

2024

Annual
Report

REALIGNING
FOR GROWTH



Mission

To provide a wide portfolio of products and services that will add value for our customers and suppliers. We will accomplish this through the empowerment of our staff, encouraging innovation and rewarding productivity in our drive to become a world class company.

Vision

Through God's guidance to become a major company with world class performance standards, demonstrating the highest levels of integrity in all business practices and interactions with customers, suppliers, employees and the society at large.

1

Values

Our **Word** is our bond

We go the **Extra Mile** for all our stakeholders with a spirit of **Love**

We are always **Transparent**

We work **Together** to achieve our goals

We accept **Responsibility**

We display the highest **Ethical Standards** at all times

We strive for **Excellence** in all that we do

We understand that actions speak louder than words. So, at Derrimon:

- We inspire trust.
- We keep it simple.
- We are open and inclusive.
- We tell it like it is.
- We lead from the head and the heart.
- We discuss. We decide. We deliver.

contents

Notice of the Annual General Meeting.....	3
Chairman's Message	4
Directors' Report	7
5-Year Statistical Highlights.....	8
Corporate Data	10
Corporate Governance	12
Board of Directors	18
Disclosure of Shareholdings	24
Management Discussion & Analysis	26
Executive Team.....	38
Business Unit Heads.....	39
Senior Management.....	40
Retail Store & Operation Managers.....	41
Middle Management	41
Corporate Social Responsibility.....	42
Financials	45
Form of Proxy.....	131

Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of DERRIMON TRADING COMPANY LIMITED (the "Company") will be held on September 17, 2025 at 10:00 a.m. at the Terra Nova All-Suite Hotel to consider, and if thought fit, to pass the following resolutions: -

Ordinary Business: Resolutions 1 – 4

1. To receive the audited accounts for the year ended 31 December 2024.

Resolution 1 – Audited Accounts

"THAT the audited accounts for the year ended 31 December 2024 together with the reports of the directors and auditors thereon be and are hereby adopted."

2. To elect directors

The Directors retiring by rotation pursuant to the Articles of Incorporation are Derrick Cotterell, Tania Waldron-Gooden, Howard Mitchell, Earl Richards, Stephen Phillibert and Alexander Williams who being eligible offer themselves for re-election.

Resolution 2a – Re-appointment of Derrick Cotterell

"THAT the retiring Director, Derrick Cotterell be re-elected a Director of the Company"

Resolution 2b – Re-appointment of Tania Waldron-Gooden

"THAT the retiring Director, Tania Waldron-Gooden be re-elected a Director of the Company"

Resolution 2c – Re-appointment of Howard Mitchell

"THAT the retiring Director, Howard Mitchell be re-elected a Director of the Company"

Resolution 2d – Re-appointment of Earl Richards

"THAT the retiring Director, Earl Richards be re-elected a Director of the Company"

Resolution 2e – Re-appointment of Stephen Phillibert

"THAT the retiring Director, Stephen Phillibert be re-elected a Director of the Company"

Resolution 2f – Re-appointment of Alexander Williams

"THAT the retiring Director, Alexander Williams be re-elected a Director of the Company"

3. To fix the remuneration of the directors

Resolution 3 – Directors' Remuneration

"THAT the Board of Directors of the Company be and are hereby authorised to fix the remuneration of the individual directors."

4. To re-appoint Auditors and fix their remuneration.

Resolution 4 – Re-appointment of Auditors

"THAT Baker Tilly, Chartered Accountants, having agreed to continue in office as Auditors of the Company, be and are hereby re-appointed Auditors of the Company to hold office until the next Annual General meeting at a remuneration to be fixed by the Board of Directors of the Company."

Dated the 10th day of July 2025

by Order of the Board



Secretary

Notes:

- (1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his place. Such proxy need not be a member of the Company.
- (2) A member must lodge his Proxy Form with the Secretary at 235 Marcus Garvey Drive, Kingston 11, Jamaica **not less than 48 hours before the Meeting**, but if not so lodged it may be handed to the Chairman of the Meeting.

Chairman's Message



4

Dear Shareholders,

I am pleased to share with you our Annual Report for 2024. We completed 25 years of operation in the previous year and 2024 marked our new starting point for another quarter century of serving our valued customers. Despite an uncertain global economic environment and tightening of market conditions, Derrimon proceeded to lay the foundation to capitalize on future growth.

While our various business segments experienced different financial outcomes in 2024, they all continue to focus on our respective key strategic plans. These strategic plans will be leveraged by the rapid growth of technological innovations, particularly the use of artificial intelligence, to further accelerate our planned operational excellence.

Our Trading Divisions, Retail & Distribution, operate in an ultra-competitive space and thus, requires that we continuously assess our operations and general product offers to our customers. Our Retail Division, which operates under the Sampars and Select Grocers moniker, have laid the foundation to deliver an enhanced customer experience in the upcoming year. Our commitment is to continuously add value to our customers by improving their shopping experience and providing exceptional service. Our New York store, Food Saver, was closed for approximately nine months due to infrastructural damage and ultimately reopened in late 2024 and was rebranded as Sampars New York. This rebranding will resonate with our diaspora customers who are already familiar with the strong brand name that Sampars has. Our Distribution Division had several innovations for the year and this will be a key area of focus going forward to satisfy the unserved needs of our patrons. Both segments exhibited their resilience in the recent financial year as they navigated softer consumer demand during different periods as well as withstanding exogenous shocks.

Our Manufacturing Division maintained their strong market positions and continue to be important entities not only to the Derrimon Group but also to the entire manufacturing sector within Jamaica. Caribbean Flavours & Fragrances and Woodcats continue to be leaders in their field and are poised for further growth. Their expertise will be leveraged throughout the Group to garner greater efficiencies.



We are particularly proud of the strides made in environmental and corporate governance practices. Our commitment to ethical business operations, community outreach, and compliance has never been stronger, and we view these as critical pillars of Derrimon's future.

As always, the commitment and quality of our team members are critical for our success. We continue to invest in our human capital through training at all levels as well as actively placing ourselves in positions to recruit the best talents available. I thank every team member for their dedication to our joint cause over the last year and look forward to their support with our ambitious plans for the future.

Looking ahead, our priorities are clear: reinforce our competitive advantage, explore product innovations, and deepen customer relationships across pivotal markets. With the trust of our shareholders, the dedication of our employees, and the guidance of our Board, Derrimon is well-positioned to meet the opportunities and challenges of the year ahead.

On behalf of the Board of Directors, I thank all our stakeholders—employees, partners, and shareholders—for their continued support and belief in our vision. We remain committed to transparency, performance, and value creation.

Yours sincerely,

Derrick Cotterell
Chairman of the Board
July 10, 2025

...our priorities are clear:
reinforce our competitive
advantage, explore product
innovations, and deepen
customer relationships
across pivotal markets.



Directors' Report

The Board of Directors is pleased to report to its shareholders on the performance of Derrimon Trading Company Limited. The Board hereby submits the Consolidated Income Statement and the Consolidated Statement of Financial Position for the year ended December 31, 2024.

OPERATING RESULTS

15,214,216
Revenue (\$'000)



(653,813)
(LOSS)/ Profit Before Taxation



37,737
Taxation

(616,076)
Net (LOSS)/ Profit



DIVIDENDS

No dividend was paid during the year

DIRECTORS

The Directors of the Company as at December 31, 2024 are:

Derrick F. Cotterell	Chairman and Chief Executive Officer
Ian C. Kelly	Executive Director/Group Chief Financial Officer
Monique Cotterell	Executive Director/Company Secretary
Earl A. Richards	Non-Executive Director
Winston Thomas	Non-Executive Director
Alexander I.E. Williams	Non-Executive Director
Paul Buchanan (Jnr)	Non-Executive Director
Tania Waldron-Gooden	Non-Executive Director
Howard Mitchell	Non-Executive Director
Stephen Phillibert	Non-Executive Director

The mentor of the Company continues to be Mrs. Tania Waldron-Gooden.

The Directors who are retiring from office by rotation pursuant to Articles 97-99 of the Company's Articles of Incorporation are Derrick Cotterell, Tania Waldron-Gooden, Howard Mitchell, Earl Richards, Stephen Phillibert and Alexander Williams, being eligible, offer themselves for re-election.

AUDITORS

The Auditors, Baker Tilly, have indicated their willingness to continue in office and offer themselves for re-appointment.

On behalf of the Board

Derrick F. Cotterell

Chairman/Chief Executive Officer

5-Year Statistical Highlights

8

2024
(J\$'000)

2023
(J\$'000)

2022
(J\$'000)

2021
(J\$'000)

2020
(J\$'000)

Income Statement

Revenues	15,214,246	18,743,230	18,420,256	17,744,717	12,777,464
Gross Profit	3,858,404	4,677,885	4,639,501	3,409,208	2,482,663
Total Operating Expenses	3,836,735	4,109,951	3,595,727	2,730,021	1,843,487
(Loss)/profit before taxation	(653,813)	166,189	726,046	555,719	355,189
Net (loss)/profit	(616,076)	181,987	617,629	448,183	311,089

Balance Sheet

Total Assets	17,697,724	16,647,360	15,372,995	11,548,371	7,415,814
Capital	6,332,531	6,872,860	6,373,881	5,762,167	1,603,937
Total Assets less Current Liabilities	11,646,232	12,499,708	10,934,155	9,272,721	5,207,693

Select Ratios

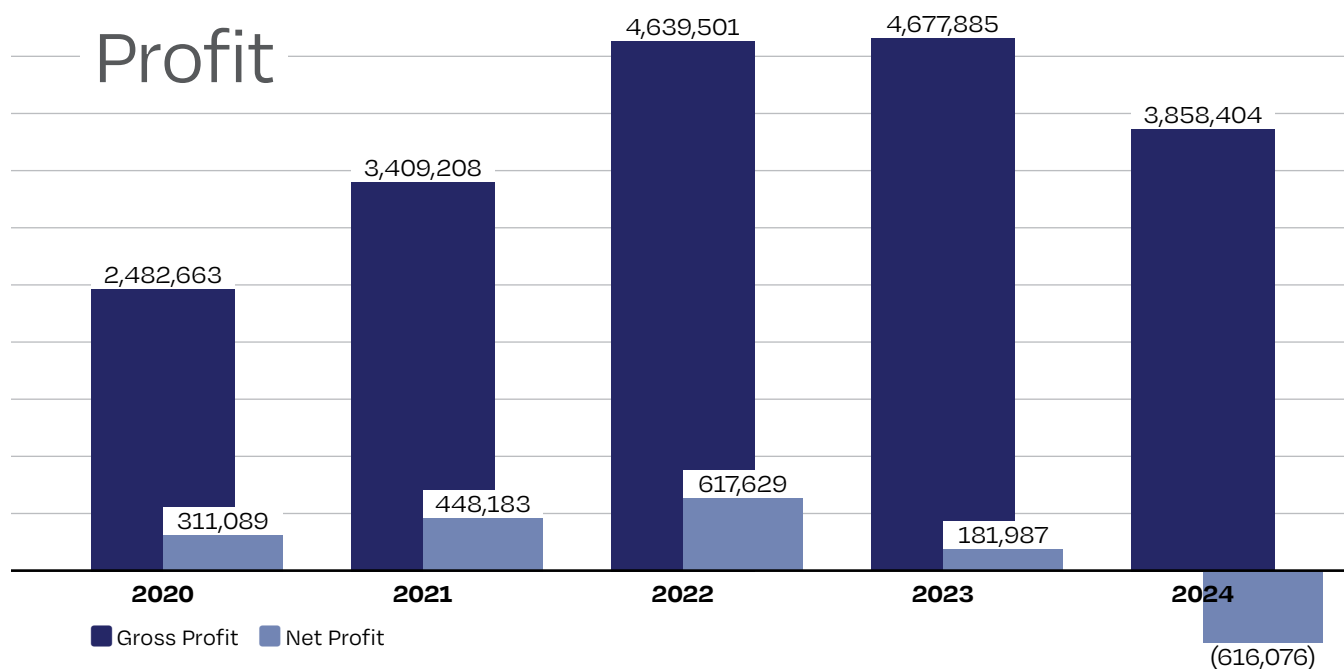
Gross Profit Margin	25.36%	24.96%	25.19%	19.21%	19.43%
EBITDA Margin	4.65%	7.18%	9.35%	6.40%	7.64%
Current Ratio	1.31	1.84	1.64	2.42	2.16
Quick Ratio	0.62	0.61	0.71	1.22	1.17
Debt to Equity	1.34	1.03	0.85	0.70	3.12

15.2M
TOTAL REVENUE

3.9M
GROSS PROFIT

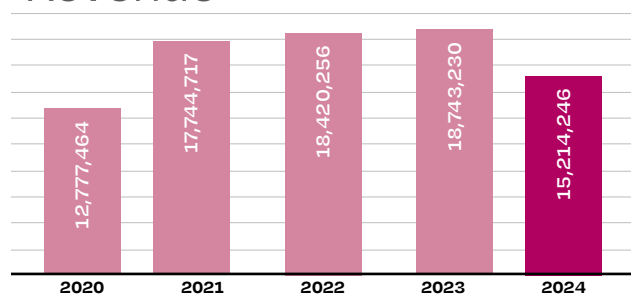
17.7M
TOTAL ASSETS

Profit

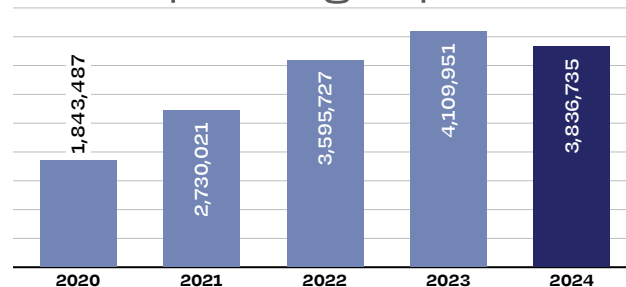


9

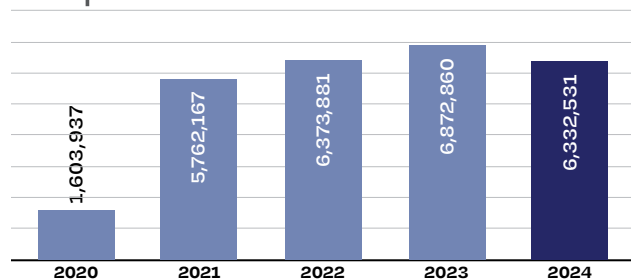
Revenue



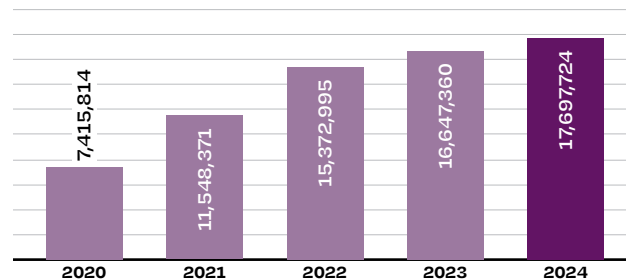
Total Operating Expenses



Capital



Total Assets



Corporate Data



10

REGISTERED OFFICE

Derrimon Trading Company Limited

235 Marcus Garvey Drive
Kingston 11, Jamaica

☎ (876) 937-4897-8 / 901-3344

✉ info@derrimon.com

🌐 www.derrimon.com

ATTORNEYS-AT-LAW

Alexander Williams & Company

Unit 6A, Seymour Park
2 Seymour Avenue
Kingston 6, Jamaica

AUDITORS

Baker Tilly

6 Collins Green Avenue
Kingston 5, Jamaica

BANKERS/FINANCIAL ADVISORS

The Bank of Nova Scotia (Jamaica) Limited

2 Knutsford Blvd
Kingston 5, Jamaica

National Commercial Bank (Jamaica) Limited

37 Duke Street
Kingston Jamaica

Sagicor Bank (Jamaica) Limited

17 Dominica Drive
Kingston 5, Jamaica

JMMB Bank (Jamaica) limited

6-8 Grenada Way
Kingston 5, Jamaica

Barita Investments Limited

60 Knutsford Boulevard
7th Floor, PanJam Building
Kingston 5, Jamaica

REGISTRAR & TRANSFER AGENTS

Jamaica Central Securities Depository

40 Harbour Street
Kingston, Jamaica

BOARD OF DIRECTORS

Executive Directors

Derrick Cotterell M.B.A., B.Sc.
Chairman & Chief Executive Officer

Monique Cotterell B.Sc.
Company Secretary & Human
Resource Director

Ian Kelly CD, CPA, M.Sc., B.Sc.
Chief Financial Officer &
Divisional Director - Retail

Non-Executive Directors

Alexander I.E. Williams LL.B, C.I.E

Earl Richards CD, M.B.A, B.A.Sc.

Winston Thomas B.Sc.

Paul Buchanan BAA

Tania Waldron Gooden M.B.A, B.Sc.

Howard Mitchell CD, JP, LL.M, B.Sc.

Stephen Phillibert CFA, M.B.A, B.Sc.

LIST OF SENIOR OFFICERS

Derrick Cotterell M.B.A., B.Sc.

Chairman & Chief Executive Officer

Ian Kelly CD, CPA, M.Sc., B.Sc.

Chief Financial Officer & Divisional Director - Retail

Monique Cotterell B.Sc.

Company Secretary & HR Director

Sheldon Simpson M.B.A., B.Sc.

