensure proper due diligence is done on each potential acquisition in our pipeline. Additionally, we want to ensure that our stakeholders are confident in our ability to bring value and drive sustained growth through the diligent work of our committed team.



MANAGEMENT DISCUSSION & ANALYSIS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The group earned revenue for the period of **\$89.5M** which represents a significant increase when compared to **\$360K** earned last year for the period ending 31 December 2023. It should also be highlighted that there was a noteworthy increase Quarter over Quarter. Q2 [October 2024 to December 2024] increased by \$17.3M or 49% over Q1 [July 2024 to September 2024]. Based on the nature of business, commission paid is directly related to FX Trading Activities hence an increase in one will result in a correlated increase in the other.

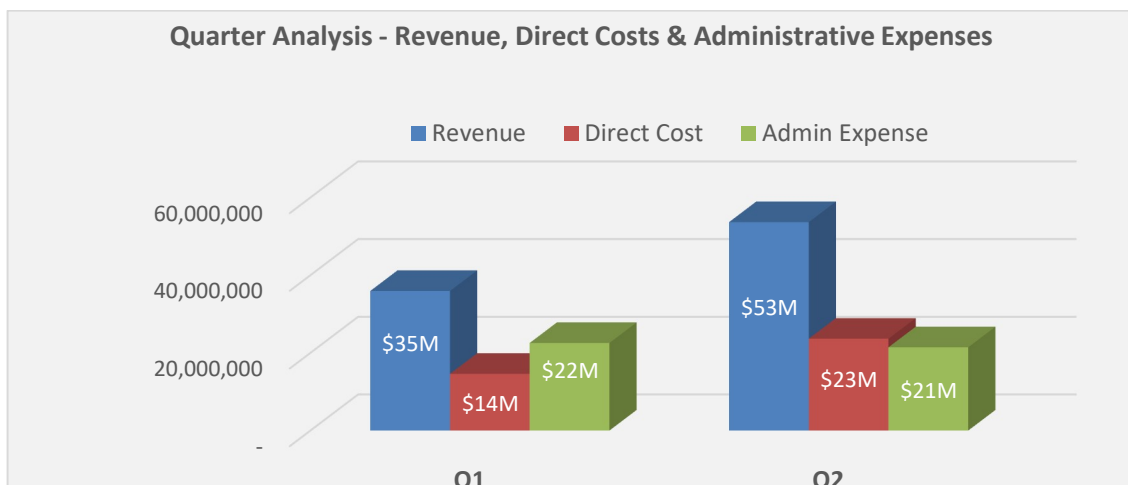
The group earned revenues primarily from:

- Gains on FX Trading activities
- Fees from Remittances
- Interest Income from our private credit portfolio
- Dividends and gains from our investment portfolio

Other operating income was **\$55.8M** for the period which was also a significant increase when compared to **\$4.5M** earned in December 2023. This primarily relates to intercompany payables write off done in the 1st Quarter of the financial year.

Administrative and operating expenses for the period was **\$43.9M** which is an increase year over year as the December 2023 of **\$22.5M**. This increase is primarily due to operational expenses: staff costs, occupancy costs, professional fees.

The group's Earnings per Share (EPS) was 0.077 for the period.



MANAGEMENT DISCUSSION & ANALYSIS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TOTAL ASSETS

Total assets for the Group as at 31 December 2024 grew by \$789.6M to **\$846.2M** when compared to \$56.6M for 31st December 2023. 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 31 December 2024 was **\$627.5M**, 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 31 December 2024 increased by \$276.2M to **\$218.7M** when compared to a negative **\$57.5M** for 31st December 2023.

MANAGEMENT DISCUSSION & ANALYSIS



STRATEGIC OUTLOOK

Over the next six to twelve months, there will be several strategic decisions to further strengthen our balance sheet and further diversify and grow our revenues. Highlighting one such decision is to capitalize and grow our stake in our associate company whereby we will be able to offer a full suite of financial products and services to our clients. This will build on our revenue diversification objective to now be able to earn a Fee income from this company in the future. This will also allow us to build our proprietary trading book with other asset classes that as group we currently have no exposure to.