General Manager, Distribution Division

Warren Cornwall B.Sc.

Commercial Manager -Distribution Division

Andrew Bent B.Sc.

Vice President -Sales, Arosa & Distribution Division

Romaine Dawson BBA

Divisional Manager -Wholesales

Gavin Smith

Divisional Manager – Supermarkets

Oral Richards M.B.A, BBA.

Head - Group Purchasing

Georgia Strachan M.B.A, BBA

Group Brand Manager

Janice Lee M.B.A., PGDip

General Manager, Caribbean Flavours
& Fragrances Limited

Peter Douglas AAT

General Manager – Woodcats International Limited

John Paik MAcc, B.Sc.

General Manager – FoodSaver NY & Good Food for Less

David Lee

General Manager, Spicy Hill Farm Limited

Otema Thompson M.B.A, B.Sc.

Group Financial Accountant

Verona Howell B.Sc.

Group Management Accountant

Rockey Allen JP

Group Facilities & Security Manager

Jermain Thomas

Group Chief Information Officer

DIVISION LOCATION

SAMPARS MARCUS GARVEY DRIVE

233 Marcus Garvey Drive, Kingston 11, Jamaica

☎ (876) 923-8733

📠 (876) 757-8853

✉ contactus@samparsja.com

🌐 www.shopsampars.com

SAMPARS CROSS ROADS

1-3 Retirement Road, Kingston 5, Jamaica

☎ (876) 960-1309-11

📠 (876) 960-1312

SAMPARS OUTLET WASHINGTON BOULEVARD

8-10 Brome Close, Kingston 20, Jamaica

☎ (876) 931-9121-2

📠 (876) 941-3862

SAMPARS OUTLET - WEST STREET

62 West Street, Kingston, Jamaica

☎ (876) 967-5403 / 948-3517

SAMPARS OLD HARBOUR

3 Arscott Drive, Old Harbour St. Catherine, Jamaica

☎ (876) 983-0469

📠 (876) 745-2103

SAMPARS ST. ANN'S BAY

3 Harbour Street, St. Ann's Bay, St. Ann, Jamaica

☎ (876) 972-8825

📠 (876) 972- 0156

SELECT GROCERS – MANOR PARK

184 Constant Spring Road, Manor Park Plaza

Kingston 8, Jamaica

☎ (876) 622-9676 / 631-0226

SELECT GROCERS – MAY PEN

Millennium Mall, Coates Pen Road

Clarendon, Jamaica

SPICY HILL

235 Marcus Garvey Drive, Kingston 11, Jamaica

☎ (876) 470-8219

SUBSIDIARY LOCATION

CARIBBEAN FLAVOURS & FRAGRANCES LIMITED

226 Spanish Town Road, Kingston 11, Jamaica

☎ (876) 937-0366

WOODCATS INTERNATIONAL LIMITED

235 Marcus Garvey Drive, Kingston 11, Jamaica

☎ (876) 922-3340 / 922-1946

AROSA LIMITED

Drax Hall, St. Ann's Bay, St. Ann, Jamaica

☎ (876) 972-2310

DERRPARK GROCERS LIMITED

184 Constant Spring Road, Manor Park Plaza

Kingston 8, Jamaica

☎ (876) 622-9676 / 631-0226

MARNOCK LLC & MARNOCK RETAIL LLC

(Good Food for Less & FoodSaver New York)

402 E. 83rd Street, Brooklyn, NY 11236

☎ (718) 209-9300

Corporate Governance

At DTL, our mantra is to relentlessly strive to ensure that accountability is maintained at all levels and that our operations are conducted in an environment where transparency, ethics and compliance are upheld. The Board of Directors of Derrimon Trading Company Limited continues to lead the organization with integrity, transparency, accountability, and fairness.

12

During this reporting period, our Board continued to operate within the everchanging environment and therefore, implemented updated policies to mitigate against many of the potential risks. The adaptation to the change in the way that meetings were held, from physical interactions to both physical and the use of digital platform is still being utilized in the decision making process of both the Board and all of its committees during this reporting period.

The increase prevalence of technology fraud, data hacking and ransomware were areas of prominent discussion at the Board level and policies to mitigate the possible impact were implemented. The Company's recovery IT plan was reviewed, updated and operationalized given the experiences of our past ransomware attack.

During the year 2024, the Board was required to provide specific guidance to the team on how to navigate the challenges that the New York subsidiaries, Marnock LLC and Retail, faced as a result of the roof collapse and longer than anticipated closure of the business up to the end of this reporting financial year.

Derrimon Trading Company Limited ensured that compliance with Corporate Governance Policies and Framework remained one of its highest priority and the company continued to improve and strengthen its corporate governance from a leadership stance whilst ensuring that the company adhered to the core values that Derrimon was established on.

The Board's overarching responsibility is to ensure that the management of Derrimon Trading Company Limited continues to operate in a manner that results in increased shareholder value in the interests of all stakeholder groups. The approval of policies as well as the active monitoring and evaluation of the management practices of the company, inclusive of its policies and decision-making processes and execution of corporate strategic objectives, are performed to ensure that the financial trajectory and the reputation of the company is maintained and business plans are executed within the requisite time frame.

The Board ensures that all aspects of the company's operations adhere to sound ethical and professional standards. Special emphasis is placed on:

- Accounting practices and financial reporting compliance
- Inventory and logistics channel management
- Occupational health and safety as guided by the 2017 Jamaican OSH Act and factory regulations
- Workplace conduct, ensuring honesty, equity, and mutual respect
- Monitoring of the performance both financial and operation of the subsidiaries and main companies.

Directors are mindful that long-term profitability and sustainability are only achievable through disciplined adherence to these standards.

During the reporting period, the Board formally approved and implemented a Whistleblower Disclosure Policy. This policy:

- Defines misconduct and reportable concerns
- Outlines the reporting process
- Guarantees confidentiality and protection from retaliation for good-faith disclosures

This initiative reinforces the company's culture of openness, ethical accountability, and trust.

We utilize the various Board Committees to robustly monitor the financial policies, business strategies, internal controls and risk management policies.

The provision of entrepreneurial leadership, strategic direction and guidance are critical components that the Board recognize as some of its key roles to create and maintain long-term shareholder value and confidence whilst satisfying and exceeding the expectation of all stakeholders and the wider community. We embrace transparency, accountability and global industry trends at all times in the operations of the business and keep abreast of the changing trends in technology and its impact on profitability and safe work life practices.

The Corporate Governance Guidelines (CGG) for Derrimon Trading is available on our website and can be viewed at www.derrimon.com/investors/corporate-governance/

Board Functions

As a Board we will ensure that the management of Derrimon Trading Company Limited and its subsidiaries operate in a manner that results in increased value in the interests of all stakeholder groups. The approval of policies, as well as the active monitoring and evaluation of the management practices of the company, inclusive of its policies and decision-making processes and

execution of corporate strategic objectives are done in order to ensure that the financial and growth trajectory of the company is maintained.

The Board and its various Committees remained operational, with active engagement to ensure that there continues to be:

- Effective Corporate Governance;
- Compliance with laws, regulations and the Company's Code of Conduct;
- Remains good Corporate Citizens;
- Continuous monitoring of strategies and operational plans;
- Business development, acquisitions and expansions;
- Finance and treasury;
- Appointment and removal of directors;
- Remuneration of executive and non-executive Directors;
- Effective risk management;
- Financial reporting and auditing;
- Succession planning for its executive chairman and other senior executives;
- Technical - supply chain management, sales and marketing, customer service, trade and retail sales;
- Industry Experience - logistics, distribution, international trade, foreign exchange leveraging.

Size and Composition of the Board

Members of the Board are selected based on their professional and industry expertise and as such are ideally capable to advise and act in the interests of all stakeholder groups. We continuously review the governance structure given the growth trajectory of the Company and Group to ascertain if further strengthening of the Board will be needed. No new directors were appointed to the Board of Directors during this reporting period.

As at December 31, 2024, The Board comprised of ten (10) members; three (3) Executive Directors, including the Executive Chairman, and seven (7) Non-Executive Directors. We are confident in the Board's ability and they continue to provide guidance based on its collective knowledge and expertise and all that is required to deliberate on the activities of the business as well as any new projects which may arise. Given the size of the organization, and the environment in which it operates, the Board remains confident that the current complement of Independent and Executive Directors satisfy the established protocols as per the existing Board Charter.

Executive and Non-Executive Directors

The number of Executive Directors should at no time exceed 50% of the total number of Board Directors. This was the case as at December 31, 2024 reporting period.

Conflicts of Interests/Disclosure

All transactions involving the Company's shares by any Director, must be promptly reported to the Company Secretary who is obliged to disclose such information on a regular basis to the Jamaica Stock Exchange. This was done and all trading of the Company's shares by Directors and senior management were reported to the Jamaica Stock Exchange during this Financial Year.

A Director or senior manager who has an interest in the Company or in any transaction with the Company that could create or appear to create a conflict of interest, must disclose such interest to the Company. These include:

- Any interest in a firm or charity that does substantial business with the Company;
- Any interest in contracts or proposed contracts with the Company;
- Any interest in securities held by the Company;
- Emoluments other than Board fees received from the Company;
- Loans or guarantees granted by the Company to/for the Director

Disclosures shall be made at the first opportunity in the next scheduled Board Meeting in writing and such disclosure shall be recorded in the Minutes of the Board Meeting.

The Director is required to recuse himself/herself from the Board Meetings where the Board is deliberating over any such contract and shall not vote on any such matter. If a conflict exists and is unable to be resolved, the Director should resign. None of such activities occurred during this reporting period.

Election, Terms, Re-election and Retirement

Election, terms, re-election and retirement of each Board Member is conducted in keeping with the Articles of Incorporation of the Company, with the exception that each Board member is to retire during the financial year when the Directors will reach the age of 75 years.

Board and Executive Compensation

Compensation of the Executive and Non-Executive Directors reflects the time, commitment and responsibilities of the role. It consists of a package appropriate to attract, retain and motivate Directors of the quality required. The compensation is competitive and subject to review relative to what is being paid in comparable positions elsewhere. The Company did not undertake any of this activity through the Human Resources and Compensation Committee in 2024 as there was no proposal which required this Committee's adjudication during this financial period.

Succession Planning

The Board has full responsibility to ensure that the business is managed well at all times and that succession plans and potential candidates are identified for all Senior Executives, inclusive of the Executive Chairman. During this financial year, the Board formalized and identified Mr. Ian Kelly as the next Chief Executive Officer of the Company effective January 1, 2025. Mr. Cotterel will be the Executive Chairman.

During the reporting period ended December 31, 2024, there were ten (10) members, seven (7) of whom are independent members. Board members are outlined hereunder:

Derrick Cotterell	Executive Chairman
Earl Richards	Independent (Alternate to Chairman)
Howard Mitchell	Independent
Winston Thomas	Independent
Paul Buchanan	Independent
Stephen Philibert	Independent
Alexander Williams	Independent
Tania Waldron-Gooden	Independent
Monique Cotterell	Executive/Non Independent
Ian Kelly	Executive/Non Independent

The Company continues to utilize the services of Mrs. Tania Waldron-Gooden as its external mentor, keeping with the mandate of the Jamaica Stock Exchange Junior Market rules. She continues to provide valuable insights and instructive guidance to ensure that the governing rules and regulations are adhered to.

The Board met on five (5) occasions during the financial year through the use of the face to face and the digital platform to deliberate on policy matters as well as to review management's stewardship. The Board encourages the inclusion of Company Managers in Board meetings, where assistance is rendered to Board members in the execution of their responsibilities with the provision of additional insight into items for discussion and/or for exposure, on recommendation from senior management, where future potential is recognized.

The Company continues to benefit from the sterling contribution of its Mentor, a requirement of the Junior Market Rules of the Jamaica Stock Exchange, who also served as a Non-Executive Director.

The table below outlines the Directors attendance:

Director	Attended
Derrick Cotterell - Chairman	5
Earl Richards	5
Stephen Phillibert	3
Howard Mitchell	3
Paul Buchanan	3
Alexander Williams	4
Winston Thomas	5
Tania Waldron-Gooden	5
Monique Cotterell	5
Ian Kelly	5

In carrying out its work, the Board was assisted by the following Board Committees:

Audit Committee

The Committee had five (5) meetings during the twelve (12) month period and deliberated on major tasks as outlined below:

- Reviewed and recommend budgets for approval by the Board of Directors
- Reviewed the integrity of the monthly, quarterly unaudited financial statements, special updates on subsidiary Marnock LLC and retail requests, Company insurance reviews and recommendations and audited annual financial statements
- Review the effectiveness of internal controls and risk management systems and other matters that fall within its mandate, as well as inventory cycle counts, receivables aging management and their findings
- Review the formal announcements relating to the Company's financial performance to the Jamaica Stock Exchange and the timeliness of same
- Review and maintained the independence, objectivity and effectiveness of the relationship with the external auditor
- Made recommendations to the Board of Directors in relation to the reappointment of the external auditor as well as the remuneration and other terms of engagement

The attendees to the Audit Committee meetings and their record of attendance are outlined in the table below:

Members and invited Attendees	Attended
Earl Richards - Chairman	5
Paul Buchanan (Jnr.)	5
Tania Waldron-Gooden	5
Ian Kelly	5
Otema Thompson (Attendee)	5

During this financial year, the services of Bakertilly was renewed as our external Auditors and was approved by the Board Committee, full Board of Directors and also at the last Annual General Meeting. They are also recommended to serve for the new financial year.

Compensation & Human Resources Committee

The Human Resources & Compensation Committee shall:

- Review the performance of the Executive Directors and the Senior Executives of the Company on at least an annual basis
- Report the findings at once per annum at a regular Board Meetings and
- Comprise of a majority of Non-Executive Directors

This Committee is Chaired by Mrs. Tania Waldron-Gooden with support from Mr. Paul Buchanan, Mrs. Monique Cotterell and Mr. Alexander Williams. There was one (1) meeting of this Committee during this reporting period.

Projects Committee

The Project Committee met three (3) times during the financial year in order to deliberate on various submissions made by management relating to Marnock LLC and Retail operations and refurbishing and opening plans, issues relating to Arosa operations and plant upgrade, capital requirements and plan of action for improvement to physical look of the retail stores. This Committee continues to support the Board and provides valuable advice on all matters presented.

Corporate Governance

The Company continues to benefit from the sterling contribution of its Mentor, a requirement of the Junior Market Rules of the Jamaica Stock Exchange, who also served as a Non-Executive Director.

Derrimon Trading Company Limited has established policies and procedures to ensure timely and full disclosure of all matters concerning the Company to the relevant authorities. The Company also ensures that investors have access to information on the Company's financial performance. These policies and procedures address areas of materiality of any matter and the impact that such matter may have on the financial and operational performance of the company's stock.

During this financial period, Board meetings were held and the attendance of each member is outlined in the table below for the various Committee:

The Chairperson for each Committee are as follows:

Audit & Risk Management

Mr. Earl Richards

Projects

Mr. Paul Buchanan

Corporate Governance

Mr. Howard Mitchell

Compensation & Human Resources

Mrs. Tania Waldron-Gooden

Our risk management practices have also served to ensure the maintenance of our competitive advantage within the embarked place.

Risk Management

Derrimon Trading Company Limited understand and appreciate that rigorous risk management practices are critical in ensuring the viability and stability of the company. We have established systems and policies to manage identifiable risks, which are strictly adhered to and remain an essential part of our company's operations. The risk management approach undertaken by the Company includes:

- Establishing and maintaining practices that foster a culture within the company whereby personnel at all levels are aware of the relevant policies and support the highest standards of performance and accountability;
- Adoption of an integrated approach to risk management whereby risk management is an integral part of all key organizational processes.
- Safeguarding of the Company's assets namely human, property, reputation and intellectual
- Rewarding the achievement of the Company's strategic and operating plan through an effective balance of risk and reward
- Rigorous compliance with statutory and regulatory obligations

The Board has full responsibility for the Company's internal control systems and for monitoring its effectiveness through various established committees. The systems that are implemented by the Board are designed to recognize and manage risks, while identifying areas which require continuous attention. Based on these inherent risks, we provide reasonable assurance against material misstatements regarding the fairness of the Audited Financial Statements.

The Board has established a continuous and robust process for monitoring, identifying, evaluating and managing significant risks that the company faces.

The Audit Committee continues to provide the oversight for this function.

The key areas of the internal controls include:

- The assignment of specific aspects of the Company's operation to members of the Executive Management Team. The team meets on a weekly basis and is responsible for operationalizing overall strategy and for reviewing the outputs of these strategies within the framework of the policies and procedures of the company. The outcomes are submitted to the Board and Board Committees for deliberations.
- There continues to be an established system for the segregation of duties of members of the organization, established authorization limits for expenditure, contracts, IT application and interfaces as outlined in the Delegation of Authority Limits.
- Performance review at the Executive team level; at this juncture actual outcomes are reviewed with forecasts, budgets and prior reporting year data assessed.
- Periodic reviews of identifiable risks through product cycle counts and annual reviews during the annual audit and confirmation exercise.

Annual General Meeting of Shareholders

The Annual General Meeting (AGM) of the Shareholders remains the Company's highest decision-making body. It decides the duties for which it is responsible in accordance with the Companies Act 2004 and the Company's Articles of Incorporation. The AGM decides on, among other things, the adoption of the financial statements and the consolidated financial statements contained therein and the approval of dividend payments. It is at the AGM that members of the Board are re-elected and Auditors remunerations are approved. At the last Annual General Meeting of the Shareholders, all proposals brought to the Shareholders were unanimously approved.



Derrick Cotterell
Chairman and Chief Executive Officer

Board of Directors

18

Derrick Cotterell

Chairman & Chief Executive Officer

As Chairman and Group Chief Executive Officer of Derrimon Trading Company Ltd, Derrick has been responsible for the strategic direction and growth of the company since its inception in 1998. He has extensive experience in General Management, Sales, Marketing, and Procurement. Derrick also holds the position of Managing Director of Caribbean Flavours and Fragrances Limited, Woodcats International Limited, Marnock LLC and Marnock Retail.

He is a member of the Board of Directors for all the subsidiaries of Derrimon, Dupont Primary School, the Governor General of Jamaica's "I Believe Initiative", and the Chairman of My Ocean Limited. He also serves as a Deacon at his Church and is always seeking out opportunities to impact the lives of young people.

Derrick is a graduate of the University of the West Indies and Florida International University, where he attained a Bachelor of Science in Management Studies and a Master of Business Administration, respectively.





1. Ian C. Kelly, C.D.

Chief Financial Officer & Divisional Director, Sampars

Ian Kelly is a qualified and results oriented professional that is adept at finance and risk management with over 25 years of senior level experience in Treasury, Asset Management, Correspondent Banking, Mergers and Acquisitions, Corporate Finance, and Securities Trading. He serves as the Group Chief Financial Officer for Derrimon Trading Company Limited and the Divisional Director for Sampars in which he is responsible for the financial reporting and stewardship of the company to internal and regulatory stakeholders, monitoring of subsidiary companies, as well as the execution of the expansion strategy of the Company. Ian is also the Chief Financial Officer and Company Secretary for Caribbean Flavours and Fragrances Limited, Woodcats International Limited and Marnock LLC and Marnock Retail LLC.

He is a Certified Public Accountant (CPA) and holds both a Bachelor and Master of Science degrees in Accounting from The University of the West Indies. Ian also completed the Executive Development Program at Wharton Business School, the University of Pennsylvania.

He serves on several Boards of which he is the Chairman of The Governor-General Jamaica Trust, Optimum Jamaica, TyDixon Primary School, Focused Ophthalmics, Reggae Marathon, Optimum Trading Limited and a Director at Caribbean Flavours and Fragrances Limited, Woodcats International Limited, Arosa Limited, Marnock LLC, Marnock Retail, FosRich Group of Companies and First Rock Private Equity.

Ian was also recognized by the Government of Jamaica with a National Award, The Order of Distinction in the Rank of Commander, for Entrepreneurship and for Social and Community Service and fostering National Development.

2. Alexander I.E. Williams

Non-Executive Director

Alexander is an Attorney-At-Law with specialization in Civil Litigation, Constitutional Law Claims, Commercial Litigation, Judicial Review of

Administrative Action and Industrial Relations and Labour Law. He maintains a private practice and has been practicing for over 30 years.

He has served as the President of the Jamaican Bar Association, Chairman of the Jamaica Anti-Doping Commission, Chairman of the Land Divestment Advisory Committee, Chairman of the Land Information Counsel of Jamaica and Chairman of the Tax Incentive Committee of the Urban Development Corporation.

Alexander is a former Senator and served on several Joint Select Committees of Parliament. He currently serves as the Jamaican High Commissioner to London.

3. Tania Waldron-Gooden

Non-Executive Director & Company Mentor

Tania Waldron-Gooden is the Chief Executive Officer (CEO) of Chicken Mistress Limited trading as Island Grill.

She has twenty years of experience in areas of Investment Banking, Investment Analysis and Research, New Product Development, Pension Fund Management, Portfolio Management and Insurance Brokerage. She also has over 10 years of experience as a Jamaica Stock Exchange mentor.

Tania is the Jamaica Stock Exchange (JSE) Mentor and Director of Main Event Entertainment Group, and Derrimon Trading Company Limited. She is the JSE Mentor to Spur Tree Spices Jamaica, Caribbean Flavours & Fragrances Limited, Caribbean Assurance Brokers Limited, Dolla Financial Services, Omni Industries Limited and Express Catering Limited and also provides mentorship and consulting services to Carbyne Capital Investments Limited, Jamaica Macaroni Factory Limited and Can-Cara Development Limited.

As the Mentor to various Junior Market companies, she is responsible for providing the Board with support in establishing procedures, systems, and controls for its compliance with the Jamaica Stock Exchange Rule requirements for financial reporting, corporate governance, and the making of timely announcements.

Mrs. Waldron-Gooden holds a Bachelor of Science degree (BSc. - Hons.) in Geology from the University of the West Indies, a Masters of Business Administration (M.B.A) from the University of Sunderland in the U.K and has completed the Jamaica Securities Course as well as the Canadian Securities Course administered by the Canadian Securities Institute. Additionally, she holds a post graduate diploma in Paralegal Studies; and is registered/licensed by the Financial Services Commission as an Individual Investment Advisor.

4. Earl Anthony Richards, C.D.

Non-Executive Director

Earl has vast experience in Strategic Planning, General Management and Operations. He has a prestigious history of public service and received the Order of Distinction- Commander Class (CD) for Public Service in 2002.

He is a past President of the Airport Authority of Jamaica and former Chief Executive Officer of the Norman Manley International Airport (NMIA) Limited.

Earl is a graduate of the University of Toronto with a Bachelor of Applied Science in Civil Engineering. He also received a Master of Business Administration from the University of the West Indies.

5. Howard Mitchell, C.D., J.P.

Non-Executive Director

A lawyer by profession, Mr. Howard Mitchell maintained a successful Commercial Law Practice for thirty-five (35) years, with concentrations in Mining Law and Taxation, before retiring in 2010.

Mr. Mitchell has demonstrated a strong commitment to Public Service for decades and was appointed to the Board of the National Housing Trust (NHT) in 1987 and again served as Chairman from February 2008 to June 2012. He serves as a Justice of the Peace (JP) and in 2017 was awarded the Order of Distinction (Commander Class) for outstanding service to Business and the Public Sector as well as being elevated to the Hall of Fame of the Private Sector Organization of Jamaica in 2023

He is a past Chairman of the Council of the Institute of Jamaica and the Jamaica Accountability Meter Portal and has also served as Chairman on numerous statutory boards across a wide range of government ministries over the past twenty years (including the Coffee Industry Board). Mr. Mitchell has also negotiated a number of mining agreements on behalf of the Government of Jamaica.

His contribution to Private Enterprise also includes the resuscitation of the Sports Development Agency (SDA) to become the Jamaica Lottery Company Limited (operators of Jamaica's first successful private lottery) and the co-founder of the Sports Development Foundation (SDF) (which was the forerunner of the CHASE Fund), as well as the establishment of Jamaica's largest packaging manufacturing plant, Corrpak Jamaica Ltd., before selling that company in 2016.

Mr. Mitchell is a past President of the Private Sector Organization of Jamaica (PSOJ) and a former Vice President of the Jamaica Manufacturers and Exporters Association.

6. Paul Buchanan

Non-Executive Director

Paul is an experienced Investment Professional who brings years of experience in Portfolio Management, Client Acquisition, Sales and Marketing. He's currently the Managing Director of Manwei International Limited and Chief Investment Officer of Cadre Investments Company Limited. Paul also sits on the Board of WILCO Finance Limited.

He holds a Bachelor of Business Administration, majoring in Finance, from The University of Technology, Jamaica.

7. Stephen Phillibert

Non-Executive Director

Stephen has over 25 years of experience in Finance & Accounting, General Management and Strategy, Mergers & Acquisitions and Financial Risk. He joined Cornerstone in 2020 from PanJam Investment Limited, where he held the title of Chief

Financial Officer for six years, and prior to that spent approximately ten years at GraceKennedy Limited in various financial and strategic roles, ending as Head -Corporate Planning & Strategy for the group.

In his capacity at Cornerstone, he is responsible for the financial operations of the group, including financial accounting and management, regulatory and financial reporting in accordance with regulatory requirements, capital and operational budgeting, tax planning and reporting, and oversight of the financial control environment. Stephen also provides support on projects of strategic significance.

He holds an MBA from the University of Toronto, a BSc in Accounting from the University of the West Indies as well as the Chartered Financial Analyst designation.

8. Winston Thomas

Non-Executive Director

Winston has over 30 years of expertise in the distribution industry, with significant experience in Fast Moving Consumer Goods (FMCG). These include, bulk products, beverages, and international household brands. Winston was previously an Executive Director where he served the company in the capacity of Chief Operating Officer.

He holds a Bachelor of Science Degree in Management Studies from the University of the West Indies.

9. Monique Cotterell

Company Secretary & HR Director

Monique serves as Company Secretary and Human Resource Director at Derrimon Trading. She brings extensive experience in the service and retail industries; in particular, Customer Service Delivery and Customer Experience. Monique also serves as a Director of the Rescue Package Foundation.

She holds a Bachelor of Science in Business Administration from the University College of the Caribbean (UCC).





Disclosure of Shareholdings

Top 10 Stockholders

as at December 31, 2024

Stockholders	Shares	% Ownership
Derrick Cotterell	1,125,531,673	24.83%
Barita Investment Ltd-Long A/C (Trading)	918,510,927	20.26%
Monique Cotterell	400,000,000	8.82%
Mayberry Jamaican Equities Limited	229,983,330	5.07%
Ian C. Kelly	169,107,209	3.73%
Pam - Pooled Equity Fund	143,485,316	3.17%
JCSD Trustee Services Limited A/C Barita Unit Trust Capital Growth Fund	128,247,933	2.83%
Estate E. Cotterell (Deceased)	100,000,000	2.21%
ATL Group Pension Fund Trustees Nom Ltd	56,349,216	1.24%
HEART Trust/NTA Pension Scheme	54,606,000	1.20%

Directors' and Senior Officers' Stockholdings

as at December 31, 2024

Directors	Shares	% Ownership
Derrick Cotterell	1,125,531,673	24.83%
Monique Cotterell	400,000,000	8.82%
Ian C. Kelly	169,107,209	3.73%
Winston Thomas	14,338,953	0.32%
Earl Anthony Richards	5,441,167	0.12%
Howard Mitchell	790,331	0.02%
Tania Waldron-Gooden	628,879	0.01%
Alexander Williams	500,000	0.01%
Paul Buchanan	300,000	0.01%
Stephen Philibert	0	0.00%
Senior Officers		
Sheldon Simpson	2,591,358	0.06%

Management Discussion & Analysis



The management of **Derrimon Trading Company Limited** (Derrimon, DTL or Company) and its subsidiaries (Group) are responsible for the integrity and presentation of the Management Discussion and Analysis (MD&A). The Audited Financial Statements for the period ended December 31, 2024, should be read in conjunction with the MD&A for the reader to gain full clarity of DTL's audited results. The financial information discussed below is in Jamaican Dollars (JMD), the functional currency of the company, covering the reporting period January 1 – December 31. The financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Derrimon was incorporated on December 21, 1998.

26

Business Overview

Derrimon Trading Company Limited through its distribution arm remains a major distributor of various wholesale and retail products with the company owning several private labels such as Refresh, Delect, Gentle and Spicy Hill Farms. The Group's major retail activities are undertaken through its Sampars and Select Grocers brands. The Derrimon Group also consists of subsidiaries in various sectors. Caribbean Flavours & Fragrances Limited (CFF) is a publicly listed subsidiary involved in the manufacturing of flavours and fragrances; Woodcats International Limited is a manufacturer of wooden pallets, wooden crates and landscaping mulch; Arosa Limited is a meat processor, purveyor of fine wines, cheeses and breads and Derrpark Grocers Limited is the entity which owns the Select Grocers business in Manor Park. Marnock Retail and Marnock LLC are our New York subsidiaries involved in the operation of a supermarket and wholesale business.

2024 Recap

H1 (January 1 – June 30)

The Group began the year with a church service on January 21, 2024 at Fellowship Tabernacle in Kingston to commemorate our 25th anniversary. We followed up with the hosting of our Long Service Awards on February 14 where we recognised the contribution of all employees across the Derrimon Group. Employees across the group benefited from the voice of Gospel Artist Kevin Downswell and the Derrimon Staff Choir as well as stories from numerous individuals about their experiences working across the Group.

In March 2024, our Marnock LLC and Retail business was severely disrupted due to damages to the store's roof. This occurred while the landlord conducted renovations to the property. The improper repairs caused significant water damage which impacted our wholesale and retail operations, inventory, refrigeration units, and key infrastructure. This forced a full shutdown of operations for approximately nine months. During this time, we were unable to generate revenue, yet operating expenses including rent, utilities, salaries and legacy debt continued to accumulate. While we held commercial insurance coverage, our claim was denied by the carrier and as such we are currently pursuing legal and administrative avenue to have this matter resolved.

The Group supported TVJ's School Challenge Quiz where St. Jago High won the illustrious competition over Calabar High during the 55th season of the show on April 5. Apart from both teams receiving a gift basket from our Delect portfolio, each participant also received a cash prize, a financial literacy workshop and Derrimon Trading ordinary shares to start their investment journey. Our Delect team members served the attendees at the finals with our various products which were well received.

In June, Derrimon was presented with the opportunity to be part of the Jamaica Observer's Table Talk Food Awards. Part of this opportunity came in the form of sampling different products under the award for the Best (New) Local Product. The Group CEO and Chairman, Derrick Cotterell, was a guest judge for this award as the winner would also secure an avenue for distributing their product within the Derrimon Group. After careful deliberation, Smith's Rum Cream by Donald Smith was named the winner of the Best (New) Local Product. As a result of this victory, products from the winner will be featured on the shelves of local and international retail stores.

The Derrimon brand was also put in the spotlight at the Food Awards through Arosa, Spicy Hill Farms and Delect which had booths that served our wide range of products to guests. The event was well attended with reception to our offerings being favourable across

Derrimon ended the year as the largest company on the Junior Market with total assets of

\$17.70 billion



the spectrum. The company was also awarded the Lifetime Achievement Award by the Jamaica Observer, reflecting the success of the company over its 25 years in business.

However, trading began to decline during the first half of 2024 as result of several events occurring simultaneously. An updated travel advisory in the first quarter impacted arrivals by tourists into Jamaica as some tourists chose different destinations to enjoy their vacation. The Jamaican retail operations were also affected by a new Enterprise Resource Planning implementation during the first quarter. This hindered our usual efficiency and caused several downtimes throughout the period. Supply chain disruptions hampered the distribution arm of the business as key products suffered from out of stock situations. Compounding this was also the reality of the New York operation being disrupted from March 22, 2024 due to the roof collapse and continuous rains which forced the prolonged closure of the location.

The Bank of Jamaica (BOJ) maintained its policy rate at 7.00% during the first half of 2024 as point-to-point inflation remained at 5.4% at the end of June. The BOJ's target range was 4.0% – 6.0%. The USA's Federal Reserve maintained interest rates at the 5.25 – 5.50% region as inflation hovered at 2.9% which was above the Fed's 2.00% target level.

H2 (July 1 – December 31)

The second half of 2024 started off on a challenging note as Jamaica was impacted by Hurricane Beryl on July 3 which caused disruptions to the parishes of Kingston, St. Andrew and St. Catherine but left a trail of destruction along the South Coast, particularly in St. Elizabeth and Clarendon. The Derrimon team lead an initiative in St. Elizabeth and Clarendon where over 200 care packages were provided to citizens negatively impacted by the hurricane. We also collaborated with various local churches and organisations to assist with the effective distribution of additional care packages to the affected areas.

Derrimon is a product of the Jamaican soil, and we take our commitment to supporting Jamaica very seriously by providing from the fruits of our hard labour to those negatively impacted by significant events.

Following that period, the company and its subsidiary, CFF, hosted their respective Annual General Meeting (AGM) on September 11. We are always eager to host our shareholders and give them insights into the developments taking place across the Group.

After several months of hard work, the Derrimon team was able to reopen its Marnock Retail store – (New York supermarket) in November. The business which was previously known as Foodsaver NY was rebranded to Sampars New York to align with the local Jamaican business and create greater familiarity among the Jamaican diaspora.

Derrimon ended the year as the largest company on the Junior Market with total assets of \$17.70 billion and the fourth largest Junior Market company with market capitalisation of \$8.89 billion.

Although we had some difficulties in 2024, we recognise the opportunities and victories that we achieved amidst the struggle. The Group worked towards improving the performance of the core business and its subsidiary companies to ensure that we return the consolidated earnings back to positive figures in the upcoming year.

	Q4 2024 (\$'000)	Q4 2023 (\$'000)
Consolidated Revenue	3,645,865	4,648,825
Gross Profit	895,297	1,479,803
Operating Profit	-850,708	-200,507
Finance Costs	58,933	59,748
Net Profit	-732,038	-92,731
Net Profit Attributable to Shareholders	-627,909	-77,535

This table provides insight into the group's fourth quarter which isn't published as a standalone item during our reporting periods.

Corporate subsidiaries



'Macroeconomic Environment

Preliminary estimates by the Statistical Institute of Jamaica (STATIN) showed the country's Gross Domestic Product (GDP) decreased by 0.7% compared to the 2.6% increase observed in 2023. The decline in GDP was attributed to Hurricane Beryl which had a significant impact on certain parishes which were without electricity for a long period. The decline in visitor arrivals from the USA also affected the hotels and restaurants industry. While the International Monetary Fund (IMF) is projecting a 2.2% rise in GDP for 2025, any significant global macroeconomic event can negatively disrupt those projections.