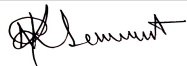
We are also confident that we will be able to make significant strides in our real estate project within the next 12-16 months.

We will continue our efforts to raise additional funding with our financial partners to fund future acquisitions that will significantly increase our revenues and profitability.

A handwritten signature in black ink, appearing to read "Dino Hinds".

Dino Hinds
Chief Executive Officer

		Unaudited 6 Months Ended 31-Dec-24	Unaudited 6 Months Ended 31-Dec-23	Audited 12 Months Ended 30-Jun-24
	Notes	\$	\$	\$
NON-CURRENT ASSETS				
Property, Plant & Equipment	5	2,835,551	1,683,567	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	202,207,217	-	171,347,799
		<u>761,681,341</u>	<u>1,683,567</u>	<u>730,604,231</u>
Current assets				
Tax Recoverable		4,755,175	6,302,316	4,755,175
Due from related parties		-	38,461,582	-
Receivables		23,526,821	1,861,321	22,754,613
Cash at bank and in hand		56,316,530	8,368,266	62,982,889
		<u>84,598,526</u>	<u>54,993,484</u>	<u>90,492,677</u>
TOTAL ASSETS		846,279,867	56,677,052	821,096,908
EQUITY AND LIABILITIES				
Equity				
Share capital	9	372,280,297	111,880,297	372,280,297
Capital Reserves		(329,739)	-	(329,739)
Accumulated deficit		(137,591,284)	(156,327,809)	(188,258,547)
Total Equity		<u>234,359,274</u>	<u>(44,447,512)</u>	<u>183,692,011</u>
Non-Controlling Interest	10	(15,616,871)	(13,092,576)	(15,616,871)
		<u>218,742,403</u>	<u>(57,540,088)</u>	<u>168,075,140</u>
Non-current Liabilities				
Long-term - Debenture		1,000,000	-	1,000,000
Long-term Payables		8,500,000	-	8,500,000
Due to related parties		300,206,183	-	373,575,961
Long Term Loan		20,600,000	-	-
		<u>330,306,183</u>	<u>-</u>	<u>383,075,961</u>
Current liabilities				
Trade Payables		20,439,200	60,734,978	37,531,103
Other Payables		151,479,535	50,272,380	125,311,227
Debenture Payable		58,506,219	1,113,192	57,016,847
Director's account		7,821,871	697,110	1,124,675
Taxation Payable		58,984,456	1,399,479	48,961,955
		<u>297,231,281</u>	<u>114,217,139</u>	<u>269,945,797</u>
TOTAL EQUITY AND LIABILITIES		846,279,867	56,677,052	821,096,908



Clide Leopold Nesbeth
Chairman



Dino Hinds
Director

		Unaudited Quarter Ended 31-Dec-24	Unaudited Quarter Ended 31-Dec-23	Unaudited YTD 31-Dec-24	Unaudited YTD 31-Dec-23	Audited Year End 30-Jun-24
	Notes	\$	\$	\$	\$	\$
Revenue	11	53,663,588	63,600	89,595,535	360,600	28,536,352
Less Direct Costs - Commission		(23,643,250)	-	(38,238,000)	-	(12,463,331)
Gross Profit		30,020,338	63,600	51,357,535	360,600	16,073,021
Other Operating Income	12	3,759,758	1,772,760	55,806,116	4,545,717	8,568,458
Share of results of Associate		-	-	-	-	262,683
General & Administration Expenses	13	(21,442,529)	(11,078,028)	(43,991,283)	(22,534,414)	(82,537,085)
Operating (Loss)/Profit		12,337,567	(9,241,668)	63,172,368	(17,628,097)	(45,169,592)
Finance Costs, Net		(3,179,323)	-	(4,288,344)	-	(636,528)
(Loss)/Profit before taxation		9,158,244	(9,241,668)	58,884,024	(17,628,097)	(45,806,120)
Taxation	14	(4,996,770)	-	(8,216,761)	-	(6,277,010)
Net (Loss)/Profit		4,161,474	(9,241,668)	50,667,263	(17,628,097)	(49,558,835)
Net (Loss)/Profit Attributable to:						
Stockholders of the Company		4,161,474	(9,241,668)	50,667,263	(17,628,097)	(49,558,835)
Non-Controlling interest		-	-	-	-	(2,524,295)
		4,161,474	(9,241,668)	50,667,263	(17,628,097)	(52,083,130)
Other Comprehensive Income						
Unrealised loss on securities fair value through other comprehensive income		-	-	-	-	(329,739)
Total Comprehensive Income		4,161,474	(9,241,668)	50,667,263	(17,628,097)	(52,412,869)
Total Comprehensive (Loss)/Profit Attributable to:						
Stockholders of the Company		4,161,474	(9,241,668)	50,667,263	(17,628,097)	(49,888,574)
Non-Controlling interest		-	-	-	-	(2,524,295)
		4,161,474	(9,241,668)	50,667,263	(17,628,097)	(52,412,869)
Earnings per ordinary stock unit attributable to shareholders of the company	15	0.006	(0.023)	0.077	(0.044)	(0.12)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