All goods producing industries such as agriculture, forestry and fishing, mining and quarrying, manufacturing and construction saw a decline in value added during the fourth quarter. Six of the twelve service industries recorded an improvement in value added while the other six had a decline in value added for the fourth quarter.

The country recorded an unemployment rate of 3.5% in October 2024. STATIN changed the methodology for the labour force survey during the year and is not comparable with prior data. The employed labour force was 1,417,000 with 54.2% being male. Point-to-point inflation peaked in January at 7.4% before ending 2024 at 5.0%, within the 4–6% target band. The Jamaican Dollar depreciated by 0.95% against the United States dollar (USD) from \$154.95 to \$156.42 at the end of 2024.

Group Gross Profit

3.86b

Company Gross Profit

2.52b

The Bank of Jamaica (BOJ) cut its monetary policy rate four times during 2024 as it moved from 7.00% to 6.00%. The BOJ's policy rate peaked in November 2022 and was effectively unchanged before the first rate cut in August 2024. The BOJ didn't adjust the cash reserve requirement during the year but adjusted the minimum threshold for the certificate of deposit (CD) offering to expand market interest and participation. The country's net international reserves increased from US\$4.75 billion to US\$5.58 billion or 44.78 weeks of goods imports. Total remittance inflows

marginally declined from US\$3.37 billion in 2023 to US\$3.36 billion. The Sangster International Airport had a 3% dip in passenger traffic to 5,057,000 passengers which was largely attributed to a US travel advisory plus Hurricane Beryl. The Norman Manley International Airport saw air traffic surpassing 1,777,100 passengers for 2024, an 1.7% improvement over 2023.

Revenue

Consolidated revenue for the Group decreased by 18.83% from \$18.74 billion to \$15.21 billion. This was mainly due to contractions in the wholesale & retail business, the distribution segment and the closure of the New York wholesale and retail operations for an extended time.

Group gross profit decreased by 17.52% from \$4.68 billion to \$3.86 billion however, the gross margin increased from 24.96% to 25.36%. The Group had inventory write-offs of \$504.63 million mainly due to the loss of inventory at the New York business. Other operating income rose 45.09% to \$552.83 million which was largely a direct impact of balance sheet management, tax refunds received and bad debt recovery.

Company revenue decreased by 15.64% to \$10.84 billion driven by changes in distribution arrangements, logistics and shipping delays for key items, and slower sales in the first half of 2024 in our retail and wholesale business, which was influenced by technological challenges.

Gross profit for the company decreased by 8.04% from \$2.74 billion to \$2.52 billion with the

gross margin ascending from 21.29% to 23.20%. The company's other operating income improved by 126.89% from \$273.72 million to \$621.05 million as we benefited from higher warehouse rental revenue and increased other income from bad debts recovered, insurance proceeds and dividends.

Distribution

The distribution segment had a 34.61% fall in revenue from \$7.16 billion to \$4.68 billion which was due to changes in certain distribution arrangements during the year, along with exogenous developments which caused lower sales due to supply chain challenges for key imports.

Total assets marginally increased to \$11.69 billion while total liabilities grew 18.45% to \$8.80 billion during the period. This relates to debt financing and payables at the end of the reporting period.

Wholesale and Retail

2024 was a difficult year for the retail segments locally and internationally. The financial impact from issues with the implementation of the retail technology during the first half of the year and the Marnock subsidiaries being offline for most of the year, negatively affected the contribution to the Company's revenue outturn. These issues contributed to a year over revenue decrease of 11.86% from \$9.77 billion to \$8.61 billion with operating profit declining 27.05% from \$972.95 million to \$765.78 million. Total assets increased by 19.35% to \$7.24 billion while total liabilities increased by 14.16% to \$3.70 billion.

We continue to be thankful to our hardworking team members at Sampars and Select Grocers for enduring a challenging 2024 and to the team at Marnock that endured and persevered through a very difficult period. We are thankful that you chose to be vital part of the Derrimon Group as we build our presence in Jamaica and New York.

Other Operations

The other operations segment experienced a marginal uplift in revenue with total revenue reported of \$1.97 billion. Caribbean Flavours and Fragrances recorded a slight decline in revenue for the period while Woodcats International Limited maintained a steady upward pace. Spicy Hill reported a year over year improved performance as the business continues to innovate and introduce new products that are gaining traction within the local and international market. Arosa's performance was impacted in a year where tourism arrivals were impacted and there was a slowdown in economic activity.

The operating profit for this segment reflects a year over year improvement of 1.20% as operating profit reached \$275.11 million. This could be directly attributed to effective controls and efficiencies derived from the operations in many of the subsidiaries. Total assets for the segment improved by 9.29% to \$1.76 billion with total liabilities closing the period at \$529.74 million.

Expense Management

Total operating expenses for the Derrimon Group decreased by 6.64% from \$4.11 billion to \$3.84 billion with operating

and administrative expenses declining by 9.18% to \$3.02 billion however, selling and distribution expenses rose by 4.04% to \$819 million. Staff costs declined by 15.65% from \$1.47 billion to \$1.24 billion. Insurance was a

insurance premiums grew to offset the higher risk observed by general insurance companies. Several other expenses remained relatively flat or marginally higher for the 2024 period.



Current Assets

\$7.94 billion

significant expense as it rose by 25% due to insurers increasing their premiums charged. There was also a 11.65% jump in security costs to \$91.06 million due to an increase charged by our security providers stemming from the increase in the minimum wage for security guards. Other expenses were relatively flat or unchanged for the 2024 period.

Total operating expenses for the company marginally increased to \$2.59 billion which incorporates a 9.12% drop in operating and administrative expenses from \$1.97 billion to \$1.79 billion. Selling and distribution expenses closed the period at \$796.82 million, a 31.48% rise due to increased business activity and activation events.

Staff costs decreased by 2.23% to \$762.31 million while insurance costs rose 38.94% to \$111.85 million as general

Finance Costs

The Group's long- and short-term borrowings increased by 25.80% from \$3.45 billion to \$4.34 billion. This increase in debt was utilized to facilitate specific projects funded by a loan provided by IDB Invest. Given the impact from the shocks in the New York operations, parent company support had to be provided thereby increasing the use of higher costing debt. The higher debt balance at relatively high interest rates resulted in the interest expense growing by 26.74% from \$353.68 million to \$448.25 million which also included the accounting for leases. Apart from the recording a higher foreign exchange loss, the Group's lease interest expense was higher due to the depreciation of the dollar and adjusted lease terms. As a result, Group finance costs increased by 30.22% to \$765.80 million.

The company's finance costs also increased 22.38% from \$560.91 million to \$686.46 million due to the higher interest expense on debt and larger debt balance for the period. The company's debt increased from \$3.42 billion to \$4.29 billion during the reporting period.

Taxation & Profits

The Group recorded a tax credit of \$37.74 million compared to \$15.80 million in the prior period. This was largely influenced by a tax credit at the Derrimon company level from deferred tax assets and other tax allowances.

The Group moved from a consolidated net profit of \$181.99 million to a consolidated net loss of \$616.08 million with Derrimon's profit attributable to shareholders moving from \$160.33 million to a net loss attributable to shareholders of \$538.12 million. This was the first time that the Group had recorded a consolidated net loss and was directly impacted by several major events that negatively affect the Group's operations in 2024. Earnings per share was therefore, impacted moving from \$0.035 to a loss per share of \$0.119.



Tax Credit

\$37.74 million

Derrimon (the Company) recorded a net loss, moving from \$189.05 million in 2023 to \$71.10 million in 2024.

Balance Sheet Management

The Group's total assets increased by 6.31% from \$16.65 billion to \$17.70 billion driven by the increase in our Property, Plant and Equipment (PPE) and right-of-use assets. The company revalued its investment property which increased by 15.87% to \$730 million while our PPE moved from \$3.57 billion to \$3.93 billion due to the increased work in progress line item which was related to our New York and Jamaican operations. Total capital expenditure for the year was \$549.95 million with most of this spend taking place at the company level. Our deferred tax assets increased 82.57% from \$142.58 million to \$260.31 million due to tax losses and right-of-use assets.

Current assets grew by 4.10% to \$7.94 billion with cash and short-term deposits moving from \$411.83 million to \$533.36 million. The Group's inventory balance declined by 17.87% from \$5.09 billion to \$4.18 billion as we reduced our wholesale bulk items and had to write off inventory related to New York.

Total liabilities increased by 16.27% from \$9.77 billion to \$11.37 billion as non-current liabilities and current liabilities moved to

\$5.31 billion and \$6.05 billion, respectively. Our long-term loans increased by 21.25% to \$3.79 billion while our short-term loans went up to \$546.20 million.

The lease liabilities increased by 11.61% to \$3.42 billion as a result of a new lease and foreign exchange (FX) movement given that many of the current leases are denominated in USD. Payables grew 4.10% from \$2.59 billion to \$2.69 billion as the group's foreign and other payables balance increased.

Equity attributable to shareholders decreased by 9.28% from \$6.63 billion to \$6.01 billion as the Group incurred a net loss during the period, lowering retained earnings.

Stock Price

Whereas the prior four years from 2020 to 2023 had numerous equity listings on the JSE, there was a shift during 2024 as more companies listed more fixed income like instruments. That was evident during 2024 as eight out of the ten securities listed were preference shares or bond instruments while the other two listings were Initial Public Offerings (IPO) for Junior Market companies. The impact of relatively high interest rates on the equity market cannot be understated as observed by the sole secondary market offering, during 2024, not meeting its target.

Whereas most Main Market indices trended upwards during 2024, the Junior Market Index declined by nearly 3% with 27 ordinary stocks declining, 18 improving and one holding firm. This is the second consecutive year where most Junior Market securities declined in value, a reflection of market sentiment adjusting capital allocation in a market with different investment returns. The value traded also declined by 26.60% which mirrors a similar observation from 2023 and a sharp contrast to the record values observed in 2022. The top 10 shareholders increased their interest in DTL from 73.32% to 73.36%.

	DEC 2024	DEC 2023	Change
JSE Index	335,794.94	325,699.79	3.10%
Junior Market Index	3,735.05	3,848.33	-2.94%
JSE Combined Index	347,896.22	339,158.12	2.58%
M&D Index	110.44	102.94	7.29%
DTL Stock Price	1.96	1.85	5.95%

Derrimon's stock price increased by 5.95% during 2024, with the stock trading most times over \$2 with the final day seeing the stock price closing at \$1.85. The stock remained quite liquid as observed by the trading volumes and activity observed during the year. The stock price peaked at \$2.30 on June 26 and had its lowest price on June 11 at \$1.52. The company's market capitalization ended the year at \$8.89 billion, an improvement over the \$8.39 billion in 2023. The company did not pay a dividend in 2023 as it recovered from higher costs incurred during the period and focused on continued capital expenditure. However, investors should recall that Derrimon had its Initial Public Offering of \$0.205 (\$2.05 pre-split price) and paid two dividends totalling \$0.022 between 2019 to 2020. Thus, investors who purchased at our Initial Public Offering (IPO) would have benefited from total returns of 866.83% over that period.

Price Changes	High	Low	Opening	Closing
Q1 (JAN-MAR)	2.10	1.80	1.85	2.09
Q2 (APR-JUN)	2.30	1.52	2.09	2.19
Q3 (JUL-SEP)	2.22	1.77	2.19	1.95
Q4 (OCT-DEC)	2.15	1.75	1.94	1.96

Risk Management

The risk management policy framework which has been established by the Board of Directors continues to be a critical part of the daily operations of the Derrimon Group of Companies. The management team are the key drivers in the management, operational and enterprise risks within the framework of the policy and are reviewed by the Audit Committee of the Board of Directors. The implementation of various strategies of managing and controlling inventory and cash are reviewed and trends are analysed.

A full evaluation of our risk is performed at every level of operation to ensure that all of the known elements of risk are effectively managed and mitigated. The various enterprise risks are measured and managed,

standards are maintained, thorough inspection of raw material inputs and further testing at the completion of the manufacturing process ensures higher levels of standardisation product quality control.

Some of the risks identified in 2024 included:

Operational Risks – This arises from the inability to execute business due to internal or external factors that inhibit activity. This risk can further be compounded by employee errors, fraud, natural disasters and damage to physical assets. The Group has insurance policies for business interruption, property damage and public liability. The only major risk that occurred during the year was the passage of Hurricane Beryl on July 3 which resulted in a lost business days and a slowdown in business activities from the disruption of electricity. Otherwise, this event did not cause significant disruption to our operations.

Currency Risk – The Derrimon Group is exposed to foreign exchange (FX) risk due to fluctuations in the exchange rate on transactions and balances that are denominated in currencies other than the JMD. While the company does not directly hedge with derivatives, it manages currency risk through arrangements with producers and suppliers which includes buffers in the pricing mechanism. Exports to different markets and management fees from our New York operations provides the company with some FX to manage the potential volatility at different intervals. The treasury team is also engaged

across all subsidiaries to discuss future FX needs and strategic plans to collectively source any FX required ahead of time. Currency risk can also be managed by refinancing loans denominated in a foreign currency into JMD to address any fluctuations in the FX rate. The company received lower management fees from its New York operations during the year due to the disruption at the key location.

the Group of companies employ the highest standards and established protocols for safety.

Credit Risk – The Derrimon Group is exposed to credit risk where its customers, clients or counterparties fail to discharge their financial obligation to the company which mainly manifests itself in the form of trade receivables. 15% of the Group's trade receivables were current at the end of 2024 with 32% being under 90 days. 26% of the company's trade receivables at the end of 2024 was current with 58% of the trade receivables balance being below 90 days. Due to a larger portion of the group trade receivables being past 90 days, there was a larger expected credit loss allowance reflected on the consolidated income statement. The Group and Company are developing new product categories which requires longer credit terms. However, the Group worked on reducing the outstanding credit balance in the 2025 financial year while re-evaluating the route for certain categories. The bulk of the Group's

trade receivables were recorded under other parties which reflects the growing base of customers. Risks can also arise from suppliers reducing credit terms which can require more near-term payments rather than it being based on our respective timelines.

Commodity & Supply Chain Risk

– The Group is impacted by delays experienced by our suppliers and fluctuations in commodity prices for raw materials used in different operations. The Group imports key inputs and other inventory items used in its operations from many geographies, but mainly from the Caribbean relating to items sold by different businesses. Logistics challenges became more prominent during 2024 as different suppliers required extended lead times for orders originating from certain markets. This affected the production timeline of CFF for certain products and impacted the Group's strategy for managing inventory balances. These disruptions present a risk for certain subsidiaries and even the group's growing proprietary brands as inventory is crucial to establish our brand presence. The recent increase in freight costs and depreciation of the Jamaican dollar also requires the Group to carefully consider pricing with its products.

Interest Rate Risk – Interest rate risk relates to the value of a financial instrument's value or future payments changing due to market adjustments. The Group has invested into higher yielding instruments during the high-interest rate environment and takes fixed rate liabilities where applicable. The Group's

debt to equity ratio (excluding lease liabilities) increased from 0.60 times to 0.84 times while debt to total assets moved from 0.24 times to 0.29 times. The company's debt to equity ratio (excluding lease liabilities and inter-company loans) increased from 0.73 times to 0.98 times while debt to total assets moved from 0.29 times to 0.35 times. The company will access capital from its subsidiaries as part of its internal resources along with revolving facilities and bank overdrafts for its capital needs along with that of the Group. While the company has sufficient capital to cover its interest expense, the company is not immune from some of its lenders adjusting interest rates upwards. Although there is no expectation that interest rates would increase at a faster pace by lenders, the rise in interest expense impacts the company's profit. The company expects to refinance some of its maturing debt in 2025 at lower rates which should reduce the finance costs as well as to dispose of some assets and utilise proceeds in order to reduce the debt stock.. The board carefully monitors the company and Group's capital management strategies which also extends to external borrowings.

Cyber Risk – Cyber risk relates to the compromise or unauthorized access of Group and Company systems by external parties. Like any other modern company, Derrimon and its associated companies are powered by information technology (IT) systems to operate and carry out business. The breach of IT systems

can leave the company unable to operate by encrypting all your data and creates the risk for privacy breaches if any information is extracted and posted without the company's permission. The company has invested significant sums into the security of its IT infrastructure as cyber threats increase every day. The Group also had to spend additional sums to prepare for compliance with the Data Protection Act which came into force at the end of 2023.

Political Risk – The change of a political administration can result in a policy shift by the new government. There was an observed change in the political leadership across the globe during 2024 with some governments losing majority control of their political assemblies. Some of these new political administrations have begun to enact policies that can decrease the flow of funds back to the Caribbean which benefits from diaspora support. Also, uncertainty ahead of a country's election can impact spending in the general economy as citizens assess the implications of any political directorate's strategy.

Apart from CFF maintaining its Safe Quality Food Certification, the various companies in the Group employ the highest standards for safety and maintain relevant protocols established by bodies such as the Ministry of Health and Wellness and other quality assurance bodies. In addition to the various reviews being done by the management team, the oversight given by the internal and external audit team serves to focus the Audit Committee in ensuring that our

corporate governance objectives for effectively managing risks are met.

The Derrimon Group wants to assure investors and stakeholders that dishonesty and acts of deception are not tolerated by any employee, director or third parties. The company limits physical cash activity, has relevant stock taking exercises and has controls in place for disbursement of payments which is verified with the receiving

To ensure shareholder benefits and business continuity in the event of catastrophic occurrences, the implementation of robust internal measures to increase the security of our assets as well as the safeguarding of proprietary trade secrets, client's relationship and the data availability and assurance infrastructure have been undertaken. The company will continue to manage its risks to protect its employees, assets and the interests of all its stakeholders.

Market Capitalisation

\$8.89 billion

the fourth largest company on the Junior Market

party. External auditors are given the opportunity to examine the Group from top to bottom without any obstruction and have access to key management members at request. The Group also employs internal controls, administrative system and relevant inventory checks which includes CFO oversight to monitor key developments. The Company has established protocols with relates to fraud and fraud detections.

Derrimon maintains a focus on transparency and good governance in its operations. Shareholders and members of the public can view the group's financials and company's financials every quarter which allows for anyone to make a fair assessment of the state of affairs of the business.

Outlook & Future

Although the Group restarted the supermarket arm of its New York operations last November, there was a delay in the reopening of Marnock LLC which owns Good Foods for Less . That business required final certifications given its USDA approved operating status before it could reopen for business. This business reopened in late June 2025 and resumed contribution to the Group's top and bottom line. These businesses form part of our avenue to export products across the Group into the New York area. While overseas expansion is a perfect way for the company to grow its presence and earn additional income, we are being cautious going forward in how we manage the associated risks for any overseas venture.

Arosa continues to see increased demand for its meat products across its different market segments. However, the capacity constraint of the existing facilities limits the ability for the business to satisfy that demand. A capital plan has been drafted to modernise and expand the existing facilities which can go to an estimated US\$2 million dollars. This upgrade would allow for better integration alongside better efficiency from greater production volumes to the various market segments.

CFF continues to work on growing its product range with the baked products/ingredients portfolio and the protein portfolio being the two latest areas of growth. We are marketing these products across Jamaica and the English-Speaking Caribbean to different mills and manufacturers. The company is also benefiting from the continued expansion of manufacturing capacity in Jamaica by its largest customers who have set their sights on growing export volumes.

CFF is currently exploring expanded partnerships with its key partners. However, the company has decided to curtail the Spanish-Speaking expansion and decided to concentrate its focus on the Guyanese and Trinidadian markets where demand is robust. This is being facilitated by the development of its in-house talent to ensure that it can meet the demand. CFF is projected to exceed \$1 billion in assets and \$1 billion in revenue for 2025 at the current pace.

Following the new ERP system implementation in Q1&Q2 of 2024,



The Spicy Hill Farms brand continues to perform superbly under our guidance as it continues to exceed budgeted projections. The brand has the adequate production capacity at our existing Marcus Garvey Drive head office and can sufficiently meet the market demand. For the 2025 FY, new product lines will be coming on board to support our export initiative into other markets.

the Sampars business has seen increased basket sizes as we can better target specific categories that match customer preferences. That improved interest at Sampars has also been accompanied by greater market acceptance of our Delect and Refresh brand of products. Our work on brand building is continuing to pay off as we continue to activate more engagement opportunities and strengthen our go to market strategy.

The deliberate push to grow proprietary brands comes from the lessons we learnt from other distribution businesses in the Jamaican landscape. A change in preference by the supplier or an acquisition can impact the distributor that supplies a particular product to the market. Thus, it's crucial for Derrimon to build its own core brands that we have control over to buffer ourselves from that risk while increasing our own profile with customers.

There have been recent media publications about Derrimon

weighing two or three strategies to improve the financial performance of the company. One of these mentioned strategies was the sale of non-core assets which could be used to reduce the debt on the company's books. Any potential move will be communicated to investors as we try to seek the best route to improve our earnings.

However, it is important for investors to understand the company and its vision. Derrimon has acquired different businesses over the years which have received investments to facilitate their growth. However, the company has been taking on debt to facilitate these initiatives. As a result, there is an increased financing cost at the company level. Derrimon has previously considered listing some of its subsidiaries on the JSE Junior Market to expand the profile of these businesses, but this move is subject to market conditions and guidance from our financial advisors. While the Junior market share capital threshold has increased to \$750 million, the JSE rules were yet to be amended at the time of writing to reflect this

change. We are evaluating different opportunities to grow organically, but also improve our debt profile so that we can lower financing costs and make in roads to return capital to our shareholders.

Due to the disruption of our New York operations last year, certain portions of the US\$13 million financing partnership with IDB (Inter-American Development Bank) Invest were put on hold. The company has cancelled the unutilized balance given the thrust and strategy of debt reduction.

The 2025 financial year has been a period of heightened global uncertainty as the new administration in the United States of America (USA) has enacted a sweeping wave of new policies that has challenged the established paradigm. Apart from budget cuts across numerous agencies, a new series of tariffs were enacted for different trading partners, resulting in increased trade tensions amongst the world's largest economies. Global commodity prices and financial markets have fluctuated throughout the first half of 2025. The IMF revised its global growth forecast in April from 3.3% for 2025 and 2026 to 2.8% in 2025 and 3.0% in 2026.

Although the Caricom Private Sector Organisation was able to receive concessions for high port fees related to shipping across the region, additional budgetary provisions were signed into law recently. The planned introduction of a remittance tax is expected to accelerate the digitisation of these transfers to the Caribbean region but will impact some senders and their recipients in different markets. The company continues to assess the developments as they are announced, especially as these measures can change in a short time span.

Jamaica's air traffic through the two key international airports was marginally down during the first half of 2025. That reduction in demand was more pronounced at Sangster International Airport which was down 5.1% as fewer passengers went through the location. Different listed companies have reported mixed experiences on tourism earnings, with some companies still impacted by the delay in the reopening of the Ocho Rios Pier which was damaged during February 2024. Remittance inflows were up 4.1 per cent during the first five months of 2025, a reflection of support from the Jamaican diaspora to their homeland. The country's GDP also improved during the first quarter while unemployment and point-to-point inflation trended downwards for the reported periods.

Finance Minister Fayval Williams noted that the country's Debt to GDP figures was projected to be 68.7% at the end of March 2025, the lowest this figure has been in 30 years. The country has also continued to focus on infrastructure investments which have been facilitated by the securitisation of existing infrastructure assets. Fitch Ratings and S&P Global Ratings have continued to affirm their BB- credit ratings for Jamaica while Moody's Ratings maintained its rating at B1. If these credit rating agencies upgraded Jamaica's credit rating to the investment grade region, it would open up new capital that could be invested in Jamaica. The BOJ continued its rate cuts and reduced its policy rate to 5.75 per cent on May 21, 2025, a positive signal to the financial markets.

The USD-JMD weighted average FX selling rate also depreciated above \$160 in June 2025, the first time in nearly five years that the FX rate has exceeded the \$150 region.

At the time of writing this report, the country's general election was yet to be announced. The delay in the timing of the general election has seen a slowdown of demand in different market segments as business leaders wait on this election cycle to be completed. That means that certain marketing events and other product launches have been delayed by some customers as they seek to ensure that their message isn't diluted or subdued by other advertisements.

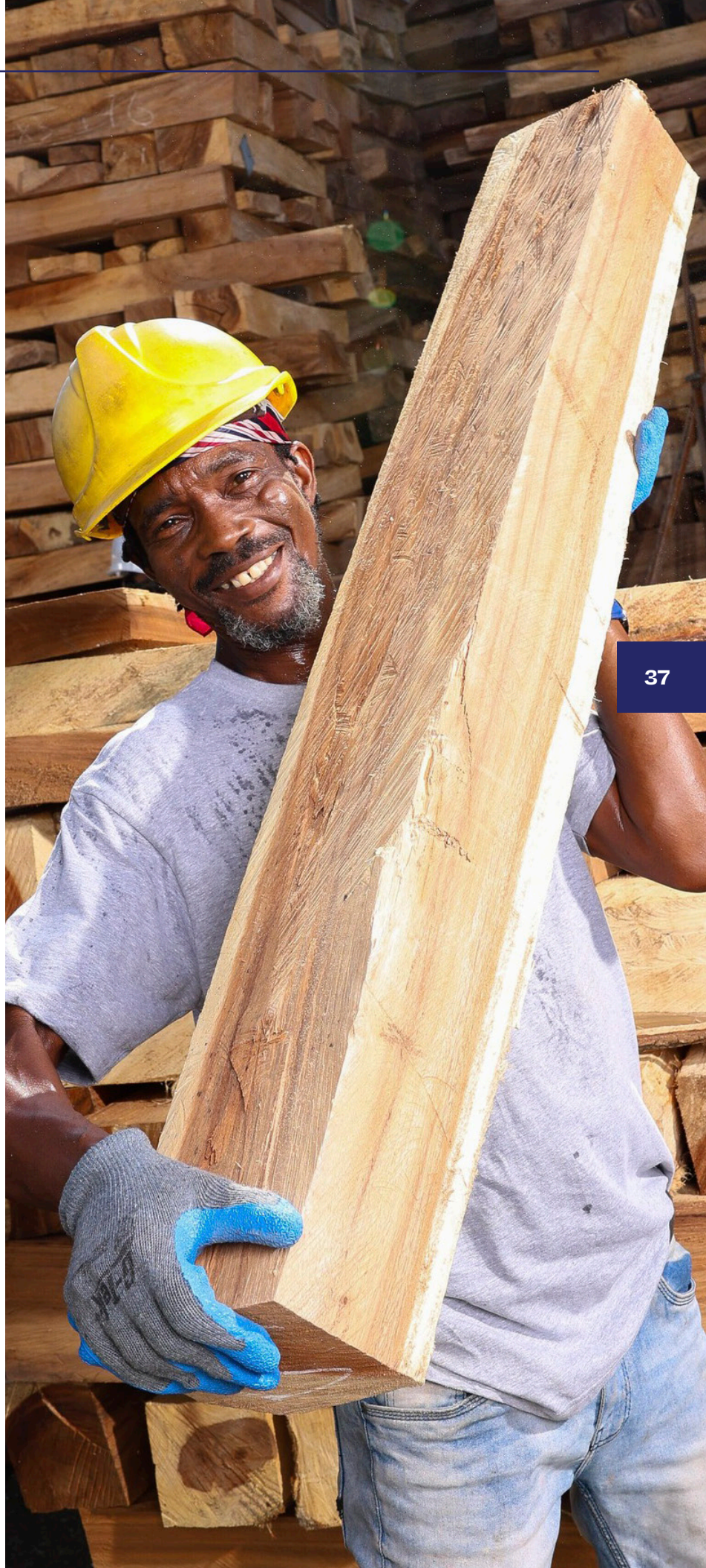
Security costs and minimum wage increased on June 1, 2025 to \$16,000 which will mean higher operational costs in the second half of 2025. This represents the fourth consecutive year of minimum wage adjustments which impacts the planned budget on the expense side for areas like security and other associated costs.

We encourage our shareholders to follow our social media pages, shop on shopsampars.com, and try our Delect products at our Sampars and Select Grocers locations across the island. While our Annual General Meeting (AGM) is largely in person, the meetings will be streamed on platforms

such as Zoom and Instagram as we work to ensure access is not limited for those seeking to learn about our business.

We said goodbye during the first quarter to Winston Thomas who resigned as a Non-Executive Director on January 31, 2025. Mr Thomas joined Derrimon's Board in 2009 and the management team shortly afterwards as its General Manager. Mr Thomas retired in March 2017 as our Chief Operating Officer but remained an active Board member where his contributions were highly valued. We thank Winston for his contributions for nearly two decades and his guidance to the Derrimon business as we evolved throughout the years.

The Derrimon Group is eternally grateful to the various company founders who entrusted their businesses with us over the years and still work alongside us to grow these firms. The Board of Directors of the various subsidiaries have provided valuable insight and guidance over the years to grow each entity to new heights. Derrimon is 27 years old later this year while CFF will celebrate its 25th anniversary on October 1, 2025, a reflection of two young companies making significant progress in Jamaica. We look forward to improving our earnings during 2025 and ensure that we remain profitable as we expand our various business lines.



Executive Team

38



LEFT-RIGHT: Derrick Cotterell Group Chairman & CEO | **Ian Kelly** Group CFO
Monique Cotterell Group Human Resources Director & Company Secretary

Business Unit Heads



David Lee
Spicy Hill Farms



Peter Douglas
Woodcats International



Janice Lee
Caribbean Flavours &
Fragrances Limited



Gavin Smith
Supermarket Division



Romaine Dawson
Wholesale Division



Sheldon Simpson
Derrimon Trading Company



John Paik
FoodSaver NY and
Good Food for Less



Stewart Jacobs
Arosa Limited



Oral Richards
Head of Retail & Purchasing

Senior Management



Althea Williams
Group Human Resource
Manager



Andrew Bent
Vice President, Sales



Celia Malcolm-Sloley
Chilled Beverages Manager



Carol Wilson
Credit Manager



Georgia Strachan
Group Brand Manager



Jermaine Thomas
Chief Information Officer



Otema Thompson
Group Financial Manager



Phillip Palmer
Beverage Plant Manager



Ricardo Skyers
Refresh Brand Manager



Rockey Allen
Security & Facilities Manager



Sheree Gordon
Office Manager, Executive
Assistant to the Chairman & CFO



Verona Howell
Group Management Accountant



Warren Cornwall
Commercial Manager

Retail Store & Operation Managers



Carlos Duhaney
Sampars - West Street



Jean Alveranga
Sampars - Cross Roads



Jillian Wright
Select Grocers - May Pen



Kebra Dawson
Sampars - Boulevard



Lisa Moncrieffe
Sampars - Old Harbour



Marvette Dixon
Sampars - Marcus Garvey Drive



Semoy Cole
Retail Category Manager



Shaun Battick
Retail Inventory Manager

41

Middle Management



Amaya Miller
Loss Prevention & Safety
Manager



Desrene Reid
Customer Service Manager



Karuel Jones
Chief Accountant, Arosa



Leroy Dawkins
Business Development
Manager

Corporate Social Responsibility

In 2024, as Derrimon Trading Company Limited celebrated 25 years in business (1998-2023), our focus was not on fanfare, but on the lives we've impacted. Across the island — from hills to coastlines — we chose to honour our silver anniversary through service. We showed up where it mattered most, to remind Jamaicans that behind every shelf, every product, every logo, and every Derrimon employee, there is a heart that beats for the people.

42

Early in the year, we proudly participated in the Sagikor Sigma 5K, where 27,000 individuals came together to raise \$100 million for the Savanna-la-Mar Public General Hospital, the National Chest Hospital, and the Danny Williams School for the Deaf. This initiative reaffirmed our ongoing commitment to public health and collective impact.

As part of our support for national pride and sports development, Derrimon contributed to the refurbishing of the Sunshine Chalet, the official netball house that hosts Jamaica's national players during training camps, seminars, and team meetings. This facility plays a vital role in preparing our athletes to represent the nation with excellence.

In July, when Hurricane Beryl devastated parts of Jamaica, we responded immediately. As one of the first corporate entities on the ground in St. Elizabeth, we visited communities along the coastline — including Alligator Pond, Comma Pen, Junction, Ballards Valley, Tryall, Top Hill, Kinlead, Southfield, Yardley, Seaview, Congo Hole, and Treasure Beach. A week later, we returned to reach additional communities such as Parottee, Slipe, and Mountain Side.

During our first visit, in the areas of Congo Hole and Mountain Side, Minister Floyd Green brought to our attention the urgent needs of two families. Their stories deeply moved our CFO, Ian Kelly, who immediately tasked Peter Douglas, General Manager of our subsidiary Woodcats, to assist with roof repairs. We were honoured to restore shelter and dignity to



an elderly woman and a single mother of six. These efforts were not obligations — they were affirmations of who we are and the values we live by.

Throughout our relief efforts, we made space for joy and humanity. We distributed Delect canned food, Refresh water and warm, nourishing soups from Spicy Hill, offering not just sustenance but comfort. At the Mannings Boys' Home, we delivered more than donations — we shared laughter, stories, and encouragement with the young men we met.

At Burgerman's Back-to-School Treat, we reminded children that their dreams are valid and their futures are bright. Whether through a bag of groceries or a kind word, we made sure no one felt left behind.



Our commitment to long-term upliftment was reflected in the Sampars Self-Resilience Programme, which empowered families throughout the year by providing not only food, but also tools and support systems to help them move forward with confidence.

Alongside the Self-Reliance Youth Development Organisation, Sampars celebrated another milestone in our shared mission to uplift communities and invest in young Jamaicans. This programme provided financial assistance for school books and supplies, a homework club, Saturday classes, and an adult education programme for parents. Our holistic approach also included an annual barbecue, motivational talks, and mentorship opportunities.

The programme's impact was powerfully demonstrated at the 2024 Awards Ceremony, which featured guest speaker and past beneficiary Felicia Lodge, now a Housing Sector Monitoring Officer at the Ministry of Economic Growth and Job Creation. Her story stands as a powerful testament to the life-changing potential of sustained educational support.

Ian Kelly, Group CFO of Derrimon Trading Ltd., echoed our commitment:

“At Derrimon, we believe in the power of education to change lives. Despite any financial deterrents that may arise, we are determined to continue to live the dream of Mr. Lloyd Sam Richards. Through our support of this initiative, we are not only investing in individual students but also in the future of Jamaica. We have a responsibility to help build the fabric of this country by empowering the next generation of leaders.”