SIX MONTHS ENDED 31ST DECEMBER 2024

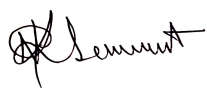
	Number of Shares	Share Capital	Capital Reserve	Accumulated (deficit)/profit	Total	Non- Controlling Interest	Total Equity
		\$	\$	\$	\$	\$	\$
Audited Balances as at 30 Jun 2023	400,000,000	111,880,297	-	(138,699,712)	(26,819,415)	(13,092,576)	(39,911,911)
Total Comprehensive profits/(losses)	-	-	-	(17,628,097)	(17,628,097)	-	(17,628,097)
Unaudited Balances as at 31 December 2023	400,000,000	111,880,297	-	(156,327,809)	(44,447,512)	(13,092,576)	(57,540,088)
Audited Balances as at 30 Jun 2024	660,400,000	372,280,297	(329,739)	(188,258,547)	183,692,011	(15,616,871)	168,075,140
Dividends Paid							
Total Comprehensive profits/(losses)	-	-	-	50,667,263	50,667,263	-	50,667,263
Adjustments							
Unaudited Balances as at 31 December 2024	660,400,000	372,280,297	(329,739)	(137,591,284)	234,359,274	(15,616,871)	218,742,403

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

SIX MONTHS ENDED 31ST DECEMBER 2024

	Unaudited 6 Months Ended 31-Dec-24	Unaudited 6 Months Ended 31-Dec-23	Audited 12 Months Ended 30-Jun-24
Cash flow from operating activities:	\$	\$	\$
Loss/Profit before taxation for the period/year	58,884,024	(9,241,668)	(45,806,120)
Adjustment:			
Depreciation and amortization	217,712	111,829	652,719
Gain on Acquisition of subsidiary	-	-	(1,056,377)
Foreign Exchange losses, net	-	-	1,875,011
Interest expense	4,288,344	-	(182,106)
Interest income	(651,521)	(3,410)	(44,516,873)
Operating cash flows before movements in working capital	62,738,558	(9,133,249)	(45,806,120)
Changes in working capital:			
Decrease/(increase) in receivables	(772,208)	3,884,770	19,266,762
Directors' accounts net	6,697,196	-	(6,269,631)
Increase/(decrease) in payables	(17,091,903)	4,777,597	(13,313,996)
Cash provided/(used) by operations	51,571,643	(470,882)	(44,833,738)
Taxes paid	-	-	(4,283,950)
Interest paid	(4,288,344)	-	(1,875,011)
Interest received	651,521	3,410	182,106
Net cash provided/(used) by operating activities	47,934,820	(467,472)	(50,810,593)
Investing Activities			
Investment in subsidiary	-	-	(406,771,702)
Purchase of Equipment	(435,402)	-	(65,000)
Net cash used in investing activities	(435,402)	-	(406,836,702)
Financing Activities			
Proceeds from shares issued	-	-	260,400,000
Long term loans	20,600,000	-	(427,565)
Related Parties, net	(104,229,196)	-	257,466,081
Other Payables	29,463,419	-	(29,863,173)
Net cash used in financing activities	(54,165,777)	-	517,438,516
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	(6,666,358)	(467,472)	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	8,835,738	2,135,291
CASH &BANK BALANCES AT THE END OF PERIOD	56,316,530	8,368,266	62,982,889
Represented by:			
Cash at bank	56,316,530	8,368,266	62,982,889