We also stood proudly on football fields and cricket grounds — spaces where youth build resilience, discipline, and national pride. At the St. George's College Pre-Season Football Competition, we not only supported the host school but also supported teams from Tivoli Gardens High, McGrath High, and York Castle High, providing cash sponsorship and Refresh water for hydration. In Waterford, we sponsored the Money Nights Football Tournament, which brought together sixteen teams from across the island. At each match, we stood not as spectators, but as believers in the potential of Jamaican youth.

Continuing our support of youth and education, Derrimon proudly participated in the David "Wagga" Hunt Scholarship Programme, which provided \$3.6 million in scholarships to twenty-four deserving students — twelve each from Kingston College and Calabar High School. At Bridgeport High School's Career Quest, we helped students envision themselves as future leaders and changemakers.

Our commitment to national well-being extended to frontline service members. At the Hunts Bay Police Health Fair, we offered support and services in partnership and gratitude. Through our ongoing collaboration with the Riva Fi Dayz team, we also made a meaningful donation to Bellevue Hospital, extending hope where healing is most needed.



As the year drew to a close, we held on to the spirit of giving. At Christmas, Woodcats hosted a joyful treat for children and families, filling the season with warmth and celebration. On Heroes' Day, we distributed brand-new stoves to families in need — small yet powerful acts that will bring lasting comfort to homes across Jamaica.

Because true impact isn't measured by profit — it's defined by purpose. Each initiative, every act of generosity, and every partnership told a deeper story — not of a company merely expanding in size, but one growing in purpose and heart. We reaffirmed our founding mission: to serve not just markets, but people.

Each initiative, each act of generosity, and each partnership told a larger story — not of a company that has simply grown in size or scale, but one that has grown in spirit. We recommitted ourselves to the mission that has guided us from the beginning: to serve not just markets, but people.

Because true impact isn't measured in profit — it's measured in purpose. And if our past is any indication, the future is bright. Wherever there is need, there will be a Derrimon hand reaching out — with heart, with hope, and with the unwavering belief that together, we rise.

A black and white photograph of a woman in a market stall, reaching up to touch a bunch of bananas hanging from a rack. She is looking upwards with a slight smile. The stall is filled with various fruits, including bananas and coconuts. The background is slightly blurred, showing other market stalls.

Financials

For the year ended 31 December 2024

INDEPENDENT AUDITORS' REPORT

To the Members of
Derrimon Trading Company Limited

Report on the audit of the consolidated and stand-alone financial statements

Our opinion

In our opinion, the consolidated financial statements and the stand-alone financial statements give a true and fair view of the consolidated financial position of Derrimon Trading Company Limited (the Company) and its subsidiaries (together 'the Group') and the stand-alone financial position of the Company as at 31 December 2024, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with the requirements of the Jamaican Companies Act.

What we have audited

Derrimon Trading Company Limited's consolidated and stand-alone financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the company statement of financial position as at 31 December 2024;
- the company statement of comprehensive income for the year then ended;
- the company statement of changes in equity for the year then ended;
- the company statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of material accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated and stand-alone financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

ADVISORY • ASSURANCE • TAX

PARTNERS: Wayne Strachan; FCA;FCCA;MBA Emile Lafayette; FCA;FCCA;MBA Roxiana Malcolm-Tyrell; FCA;FCCA;MBA Royal Thorpe; FCA;FCCA;MBA

Baker Tilly Strachan Lafayette trading as BakerTilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

Report on the audit of the consolidated and stand-alone financial statements (continued)

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and stand-alone financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

47

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Our 2024 audit was planned and executed having regard to the fact that the operations of the Group remain largely unchanged from the prior year.

The Group's businesses are organised into three primary segments being Distribution, Wholesale and Retail and Other operations. These entities maintain their own accounting records and report to the Group through the completion of consolidation packages.

In establishing the overall Group audit strategy and plan, we determined the type of work that was needed to be performed at the components by the Group engagement team and component auditors.

.../3

Report on the audit of the consolidated and stand-alone financial statements (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and stand-alone financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and stand-alone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

48

Key audit matters	How our audit addressed the key audit matters
<p>Accounting for Business combinations-intangible assets (Group)</p> <p><i>Refer to notes 2(b) and 7 to the consolidated and stand-alone financial statements for disclosures of related accounting policies and balances.</i></p> <p>The total carrying value of goodwill as at 31 December 2024, is \$1.43 billion (2023: \$1.43 billion), representing 8.1% (2023: 8.6%) of the Group's total assets.</p> <p>In accordance with IAS 36, "Impairment of Assets" management performed an annual impairment assessment to determine whether the carrying value exceeded the recoverable amount of the cash generating unit (CGU) to which the goodwill is allocated and is therefore impaired at the reporting date. Goodwill relating to the recoverable amount of a CGU is calculated as the higher of the value in use and the fair value less the costs of disposal.</p> <p>Management determined the recoverable amount by reference to value-in-use which is based on discounted cash flow projections over which management makes significant judgements on key inputs. As a result of the assessment, management determined that there are no impairments as at 31 December 2024.</p> <p>We focused on this area as the annual impairment assessment requires management's judgement and estimation, particularly in relation to the estimation of future cash flows from the businesses, taking into consideration the key assumption being the revenue growth, capital expenditure and discount rate in the Group's impairment model.</p> <p>The key assumptions were assessed by management as being:</p> <ul style="list-style-type: none"> ○ Revenue growth rate ○ Terminal growth rate ○ EBITDA margins ○ Capital expenditure ○ Discount rate 	<p>Our approach to addressing this matter, with the assistance of our valuation expert, involved the following procedures, amongst others:</p> <ul style="list-style-type: none"> ❖ Evaluated management's future cash flow forecasts, and the process by which they were prepared, including testing the underlying calculations and comparing them to the latest financial forecast. ❖ Compared previous forecasts to actual results to assess the performance of the business and the accuracy of forecasting. ❖ Evaluated the revenue growth rate and discount rate against valuations of similar companies. ❖ Compared the key assumptions of revenue growth, terminal growth rate, EBITDA, margins, capital expenditure and discount rate against externally derived benchmark data. ❖ Evaluated the revenue growth and discount rate used in management's cash flow projections against valuations of similar companies. ❖ Tested the calculations for mathematical accuracy and assessed the sensitivity of the calculations by varying the key assumptions and adjustments within management's cash flow forecasts. <p>The results of our procedures indicated that management's determination that goodwill was not impaired at the reporting date was not unreasonable.</p>

Report on the audit of the consolidated and stand-alone financial statements (continued)

Key audit matters	How our audit addressed the key audit matters
<p><u>Borrowings</u></p> <p>Refer to notes 2(p), 20, 22 and 23 to the financial statements for management's disclosures of related accounting policies, judgments and estimates relating to borrowings. As at 31 December 2024, long and short-term borrowings, and bank overdraft represented \$5.05 billion (2023 - \$3.99 billion) or 46% (2023 – 38%) of the total equity and debts of the Group and the Company \$4.89 billion (2023 - \$3.89 billion) or 49% (2023 – 42%) respectively. The Group continues to be highly leveraged.</p>	<p>The Parent Company remains highly leveraged as management continues to strategically use debt financing as the principal pillar to implement structured growth projects within the Group. During the year, management implemented strategies to improve its gross margins, thereby improving its cash flows and its ability to meet its financial obligations as they fall due. The Parent Company continues to examine its financing options within the context of its debt management strategy and review its choices based on the present improving market conditions as well as its risk profile.</p> <p>Our audit procedures included: -</p> <ul style="list-style-type: none"> • Reviewed the loan agreements and repayment schedules. We noted that all the loans were being serviced on a timely basis as per the contractual agreements, principally by predetermined monthly deductions from the Company's various bank accounts. • Confirmed the balances, reviewed the maturity schedule for repayment, tested the interest calculations and determined that the total borrowings represented obligations by the Company and the Group. • Tested the effectiveness of controls over the timely repayment of loans and other credit facilities and noted that they are compliant with the various agreements. <p>We had robust discussions with senior management regarding the growth and expansion strategy using debt as the principal means of growth and expansion and the ultimate strategy to reduce debt capital over the long term. A downside to this strategy is the inherent liquidity risk that the cash generating units acquired, may not perform as expected, resulting in the Company and Group being unable to meet its obligations as they fall due.</p> <p>Management is mindful of this inherent liquidity risk. However, management is confident that their strategic growth and expansion plan will continue to perform based on historical performance and anticipated future positive trends, due to the encouraging economic factors being experienced in the marketplace.</p> <p>Management is of the opinion that adequate safeguards are in place as they have implemented the necessary policies and procedures including scenario analysis, alternative payment strategies in the event of cash flow challenges and direct monitoring of the individual borrowings. We evaluated the performance of the borrowing portfolio subsequent to the end of the reporting period to determine whether there was a need for any adjustment or whether there were any default or breach of any terms of financial covenants. There were no adverse findings. We also reviewed legal and bank confirmations and correspondences, and we did not identify any negative matters or need for adjustment at the time of approval and signing of the audit report by the Board of Directors.</p>

Report on the audit of the consolidated and stand-alone financial statements (continued)

Key audit matters	How our audit addressed the key audit matters
<p>Valuation of trade receivables for the Group and the Company</p> <p><i>Refer to notes 2(l), 3(a), 4(i) and 13 to the consolidated and stand-alone financial statements for disclosures of receivables.</i></p> <p>The Group recognises expected credit losses (ECL) on financial assets measured at amortized cost. The determination of ECL is highly subjective and requires management to make significant judgements and estimates and the application of forward-looking information.</p> <p>The combination of significant management estimates and judgement increases the risk that management estimates could be materially misstated.</p>	<p>Our audit procedures in response to this matter included:</p> <ul style="list-style-type: none"> ❖ Obtaining an understanding of the model used by management for the calculation of expected credit losses on accounts receivables. ❖ Testing the completeness and accuracy of the data used in the models to the underlying accounting records. ❖ Involving our financial risk modelling specialist, to review the ECL model, assess the appropriateness of the Company's impairment methodology, management's assumptions and compliance with the requirements of IFRS 9, Financial Instruments. ❖ Assessing the appropriateness of the Group's impairment methodology, management assumptions and compliance with the requirement of IFRS 9, Financial Instruments. ❖ Assessing the adequacy of the disclosures of the key assumptions and judgements for compliance with IFRS 9. ❖ Testing the accuracy of Group's ageing of accounts receivables. ❖ Testing the accuracy of the ECL calculation.

Report on the audit of the consolidated and stand-alone financial statements (continued)

Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated and stand-alone financial statements and our auditors' report thereon), which is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated and stand-alone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and stand-alone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and stand-alone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated and stand-alone financial statements

Management is responsible for the preparation of the consolidated and stand-alone financial statements that give a true and fair view in accordance with IFRS and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of consolidated and stand-alone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and stand-alone financial statements, management is responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and Company's financial reporting process.

Report on the audit of the consolidated and stand-alone financial statements (continued)

Auditors' responsibilities for the audit of the consolidated and stand-alone financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and stand-alone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and stand-alone financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

52

- Identify and assess the risks of material misstatement of the consolidated and stand-alone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and stand-alone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.

Report on the audit of the consolidated and stand-alone financial statements (continued)

Auditors' responsibilities for the audit of the consolidated and stand-alone financial statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and stand-alone financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and stand-alone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the consolidated and stand-alone financial statements (continued)

Report on other legal and regulatory requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying consolidated and stand-alone financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

The engagement partner on the audit resulting in this independent auditors' report is Royal Thorpe.



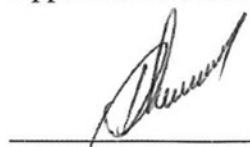
Chartered Accountants
Kingston, Jamaica
3 March 2025

Consolidated Statement of Financial Position

As at 31 December 2024

	Note	2024 \$'000	2023 \$'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,925,518	3,573,329
Investment property	6	730,000	630,000
Intangible assets	7	1,835,359	1,835,359
Investment securities	9	202,957	203,479
Right-of-use assets	10	2,807,596	2,639,011
Deferred tax assets	11	260,314	142,580
Total non-current assets		9,761,744	9,023,758
Current assets			
Inventories	12	4,176,254	5,085,082
Receivables	13	3,179,695	2,039,816
Due from related parties	14	7,205	39,879
Taxation recoverable		39,463	46,995
Cash and short-term deposits	15	533,363	411,830
Total current assets		7,935,980	7,623,602
TOTAL ASSETS		17,697,724	16,647,360
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	16	3,863,849	3,863,849
Capital reserves	17	398,566	435,701
Investment reserves	18	614	614
Foreign exchange reserves		4,260	(3,805)
Retained earnings		1,744,530	2,330,661
Total capital and reserves		6,011,819	6,627,020
Non-controlling interest	19	320,712	245,840
Total equity		6,332,531	6,872,860
Non-current liabilities			
Long-term loans	20	2,181,117	2,797,367
Lease liabilities	10	3,132,584	2,829,481
Total non-current liabilities		5,313,701	5,626,848
Current liabilities			
Payables	21	2,694,700	2,588,684
Short-term loans	22	546,200	321,200
Current portion of long-term loans	20	1,608,735	328,172
Current portion of lease liabilities	10	289,590	236,822
Taxation payable		193,004	130,344
Bank overdraft	23	719,263	542,430
Total current liabilities		6,051,492	4,147,652
Total liabilities		11,365,193	9,774,500
TOTAL EQUITY AND LIABILITIES		17,697,724	16,647,360

Approved for issue by the Board of Directors on 03 March 2025 and signed on its behalf by:


 Director
 Derrick Cotterell


 Director
 Earl Richards

Consolidated Statement of Comprehensive Income

Year ended 31 December 2024

	Note	2024 \$'000	2023 \$'000
Revenue	24	15,214,246	18,743,230
Cost of sales		(11,355,842)	(14,065,345)
Gross profit		3,858,404	4,677,885
Net unrealised losses on investments valued at fair value through profit and loss		(199)	-
Other operating income	25	552,825	381,034
Operating and administrative expenses	26	(3,017,745)	(3,322,765)
Selling and distribution expenses	26	(818,990)	(787,186)
Impairment allowance on financial assets	3(a)	(462,304)	(194,712)
Operating profit	27	111,991	754,256
Finance costs, net	29	(765,804)	(588,067)
(Loss)/profit before taxation		(653,813)	166,189
Taxation	30	37,737	15,798
Net (loss)/profit		(616,076)	181,987
Net (loss)/profit attributable to:			
Stockholders of the company		(538,122)	160,334
Non-controlling interest		(77,954)	21,653
		(616,076)	181,987
Other comprehensive income:			
Item that will not be reclassified to profit and loss:			
Unrealized fair value gain on property	17	-	341,063
Item that may be subsequently reclassified to profit and loss:			
Foreign exchange reserves		9,209	(8,344)
Other comprehensive income for the year		9,209	332,719
Total comprehensive (loss)/income for the year		(606,867)	514,706
Total comprehensive (loss)/income attributable to:			
Stockholders of the company		(530,057)	494,370
Non-controlling interest	19	(76,810)	20,336
		(606,867)	514,706
(Loss)/earnings per ordinary stock unit attributable to shareholders of the company	32	(11.87)C	3.54C

Consolidated Statement of Changes in Equity

Year ended 31 December 2024

	Attributable to Owners of the Parent					Non-controlling Interest	Total Equity
	Number of Stock Units	Share Capital	Capital Reserves	Investment Reserves	Foreign Exchange Reserves	Retained Earnings	
	'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2023	4,533,361	3,863,849	94,638	614	3,222	2,170,327	6,373,881
Total comprehensive income:							
Net profit	-	-	-	-	-	160,334	181,987
Other comprehensive income	-	-	341,063	-	(7,027)	-	332,719
	-	-	341,063	-	(7,027)	160,334	514,706
Transactions with owners:							
Dividends paid by subsidiary to non-controlling interest (Note 19)	-	-	-	-	-	(15,727)	(15,727)
Balance at 31 December 2023	4,533,361	3,863,849	435,701	614	(3,805)	2,330,661	6,872,860
Total comprehensive loss:							
Net loss	-	-	-	-	-	(538,122)	(616,076)
Other comprehensive income	-	-	-	-	8,065	-	9,209
	-	-	-	-	8,065	(538,122)	(606,867)
Other reserve movements:							
Transfer of net assets	-	-	(37,135)	-	-	(48,009)	108,832
Transactions with owners:							
Dividends paid by subsidiary to non-controlling interest (Note 19)	-	-	-	-	-	(42,294)	(42,294)
Balance at 31 December 2024	4,533,361	3,863,849	398,566	614	4,260	1,744,530	6,332,531

Consolidated Statement of Cash Flows

Year ended 31 December 2024

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
Operating Activities		
(Loss)/profit before taxation	(653,813)	166,189
Adjustments for:		
Amortization of right-of-use assets	330,533	307,889
Surplus arising on revaluation of investment properties	(100,000)	(280,000)
Depreciation	265,509	283,819
Gain on disposal of plant and equipment	-	(1,000)
Disposal of right-of-use asset	(5,468)	-
Loss on the acquisition of subsidiary	-	10,495
Net fair value loss on financial assets	199	-
Interest income	(8,445)	(21,105)
Lease interest expense	263,281	230,222
Interest expense	448,251	353,679
Impairment allowance of financial assets	462,304	194,712
Loss on foreign exchange, net	62,717	25,271
	<u>1,065,068</u>	<u>1,270,171</u>
Changes in operating assets and liabilities:		
Increase in receivables	(1,602,183)	(58,481)
Increase/(decrease) in payables	106,016	(564,318)
Decrease/(increase) in related parties	32,674	(124,230)
Decrease/(increase) in inventories	908,828	(932,018)
Cash provided by/(used in) operating activities	510,403	(408,876)
Taxes paid	(9,804)	(149,942)
Interest paid	(448,251)	(353,679)
Lease interest paid	(263,281)	(230,222)
Interest received	8,445	21,105
Net cash used in operating activities	<u>(202,488)</u>	<u>(1,121,614)</u>
Net cash used in operation activities c/f	<u>(202,488)</u>	<u>(1,121,614)</u>

Consolidated Statement of Cash Flows

Year ended 31 December 2024

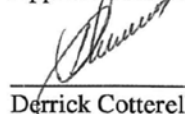
	2024	2023
	\$'000	\$'000
Net cash used in operating activities b/f	<u>(202,488)</u>	<u>(1,121,614)</u>
Investing Activities		
Investment securities, net	323	30,000
Investment in subsidiaries	-	(10,495)
Purchase of property, plant and equipment	(549,951)	(120,683)
Transfer of net assets	207,579	-
Proceeds from disposal of plant and equipment	<u>-</u>	<u>2,700</u>
Net cash used in investing activities	<u>(342,049)</u>	<u>(98,478)</u>
Financing Activities		
Lease principal payments	(211,987)	(211,770)
Long-term loans received	963,169	1,000,000
Long-term loans repaid	(298,856)	(482,263)
Dividends paid by subsidiary to non-controlling interest	(42,294)	(15,727)
Short-term loans, net	<u>225,000</u>	<u>25,000</u>
Net cash provided by financing activities	<u>635,032</u>	<u>315,240</u>
Net increase/(decrease) in cash and cash equivalents	90,495	(904,852)
Effect of exchange losses on cash and cash equivalents	(145,795)	12,559
Cash and cash equivalents at beginning of year	<u>(130,600)</u>	<u>761,693</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>(185,900)</u></u>	<u><u>(130,600)</u></u>
Represented by:		
Cash at bank and in hand	446,738	323,314
Short term deposits	86,625	88,516
Bank overdraft	<u>(719,263)</u>	<u>(542,430)</u>
	<u>(185,900)</u>	<u>(130,600)</u>

Company Statement of Financial Position

As at 31 December 2024

	Note	2024 \$'000	2023 \$'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,322,510	2,140,104
Intangible assets	7	181,220	181,220
Investment in subsidiaries	8	2,992,169	2,992,169
Investment securities	9	107,207	107,729
Right-of-use assets	10	1,698,711	1,956,773
Deferred tax assets	11	233,902	119,255
Total non-current assets		7,535,719	7,497,250
Current assets			
Inventories	12	2,997,823	3,327,009
Receivables	13	1,324,631	1,337,445
Due from related parties	14	1,650,489	1,140,614
Taxation recoverable		37,119	40,925
Cash and short-term deposits	15	323,077	234,513
Total current assets		6,333,139	6,080,506
TOTAL ASSETS		13,868,858	13,577,756
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	16	3,863,849	3,863,849
Capital reserves	17	57,503	94,638
Investment reserves	18	614	614
Retained earnings		1,082,873	1,394,151
Total equity		5,004,839	5,353,252
Non-current liabilities			
Long-term loans	20	2,153,766	2,777,346
Lease liabilities	10	1,865,898	2,097,795
Total non-current liabilities		4,019,664	4,875,141
Current liabilities			
Payables	21	1,686,632	1,824,048
Short-term loans	22	546,200	321,200
Due to related parties	14	258,017	225,137
Current portion of long-term loans	20	1,590,220	319,483
Current portion of lease liabilities	10	167,254	187,933
Bank overdraft	23	596,032	471,562
Total current liabilities		4,844,355	3,349,363
Total liabilities		8,864,019	8,224,504
TOTAL EQUITY AND LIABILITIES		13,868,858	13,577,756

Approved for issue by the Board of Directors on 03 March 2025 and signed on its behalf by:


 _____ Director
 Derrick Cotterell


 _____ Director
 Earl Richards

Company Statement of Comprehensive Income

Year ended 31 December 2024

	Note	2024 \$'000	2023 \$'000
Revenue	24	10,841,792	12,851,826
Cost of sales		(8,326,033)	(10,116,108)
Gross profit		2,515,759	2,735,718
Unrealized losses on investments valued at fair value through profit or loss		(522)	-
Other operating income	25	621,046	273,718
Operating and administrative expenses	26	(1,794,689)	(1,974,837)
Selling and distribution expenses	26	(796,815)	(606,035)
Impairment allowance on financial assets	3(a)	(15,269)	(124,438)
Operating profit	27	529,510	304,126
Finance costs, net	29	(686,459)	(560,912)
Loss before taxation		(156,949)	(256,786)
Taxation	30	85,849	67,737
Loss after taxation, being total comprehensive loss		(71,100)	(189,049)

Company Statement of Changes in Equity

Year ended 31 December 2024

	Number of Shares	Share Capital	Capital Reserves	Investment Reserves	Retained Earnings	Total
	000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2023	4,533,631	3,863,849	94,638	614	1,583,200	5,542,301
Loss for the year after taxation, being total comprehensive loss	-	-	-	-	(189,049)	(189,049)
Balance at 31 December 2023	4,533,631	3,863,849	94,638	614	1,394,151	5,353,252
Loss for the year after taxation, being total comprehensive loss	-	-	-	-	(71,100)	(71,100)
Transfer of net assets	-	-	(37,135)	-	(240,178)	(277,313)
Balance at 31 December 2024	4,533,631	3,863,849	57,503	614	1,082,873	5,004,839

Company Statement of Cash Flows

Year ended 31 December 2024

	2024	2023
	\$'000	\$'000
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
Operating Activities		
Loss before taxation	(156,949)	(256,786)
Adjustments for:		
Depreciation	161,652	196,396
Amortization of right-of-use assets	207,794	227,570
Fair value loss on investments valued at fair value through profit or loss	522	-
Gain on disposal of right-of-use asset	(5,468)	-
Interest income	(2,878)	(6,381)
Lease interest expense	170,371	174,446
Loan interest expenses	456,097	351,880
Impairment allowance of financial assets	15,269	124,438
Losses on foreign exchange, net	62,869	40,967
	<u>909,279</u>	<u>852,530</u>
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	(2,455)	127,531
Decrease in payables	(137,416)	(478,735)
Increase in due from related parties	(476,995)	(52,186)
Decrease/(increase) in inventories	329,186	(787,180)
Cash provided by/(used in) operating activities	<u>621,599</u>	<u>(338,040)</u>
Taxes paid	(23,218)	(103,884)
Lease interest paid	(170,371)	(174,446)
Loan interest paid	(456,097)	(391,048)
Interest received	2,878	6,381
Net cash used in operating activities	<u>(25,209)</u>	<u>(1,001,037)</u>
Investing Activities		
Purchase of property, plant and equipment	(483,942)	(77,453)
Transfer of net assets	(190,304)	-
Investment in subsidiary	-	(10,495)
Net cash used in investing activities	<u>(674,246)</u>	<u>(87,948)</u>
Financing Activities		
Long-term loans received	936,982	1,000,000
Long-term loans repaid	(289,825)	(472,837)
Lease principal payments	(183,750)	(176,929)
Short-term loan, net	225,000	25,000
Net cash provided by financing activities	<u>688,407</u>	<u>375,234</u>
Net decrease in cash and cash equivalents	(11,048)	(713,751)
Foreign exchange effect on cash and cash equivalents	(24,858)	3,434
Cash and cash equivalents at beginning of year	<u>(237,049)</u>	<u>473,268</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>(272,955)</u>	<u>(237,049)</u>
Represented by:		
Cash at bank and cash in hand	306,729	225,616
Short term deposits	16,348	8,897
Bank overdraft	(596,032)	(471,562)
	<u>(272,955)</u>	<u>(237,049)</u>

Notes to the Financial Statements

31 December 2024

1. Identification and principal activities

Derrimon Trading Company Limited (“the Company”) was incorporated in 1998 and is domiciled in Jamaica. Effective December 17, 2013, the Company’s shares were listed on the Junior Market of the Jamaica Stock Exchange (JSE). The Company’s registered office is located at 233-235 Marcus Garvey Drive, Kingston 11.

On February 23, 2021, the Company was successful in issuing an Additional Public Offer (APO) on the Junior Market of the Jamaica Stock Exchange of 1,800,000,000 ordinary share. This resulted in the subscribed participating voting share capital exceeding the limit of J\$500 million as prescribed by the Junior Market. In keeping with Section 505 (7) (b) rules, the Company was approved to remain on the Junior Market.

The principal activities of the Company include the wholesale and bulk distribution of household and food items inclusive of meat products, chilling and the retailing of those and other food items and meat products through the operation of a chain of outlets and supermarkets. The Company’s subsidiaries are involved in the processing of meats, the manufacturing of flavours and fragrances, wooden pallets, and the operating of a supermarket and a wholesaler of food in New York.

The Company provides management and administration services to its two (2) overseas subsidiaries: Marnock LLC and Marnock Retail LLC, both based in New York, USA. These services include the procurement of goods from suppliers, financial management, Information Technology, Human Resources and other related services. Management fees in respect of these services are charged in the Statement of Comprehensive Income (Note 25).

The Company is an associated company of Barita Investments Limited, which owns 20.26% (2023: 20.26%) of the Company. Barita Investments Limited is 75% owned by Cornerstone Financial Holdings Limited (CFHL). Cornerstone Trust & Merchant Bank Limited is a wholly owned subsidiary of Cornerstone United Holdings Jamaica Limited (CUGHJ), whose shareholders are also the shareholders of CFHL.

Notes to the Financial Statements

31 December 2024

1. Identification and principal activities (continued)

These financial statements present the results of operations and financial positions of the Company and its subsidiaries, which are referred to as “the Group”; the subsidiaries are as follows:

Entities	Country of incorporation and place of business	Principal Activities	Proportion of ordinary shares held by the Group %	Proportion of ordinary shares held by the Group %
			2024	2023
<u>Subsidiaries</u>				
Caribbean Flavours & Fragrances Limited	Jamaica	Manufacture of Flavours and Fragrances	65.02%	65.02%
Woodcats International Limited	Jamaica	Manufacturers of wooden pallets	100%	100%
Marnock Retail LLC	USA	Operation of Supermarket	100%	100%
Marnock LLC	USA	Operation of Wholesale	80%	80%
Arosa Limited	Jamaica	Manufacturers of ham, bacon and sausages	100%	100%
Derrpark Grocers Limited	Jamaica	Operation of Supermarket	60%	60%

Notes to the Financial Statements

31 December 2024

2. Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for all the years presented. Where necessary, prior year comparatives have been restated and reclassified to conform to current year presentation.

(a) Basis of preparation

Basis of measurement and statement of compliance

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.

The preparation of financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the end of the reporting period and the total comprehensive income during the reporting period. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known. The areas involving a higher degree of judgement in complexity or areas where assumptions or estimates are significant to the financial statements are discussed in Note 4.

Notes to the Financial Statements

31 December 2024

2. Summary of material accounting policies (continued)

(a) Basis of preparation (continued)

Basis of measurement and statement of compliance (continued)

Standards and amendments to published standards effective in the current year that are relevant to the Group's operations

The following amendments to standards have been adopted by the Group for the first time which have been issued and are effective for mandatory adoption for the financial year beginning on or after 1 January 2024:

The amendments in Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (effective for annual periods beginning on or after 1 January 2024) affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability, income or expenses, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Leases on sale and leaseback (Amendments to IFRS 16) (effective for annual periods beginning on or after 1 January 2024). These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7) (effective for annual periods beginning on or after 1 January 2024). These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

The amendments did not result in any material effect on the Group's financial statements.

Notes to the Financial Statements

31 December 2024

2. Summary of material accounting policies (continued)

(a) Basis of preparation (continued)

Basis of measurement and statement of compliance (continued)

Standards and amendments to published standards that are not yet effective and have not been early adopted by the Group

At the date of authorisation of these financial statements, certain new accounting standards, amendments and interpretation to existing standards have been issued which are not yet effective, and which the company has not early adopted. The company has assessed the relevance of all such new standards, interpretations and amendments and has determined that the following may be relevant to its operations. Unless stated otherwise, the impact of the changes is still being assessed by management.

Lack of Exchangeability Amendments to IAS 21 (effective for annual periods beginning on or after 1 January 2025). An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9, and IFRS 7) effective for annual periods beginning on or after 1 January 2026 clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date.

IFRS 18 Summary for Financial Statements replaces IAS 1 effective for annual periods beginning on or after 1 January 2027 enhances transparency and comparability in financial reporting by introducing new requirements include: new categories and subtotals in the statement of profit or loss, disclosure of management-defined performance measures (MPMs) and enhanced requirements for grouping information.

IFRS 19, Subsidiaries without Public Accountability: Disclosures effective for annual periods beginning on or after 1 January 2027, IFRS 19 introduces a simplified disclosure framework for subsidiaries without public accountability that prepare financial statements in compliance with IFRS Standards. This standard aims to reduce disclosure requirements while maintaining the relevance and reliability of financial reporting.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a material impact on the operations of the Group.

Notes to the Financial Statements

31 December 2024

2. Summary of material accounting policies (continued)

(b) Business combination and goodwill

The Group applies the acquisition method in accounting for a business combination. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair value of the assets transferred, liabilities assumed, and the equity interests issued by the Group.

The Group recognizes identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognized in the Group's financial statements prior to the acquisition. Assets acquired, and liabilities assumed are generally measured at their acquisition-date fair value.

Any Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognized amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of the identifiable net assets. If the fair values of the identifiable net assets exceed the sum calculated above, the excess amount, i.e., gain on bargain purchase, is recognized in profit or loss immediately.

Transaction costs that the Group incurs in connection with a business combination are expensed immediately.

Non-controlling interests

Equity in the subsidiaries not attributable, directly or indirectly, to the Company, is considered non-controlling interest. When the proportion of the equity held by non-controlling interest's changes, the Company adjusts the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interest in the Company. The Company recognizes directly in equity any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received, and attribute it to the shareholders of the Company.

Notes to the Financial Statements

31 December 2024

2. Summary of material accounting policies (continued)

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2024. A subsidiary is an entity controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee, if and only if, the Group has:

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

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

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

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Notes to the Financial Statements

31 December 2024

2. Summary of material accounting policies (continued)

(d) Going concern

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

Management has assessed that the Company and Group have the ability to continue as a going concern and has prepared the financial statements on the going concern basis. The basis of preparation presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

(e) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

The Company has identified the following segments:

Distribution (Household products, chilled, detergents and bulk foods);

Wholesale (Trading outlets and supermarkets); and

Other Operations (Manufacturers of flavours and fragrances, processed meats, pallets and by products of wood)

Notes to the Financial Statements

31 December 2024

2. Summary of material accounting policies (continued)

(f) Property, plant and equipment

(i) Owned assets:

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

The cost of replacing part of an item of plant and equipment is recognized in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the business and its cost can be measured reliably. The costs of day-to-day servicing of plant and equipment are recognized in profit or loss as incurred.

(ii) Depreciation

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see below). Depreciation is calculated on a reducing balance basis at rates to write off the carrying value of the assets over their period of expected useful lives. The annual depreciation rates are as follows:

Buildings	2.5%
Leasehold improvements	2.5%
Machinery and equipment	10%
Furniture, fittings and fixtures	20%
Motor vehicles	20%
Computer	33.33%
Right-of-use assets	Straight-line over the period of the lease term

Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are included in the statement of comprehensive income.

Repairs and maintenances are charged to the statement of comprehensive income during the financial period in which they are incurred.

Notes to the Financial Statements

31 December 2024

2. Summary of material accounting policies (continued)

(g) Investment property

Investment properties, comprising principally land and buildings, are held for long-term rental yields and capital appreciation and are treated as long-term investments. They are measured initially at cost, including related transaction costs and are subsequently measured at fair value.

Fair value is based on current prices in an active market for similar properties in the same location and condition. Any gain or loss arising from a change in fair value is recognised in profit or loss.

(h) Financial Instruments

Classification

The Group and Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group and Company reclassify debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group and Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Notes to the Financial Statements

31 December 2024

2. Summary of material accounting policies (continued)

(h) Financial Instruments (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and Company classify its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as a separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Impairment

The Group and Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Notes to the Financial Statements

31 December 2024

2. Summary of material accounting policies (continued)

(i) Intangible assets

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

(j) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash flows (cash-generating units).

(k) Inventories

Inventories are stated at the lower of cost and net realizable value, cost being determined on the weighted average cost method. Net realizable value is the estimate of the selling price in the ordinary course of the business, less selling expenses.

(l) Receivables

Trade and other receivables are carried at anticipated realizable value. An allowance for expected credit loss (ECL) of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The carrying amount of the asset is reduced through the use of this ECL allowance, and the amount of the loss is recognized in *Bad Debt expense* in the statement of profit or loss. When trade receivable is deemed uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognized as recovery and credited to bad debt expense in the statement of profit or loss.