		Unaudited 6 Months Ended 31-Dec-24	Unaudited 6 Months Ended 31-Dec-23	Audited 12 Months Ended 30-Jun-24
NON-CURRENT ASSETS				
Property, Plant & Equipment	5	\$ 623,994	\$ 568,046	\$ 507,482
Investment in Subsidiary	6	500,000,000	-	500,000,000
Due from related company	8	63,746,582	-	50,461,582
		564,370,576	568,046	550,969,064
Current assets				
Tax Recoverable		4,755,175	5,479,145	4,755,175
Due from related parties		-	38,461,582	-
Receivables		9,183,300	1,861,321	12,677,378
Cash at bank and in hand		6,684,000	8,368,266	595,897
		20,622,475	54,170,313	18,028,450
TOTAL ASSETS		584,993,051	54,738,359	568,997,514
EQUITY AND LIABILITIES				
Equity				
Ordinary share capital	9	372,280,297	111,880,297	372,280,297
Accumulated deficit		(102,939,719)	(127,303,587)	(152,336,007)
Total Equity		269,340,578	(15,423,290)	219,944,290
Non-current Liabilities				
Long-term Debt		20,600,000	-	-
Due to related parties		264,111,754	-	327,348,338
		284,711,754	-	327,348,338
Current liabilities				
Payables		186,045	390,374	730,547
Due to related parties		3,360,000	50,272,380	3,360,000
Other Payables & Accruals		21,097,060	11,149,004	11,065,612
Payroll Liabilities		6,297,615	8,349,892	6,545,728
		30,940,719	70,161,649	21,704,886
TOTAL EQUITY AND LIABILITIES		584,993,051	54,738,359	568,997,514



Clide Leopold Nesbeth
Chairman



Dino Hinds
Director

		Unaudited Quarter Ended 31-Dec-24	Unaudited Quarter Ended 31-Dec-23	Unaudited YTD 31-Dec-24	Unaudited YTD 31-Dec-23	Audited Year Ended 30-Jun-24
	Notes	\$	\$	\$	\$	\$
Revenue	11	3,352,250	63,600	6,682,667	360,600	-
Other Operating Income	12	1,795,837	1,772,760	67,007,644	4,545,717	8,551,450
General & Administration Expenses	13	(10,294,468)	(11,078,028)	(23,684,648)	(22,534,414)	(51,106,024)
Operating (Loss)/Profit		(5,146,381)	(9,241,668)	50,005,663	(17,628,097)	(42,554,574)
Finance Costs, Net		(600,000)	-	(609,375)	-	(24,395)
(Loss)/Profit before taxation		(5,746,381)	(9,241,668)	49,396,288	(17,628,097)	(42,578,969)
Taxation	14	-	-	-	-	-
Net (Loss)/Profit		(5,746,381)	(9,241,668)	49,396,288	(17,628,097)	(42,578,969)

	Number of Shares	Share Capital	Accumulated Deficit	Total
		\$	\$	\$
Audited Balances as at 30 June 2023	400,000,000	111,880,297	(109,757,038)	2,123,259
Total comprehensive deficit for the period	-	-	(17,628,097)	(17,628,097)
Balance at 31 December 2023	400,000,000	111,880,297	(127,385,135)	(15,504,838)
Audited Balances as at 30 June 2024	660,400,000	372,280,297	(152,336,007)	219,944,290
New Share Capital Issue	-	-	-	-
Total comprehensive deficit for the year	-	-	49,396,288	49,396,288
Balance at 31 December 2024	660,400,000	372,280,297	(102,939,719)	269,340,578

	Unaudited 6 Months Ended 31-Dec-24	Unaudited 6 Months Ended 31-Dec-23	Audited 12 Months Ended 30-Jun-24
Cash flow from operating activities:	\$	\$	\$
Loss/Profit before taxation for the period/year	49,396,288	(9,160,121)	(42,578,969)
Adjustment for non-cash items:			
Depreciation and amortization	80,492	30,282	121,326
Foreign Exchange losses		-	54,373
Interest expense	609,375	-	4,687
Interest income	(36,144)	(3,410)	(34,666)
Operating cash flows before movements in working capital	50,050,012	(9,133,249)	(42,433,338)
Changes in working capital:			
Increase in receivables	3,494,078	3,884,770	18,627,863
Increase in related parties net	(76,521,584)	-	259,618,276
Increase/(decrease) in payables	9,235,833	4,777,597	3,095,370
Cash provided/(used) by operations	(13,741,662)	(470,882)	238,908,171
Taxation Paid	-	-	(823,170)
Interest received	36,144	-	34,666
Interest Paid	(609,375)	3,410	(4,687)
Net cash provided/(used) by operating activities	(14,314,893)	(467,472)	238,114,979
Investing Activities			
Investment in subsidiary	-	-	(500,000,000)
Purchase of Equipment	(197,004)	-	-
	(197,004)	-	(500,000,000)
Financing Activities			
Loans, net	20,600,000	-	-
Proceeds from shares issued	-	-	260,400,000
	20,600,000	-	260,400,000
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	6,088,103	(467,472)	(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	8,835,738	2,135,291
CASH AND BANK BALANCES AT THE END OF PERIOD	6,684,000	8,368,266	595,897
Represented by:			
Cash at bank	6,684,000	8,368,266	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 December 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.

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 31 December 2024, has accumulated deficit of \$137,591,284 (30 June 2024 - \$188,258,547); and \$102,939,719 (30 June- 2024 - \$152,336,007) respectively.

Further as at 31st December 2024, the Group's current liabilities exceed the current assets by \$212,632,755 however, as at 30 June 2024, the company's current liabilities exceeded its current assets by \$10,318,244..

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 year.

5. Property, plant & equipment

The Group

	Leasehold Improvements	Computer Equipment	Furniture & Fixtures	Office Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
Cost						
At 30 Jun 2024	78,000	3,159,402	2,410,856	900,608	1,023,852	7,572,718
Additions	-	310,504	-	124,897	-	435,401
Disposals	-	-	-	-	-	-
At 31 Dec 2024	78,000	3,469,906	2,410,856	1,025,505	1,023,852	8,008,119
Accumulated Depreciation						
At 30 Jun 2024	39,001	2,913,990	607,896	370,120	1,023,852	4,954,859
Charge for the year	3,900	57,100	89,940	66,769	-	217,710
Relieved on disposals	-	-	-	-	-	-
At 31 Dec 2024	42,901	2,971,090	697,836	436,889	1,023,852	5,172,569
Net Book Value						
At 31 Dec 2024	35,099	498,816	1,713,020	588,616	-	2,835,551
At 30 Jun 2024	38,999	245,412	1,802,960	530,488	-	2,617,859

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

The Company

	Computer Equipment	Office Equipment	Leasehold	Total
Cost	\$	\$	\$	\$
At 30 Jun 2024	257,294	638,785	78,000	974,079
Additions	197,004	-	-	197,004
Disposals	-	-	-	-
At 31 Dec 2024	454,297	638,785	78,000	1,171,082
Depreciation				
At 30 Jun 2024	164,013	263,583	39,001	466,597
Charge for the year	44,381	32,211	3,900	80,492
Relieved on disposals	-	-	-	-
At 31 Dec 2024	208,394	295,794	42,901	547,089
Net Book Value				
At 31 Dec 2024	245,903	342,992	35,099	623,994
At 30 Jun 2024	93,280	375,202	38,999	507,481

6. Investments in subsidiaries

	The Company	
	31-Dec-24	30-Jun-24
	\$	\$
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)
	500,000,000	500,000,000

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

	Unaudited	Unaudited
	6 Months Ended	6 Months Ended
	31-Dec-24	31-Dec-24
	The Group	The Company
	\$	\$
Balance at the beginning of the period	405,000,000	-
Addition during the period	-	-
Balance at the end of the period	405,000,000	-

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 Dec 2024	Audited Jun 2024	Unaudited Dec 2024	Audited Jun 2024
	\$	\$	\$	\$
Due from:-				
Micro-Financing Solutions (MFS) Limited	-	-	24,256,305	20,800,000
MFS Acquisition Limited	93,136,209	68,270,234	39,490,277	29,661,582
MFS Group Limited	9,247,589	7,770,989	-	-
Alpha & Omega Energy Company	99,823,419	95,306,576	-	-
	<u>202,207,217</u>	<u>171,347,799</u>	<u>63,746,582</u>	<u>50,461,582</u>
Due to – Non-current:-				
MFS Group Limited	35,094,428	46,067,624	-	-
MFS Acquisition Limited	265,111,754	327,508,337	264,111,754	327,348,338
	<u>300,206,183</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>300,206,183</u>	<u>373,575,961</u>	<u>267,471,755</u>	<u>330,708,338</u>
	<u>(97,998,965)</u>	<u>(202,228,162)</u>	<u>(203,725,173)</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

The Group & Company

	Unaudited 6 Months Ended 31-Dec-24	Unaudited 6 Months Ended 31-Dec-23	Audited 12 Months Ended 30-Jun-24
	\$	\$	\$
Authorised Capital:			
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
	372,280,297	111,880,297	372,280,297

10. Non-Controlling interest

The Group

	Unaudited 6 Months Ended 31-Dec-24	Audited 12 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	(15,616,871)	(15,616,871)

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 31-Dec-24	The Company 31-Dec-24
	\$	\$
Dividend Income	26,955	-
Related Party Write-Off	50,000,000	50,000,000
Other	5,779,161	17,007,644
	55,806,116	67,007,644

13. Administrative Expenses

	The Group			The Company		
	Unaudited 31-Dec-24	Unaudited 31-Dec-23	Audited 30-Jun-24	Unaudited 31-Dec-24	Unaudited 31-Dec-23	Audited 30-Jun-24
	\$	\$	\$	\$	\$	\$
Accounting Fees	2,026,590	690,000	3,611,250	2,026,590	690,000	3,110,000
Advertising & PR	1,065,438	89,526	1,063,147	505,813	89,526	1,063,147
Audit Fees	4,182,235	546,249	4,198,496	3,672,235	546,249	2,184,996
Bank Charges	1,146,919	16,428	250,304	37,535	16,428	76,855
Co. Secretary	(188,641)	317,417	994,630	(188,641)	317,417	994,630
Depreciation	217,712	111,828	652,719	80,492	111,828	121,236
Director Fees	1,980,000	660,000	2,430,000	1,980,000	660,000	2,430,000
Subscriptions	66,034	35,380	125,655	66,034	35,380	125,655
IT Services	64,150	29,825	142,800	64,150	29,825	142,800
Legal & Prof. Fees	1,360,000	150,000	6,700,000	1,000,000	150,000	6,550,000
Management Fees	11,800,000	2,850,000	14,088,000	5,700,000	2,850,000	11,400,000
Motor Expenses	562,750	-	261,000	-	-	-
Administrative Exp.	884,133	1,376,557	7,946,941	845,633	1,376,557	7,946,941
Other	531,476	4,611	858,721	22,174	4,611	-
Payroll Expenses	10,525,164	590,074	6,620,614	3,202,538	590,074	2,360,294
Penalty & Interest	1,350,000	1,682,007	8,156,217	1,350,000	1,682,007	3,380,986
Registrar/JSE Fee	1,685,142	767,430	3,204,057	1,685,142	767,430	3,204,057
Rent	1,965,737	785,696	5,242,780	780,737	785,696	3,722,780
Repairs	34,125	-	-	-	-	-
Security	292,963	-	207,575	-	-	-
Stationery	442,116	-	667,537	244,914	-	392,783
Travelling	487,500	375,000	1,650,000	187,500	375,000	1,500,000
Utilities	1,509,739	-	1,001,311	421,802	-	398,864
Total Operating Expenses	43,991,283	11,078,028	70,073,754	23,684,648	11,078,028	51,106,024

14. Taxation

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

	The Group		The Company	
	Unaudited Dec-24	Audited Jun-24	Unaudited Dec-24	Audited Jun-24
	\$	\$	\$	\$
Income Tax @ 33.3%	8,216,761	6,277,010	-	-
	8,216,761	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 Dec-24	Audited Jun-24	Unaudited Dec-24	Audited Jun-24
	\$	\$	\$	\$
Profit/(Loss) before tax	58,884,024	(45,806,120)	49,396,288	(42,578,969)
Tax calculated at the appropriate tax rate	19,608,380	(11,451,530)	16,448,964	(10,644,742)
Adjusted for the effects of :				
Expenses not allowed for tax purposes*	621,948	19,567,263	509,654	10,644,742
Tax Credit	-	(375,000)	-	-
Other charges and allowances*	(12,013,567)	(1,463,723)	(16,958,618)	-
	8,216,761	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.

	Unaudited	Unaudited	Audited
	6 months Ended 31-Dec-24	6 months Ended 31-Dec-23	12 months Ended 30-Jun-24
	\$	\$	\$
(Loss)/profit for period/year	50,667,263	(9,241,668)	(49,888,574)
Weighted average number of ordinary shares	660,400,000	400,000,000	404,987,000
Basic (Loss)/earnings per share	0.077	(0.023)	(0.12)

16. Operating Segments

	Private Credit Unaudited 31-Dec-2024	Distribution& Marketing 31-Dec-2024	Money Services Unaudited 31-Dec-2024	Consolidation Adjustments 31-Dec-2024	Group Unaudited 31-Dec-2024
	\$	\$	\$	\$	\$
Revenue	6,682,667	-	82,912,868	-	89,595,535
Less Direct Costs - Commission	-	-	(38,238,000)	-	(38,238,000)
Gross Profit	6,682,667	-	44,674,868	-	51,357,535
Other Operating Income	67,007,644	-	3,998,473	(15,200,000)	55,806,116
General & Administration Expenses	(23,684,648)	-	(20,506,635)	200,000	(43,991,283)
Operating (Loss)/Profit	50,005,663	-	28,166,706	(15,000,000)	63,172,368
Finance Costs, Net	(609,375)	-	(3,678,969)	-	(4,288,344)
(Loss)/Profit before taxation	49,396,288	-	24,487,737	(15,000,000)	58,884,024
Taxation					(8,216,761)
Net (Loss)/Profit					50,667,263
Net (Loss)/Profit Attributable to:					
Stockholders of the Company					50,667,263
Non-Controlling interest	-		-		-
					50,667,263

16. Operating Segments (continued)

	Private Credit Unaudited 31-Dec-2023	Distribution& Marketing 31-Dec-2023	Money Services Unaudited 31-Dec-2023	Consolidation Adjustments 31-Dec-2023	Group Unaudited 31-Dec-2023
	\$	\$	\$	\$	\$
Revenue	360,600	-	-	-	360,600
Less Direct Costs - Commission	-	-	-	-	-
Gross Profit	360,600	-	-	-	360,600
Other Operating Income	4,545,717	-	-	-	4,545,717
General & Administration Expenses	(22,534,414)	-	-	-	(22,534,414)
Operating (Loss)/Profit	(17,268,097)	-	-	-	(17,268,097)
Finance Costs, Net	-	-	-	-	-
(Loss)/Profit before taxation	(17,268,097)	-	-	-	(17,268,097)
Taxation					-
Net (Loss)/Profit					(17,268,097)
Net (Loss)/Profit Attributable to:					
Stockholders of the Company					(17,268,097)
Non-Controlling interest					-
					(17,268,097)