Prepayments are partial or full settlements of debt or expenses before the contractually obligated due date, this includes advances and deposits

(m) Cash and cash equivalents

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

(n) Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the Financial Statements

31 December 2024

2. Summary of material accounting policies (continued)

(o) Dividends

Dividends on ordinary shares are recognized in shareholder's equity in the period in which they become legally payable. Interim dividends are due when declared and approved by the directors while shareholders approve final dividends at the Annual General Meeting. Dividends for the year that are declared after the reporting date are disclosed in the subsequent events note.

(p) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the income statement as interest expense.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(q) Payables

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

Notes to the Financial Statements

31 December 2024

2. Summary of material accounting policies (continued)

(r) 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 investments, loan receivables, cash and cash equivalents and receivables. Financial liabilities consist of payables, long term loans, short term loans, lease liabilities, directors' loans, short term loans, bank overdraft and due to related companies.

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.

(s) Related party transactions

Related parties:

A party is related to the Group, if:

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

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

Notes to the Financial Statements

31 December 2024

2. Summary of material accounting policies (continued)

(t) Revenue recognition

Revenue is recognized when the Company satisfies a performance obligation by transferring the promised goods to the customer in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods.

The promised goods are transferred *when* or *as* the customer obtains control.

Revenue is recognized when the customer obtains control of the goods as described below:

i. Sales

The performance obligation, satisfied at a point-in-time, to transfer products to customers. Revenue is recognized when the products are delivered to the customers, and the customers take control of the products, and the Company has a present right to payment as evidenced by an invoice or the right to invoice.

ii. Dividend income

Dividends are recognized when declared, and the right to receive payment is established.

iii. Other operating income

Includes gains and losses on disposal of assets, rental income received from investment properties and miscellaneous inflows. Income is recognized on the accrual basis.

Interest income is recognised as it accrues unless collectability is in doubt. Interest income is calculated is in doubt. Interest income is calculated by applying the effective interest rate the gross carrying amount of financial assets.

Notes to the Financial Statements

31 December 2024

2. Summary of material accounting policies (continued)

(u) **Taxation**

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

(i) 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.

(ii) Deferred income taxes

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

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

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

(v) **Foreign currency translation**

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

Notes to the Financial Statements

31 December 2024

2. Summary of material accounting policies (continued)

(w) Right-of-use assets and lease liabilities

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- (i) Leases of low value assets; and
- (ii) Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- (i) amounts expected to be payable under any residual value guarantee;
- (ii) the exercise price of any purchase option granted in favour of the Group if it is reasonable certain to assess that option;
- (iii) any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

To determine the incremental borrowing rate, the Group:

- (i) since it does not have recent third-party financing, uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases, and
- (ii) makes adjustments specific to the lease, e.g. term, currency and security.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- (i) lease payments made at or before commencement of the lease;
- (ii) initial direct costs incurred; and
- (iii) the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Notes to the Financial Statements

31 December 2024

2. Summary of material accounting policies (continued)

(w) Right-of-use assets and lease liabilities (continued)

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets valued as US\$5,000 or less when new. The Group has no short-term leases or leases for low valued assets at this time.)

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the stand-alone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.

Notes to the Financial Statements

31 December 2024

2. Summary of material accounting policies (continued)

(w) Right-of-use assets and lease liabilities (continued)

- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Notes to the Financial Statements

31 December 2024

3. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

Audit Committee

The Board of Directors has also established an Audit Committee to assist in managing the Group's risk profile. This Committee oversees how management monitors compliance with the Group's risk management policies and reviews the adequacy of the risk management framework. This committee is also assisted by Internal Audit that reports to the Audit Committee after it undertakes regular and ad hoc reviews of risk management controls and procedures, especially over inventories and receivables.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as outstanding receivables from credit sales.

Risk management

Management has established a credit policy under which each new customer is analysed individually for credit worthiness before the Group's standard payment and delivery terms and conditions are offered.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by management.

Notes to the Financial Statements

31 December 2024

3. Financial risk management (continued)

(a) Credit risk (continued)

Management determines concentrations of credit risk by monitoring the credit-worthiness rating of existing customers and through a monthly review of the trade receivables ageing analysis. In monitoring the customers' credit risk, customers are grouped according to their credit characteristics. Customers that are graded as "high risk" are placed on a restricted customer list, and future credit sales are made only with approval.

Security

The Group and the Company do not hold any collateral as security.

Impairment of financial assets

The Group and the Company have one type of financial asset that is subject to the expected credit loss model:

- trade receivables

While cash and cash equivalents, investment securities and due from related parties are also subject to the impairment requirements of IFRS 9, the identified impairment losses were immaterial.

Trade receivables

The Group and the Company apply the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2024 or 31 December 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group and the Company have identified the GDP, inflation and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Notes to the Financial Statements

31 December 2024

3. Financial risk management (continued)

(a) Credit risk (continued)

On that basis, the expected loss allowance as at 31 December 2024 and 31 December 2023 was determined as follows for trade receivables:

The Group

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2024					
Expected loss rate	3%	8%	8%	33%	24%
Gross carrying amount – trade receivables	375,843	300,428	142,097	1,722,662	2,541,030
Loss allowance	9,756	24,997	11,068	566,489	612,310
	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2023					
Expected loss rate	4%	6%	15%	23%	10%
Gross carrying amount – trade receivables	725,030	212,537	238,886	313,300	1,489,753
Loss allowance	28,012	12,498	36,821	72,675	150,006

The Company

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2024					
Expected loss rate	4%	12%	18%	25%	16%
Gross carrying amount – trade receivables	176,741	184,690	33,153	281,932	676,516
Loss allowance	7,355	22,163	5,967	70,483	105,968
	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2023					
Expected loss rate	5%	12%	18%	25%	11%
Gross carrying amount – trade receivables	516,437	81,251	174,894	99,243	871,825
Loss allowance	25,822	9,579	31,481	24,810	91,692

Notes to the Financial Statements

31 December 2024

3. Financial risk management (continued)

(a) Credit risk (continued)

The closing expected loss allowances for trade receivables as at 31 December 2024 reconcile to the opening expected loss allowances as follows:

The Group

	Trade receivables	Trade receivables
	2024	2023
	\$'000	\$'000
Opening expected loss allowance at beginning of year	150,006	97,983
Increase in expected loss allowance recognised in profit or loss during the year	462,304	52,023
Closing balance at end of year (Note 13)	<u>612,310</u>	<u>150,006</u>

The Company

	Trade receivables	Trade receivables
	2024	2023
	\$'000	\$'000
Opening expected loss allowance at beginning of year	91,692	85,716
Increase in expected loss allowance recognised in profit or loss during the year	14,276	5,976
Closing balance at end of year (Note 13)	<u>105,968</u>	<u>91,692</u>

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and Company, and a failure to make contractual payments for a period of greater than 90 days past due.

Notes to the Financial Statements

31 December 2024

3. Financial risk management (continued)

(a) Credit risk (continued)

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

As at 31 December 2024, the Group's trade receivables had lifetime expected credit losses of \$150,764,000 (2023: \$35,126,000).

Net impairment losses on financial assets recognised in profit or loss

During the year, the following losses were recognised in profit or loss in relation to impaired financial assets:

The Group

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Expected loss allowance		
- Movement in expected loss allowance for trade receivables	462,304	52,023
- Bad debt written off during the year	-	142,689
Net impairment losses on financial assets	<u>462,304</u>	<u>194,712</u>

The Company

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Expected loss allowance		
- Movement in expected loss allowance for trade receivables	14,276	5,976
- Bad debt written off during the year	993	118,462
Net impairment losses on financial assets	<u>15,269</u>	<u>124,438</u>

Notes to the Financial Statements

31 December 2024

3. Financial risk management (continued)

(a) Credit risk (continued)

Exposure to credit risk for trade receivables

The following table summarizes the Group and Company's credit exposure for trade receivables at their carrying amounts, as categorized by customer sector.

	The Group		The Company	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Supermarket chains	82,375	76,312	82,375	76,312
Wholesale and retail distributors	264,947	214,563	264,947	130,398
Government entities	21,243	13,401	21,243	13,401
Manufactures	289,231	391,189	-	-
Other	1,613,639	567,814	286,129	567,814
	2,271,435	1,263,279	654,694	787,925
Overseas	269,595	226,474	21,822	83,900
Total (Note 13)	2,541,030	1,489,753	676,516	871,825

Overseas customers mainly relate to customers in the United States and the United Kingdom and represent approximately 11% (2023: 15%) of total balance for the Group and 3% (2023: 10%) of the total balance for the Company. The currencies of these countries are considered stable and consistently appreciate against the Jamaican dollar, and no risk of any significant loss is anticipated in this category of overseas customers.

There were no changes from the prior year, in the Group's exposure to credit risk or the manner in which it manages and measures the risk.

Notes to the Financial Statements

31 December 2024

3. Financial risk management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Liquidity risk management process

The group's liquidity management process includes:

- (i) Monitoring future cash flows and liquidity on a daily basis;
- (i) Maintaining marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- (ii) Maintaining a committed line of credit;
- (iii) Optimising cash returns on investments.

Undiscounted cash flows of financial liabilities

The maturity profile of the group's financial liabilities at year end on contractual undiscounted payments was as follows:

The Group:

	1 to 3 months	3 to 12 months	1 to 5 Years	Over 5 years	Contractual cashflows	Carrying amount
2024						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Lease liabilities	112,651	321,338	2,614,838	1,584,082	4,632,909	3,422,174
Long term loans	205,948	1,680,166	2,451,865	972,323	5,310,302	3,789,852
Payables	2,694,700	-	-	-	2,694,700	2,694,700
Short-term loans	546,200	-	-	-	546,200	546,200
Bank overdraft	719,263	-	-	-	719,263	719,263
	4,278,762	2,008,709	5,066,703	2,556,405	13,903,374	11,172,189
2023						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Lease liabilities	119,206	358,166	2,649,687	1,605,329	4,732,388	3,066,303
Long term loans	145,135	431,526	4,156,892	199,848	4,933,401	3,125,539
Payables	2,588,684	-	-	-	2,588,684	2,588,684
Short-term loans	321,200	-	-	-	321,200	321,200
Bank overdraft	542,430	-	-	-	542,430	542,430
	3,716,655	789,692	6,806,579	1,805,177	13,118,103	9,644,156

Assets available to meet all of the liabilities and to cover financial liabilities include cash at bank and in hand, short term deposits and guarantee from the ultimate parent company.

Notes to the Financial Statements

31 December 2024

3. Financial risk management (continued)

(b) Liquidity risk (continued)

Undiscounted cash flows of financial liabilities (continued)

The maturity profile of the Company's financial liabilities at year end on contractual undiscounted payments was as follows:

The Company:

	1 to 3 months	3 to 12 months	1 to 5 Years	Over 5 years	Contractual cashflows	Carrying amount
2024						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Lease liabilities	68,163	251,743	1,518,849	1,584,082	3,422,837	2,033,152
Long term loans	202,092	1,668,598	2,415,903	972,323	5,258,916	3,743,986
Payables	1,686,632	-	-	-	1,686,632	1,686,632
Short-term loans	546,200	-	-	-	546,200	546,200
Related parties	-	258,017	-	-	258,017	258,017
Bank overdraft	596,032	-	-	-	596,032	596,032
	3,099,119	2,178,358	3,934,752	2,556,405	11,768,634	8,864,019
2023						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Lease liabilities	92,386	277,257	1,769,680	1,605,329	3,744,652	2,285,728
Long term loans	142,192	424,046	4,136,004	199,848	4,902,090	3,096,829
Payables	1,824,048	-	-	-	1,824,048	1,824,048
Short-term loans	321,200	-	-	-	321,200	321,200
Related parties	-	225,137	-	-	225,137	225,137
Bank overdraft	471,562	-	-	-	471,562	471,562
	2,851,388	926,440	5,905,684	1,805,177	11,488,689	8,224,504

Assets available to meet all of the liabilities and to cover financial liabilities include cash at bank and in hand and guarantee from the ultimate parent company.

Notes to the Financial Statements

31 December 2024

3. Financial risk management (continued)

(c) Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates (see 3c(i)) and interest rates (see 3c(ii)). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk exposures are measured using sensitivity analysis. There has been no significant change in exposure to market risks or the manner in which it manages and measures the risk.

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign exchange risk arising from exposure primarily to the US dollar and Euro. The Group is primarily exposed to such risks arising from transactions for purchases, sales and investments.

The Statement of Financial Position for the Group as at 31 December 2024 includes net foreign liabilities of US\$520,000 and €4,000 (2023: US\$8,240,000 and €9,000) in respect of such transactions arising in the ordinary course of business.

The Statement of Financial Position for the Company as at 31 December 2024 includes net foreign assets of US\$1,614,000 (2023: net liabilities US\$1,445,000) in respect of such transactions arising in the ordinary course of business.

The following tables demonstrates the sensitivity to fluctuations in the exchange rates of the currencies held by the Group and Company before tax, with all other variables held constant.

Notes to the Financial Statements

31 December 2024

3. Financial risk management (continued)

(c) Market risk (continued)

(i) Currency risk (continued)

The Group:

	2024	2024	2023	2023
	\$'000	\$'000	\$'000	\$'000
	Effect on Profit and loss and equity			
	Revaluation	Devaluation	Revaluation	Devaluation
	1%	4%	1%	4%
Currency:				
USD	(2,595)	(10,382)	12,794	(51,176)
EURO	5	(22)	4	(17)

The Company:

	2024	2024	2023	2023
	\$'000	\$'000	\$'000	\$'000
	Effect on Profit and loss and equity			
	Revaluation	Devaluation	Revaluation	Devaluation
	1%	4%	1%	4%
Currency:				
USD	(2,383)	9,533	2,273	(9,090)

Notes to the Financial Statements

31 December 2024

3. Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The Group earns interest on its long-term investments at a fixed rate with durations of between 2 and over 5 years for repricing.

The Group earns interest on its short-term deposits disclosed in Note 15. As these deposits have a short term to maturity and are constantly reinvested at current market rates, they are not significantly exposed to interest rate risk.

The Group incurs interest on its borrowings disclosed in Notes 20 and 22. These borrowings are at fixed rates and expose the Group to fair value interest rate risk. Interest rate fluctuations are not expected to have a material effect on the net results or stockholders' equity. The Group analyses its interest rate exposure arising from borrowings on an ongoing basis, taking into consideration the options of refinancing, renewal of existing positions and alternative financing.

At the reporting date, the group's financial liabilities subject to interest rates aggregated \$5,055,315,000 (2023: \$3,989,169,000). The Group contracts financial liability at a fixed interest rate, hence, changes in the market interest rate will not affect the cash flow nor the carrying amount of the instruments.

Notes to the Financial Statements

31 December 2024

3. Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

The following table summarises the group's exposure to interest rate risk. It includes the group's financial instruments at carrying amounts, categorized by the contractual re-pricing or maturity dates.

The Group:

	1 to 3 months \$'000	3 to 12 months \$'000	1 -5 years \$'000	Over 5 years \$'000	Non- interest bearing \$'000	Total \$'000
	2024					
Assets						
Investment securities	-	30,000	171,667	750	540	202,957
Receivables	-	-	-	-	3,179,695	3,179,695
Due from related parties	-	-	-	-	7,205	7,205
Cash and cash equivalents	422,333	-	-	-	111,030	533,363
Total financial assets	422,333	30,000	171,667	750	3,298,470	3,923,220
Liabilities						
Lease Liabilities	57,506	209,004	2,278,710	876,954	-	3,422,174
Long term loans	107,099	1,496,280	2,081,751	104,722	-	3,789,852
Short term loans	546,200	-	-	-	-	546,200
Payables	-	-	-	-	2,694,700	2,694,700
Bank overdraft	719,263	-	-	-	-	719,263
Total financial liabilities	1,430,068	1,705,284	4,360,461	981,678	2,694,700	11,172,189
Total interest re-pricing gap	(1,007,735)	(1,675,284)	(4,188,794)	(980,928)	603,770	(7,248,969)

Notes to the Financial Statements

31 December 2024

3. Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

The Group:

	1 to 3 months	3 to 12 months	1 -5 years	Over 5 years	Non- interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2023					
Assets						
Investment securities	-	-	202,417	-	1,062	203,479
Receivables	-	-	-	-	2,039,816	2,039,816
Due from related parties	-	-	-	-	38,879	38,879
Cash and cash equivalents	314,003	-	-	-	97,827	411,830
Total financial assets	314,003	-	202,417	-	2,177,584	2,694,004
Liabilities						
Lease Liabilities	63,428	192,034	1,980,058	830,783	-	3,066,303
Long term loans	80,748	236,346	2,625,723	182,722	-	3,125,539
Short term loans	321,200	-	-	-	-	321,200
Payables	-	-	-	-	2,588,684	2,588,684
Bank overdraft	542,430	-	-	-	-	542,430
Total financial liabilities	1,007,806	428,380	4,605,781	1,013,505	2,588,684	9,644,156
Total interest re-pricing gap	(693,803)	(428,380)	(4,403,364)	(1,013,505)	(411,100)	(6,950,152)

Notes to the Financial Statements

31 December 2024

3. Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

At the reporting date, the Company's financial liabilities subject to interest rates aggregated \$4,886,218,000; (2023: \$4,019,314,000). The Company contracts financial liability at a fixed interest rate, hence, changes in the market interest rate will not affect the cash flow nor the carrying amount of the instruments.

The following table summarises the Company's exposure to interest rate risk. It includes the Company's financial instruments at carrying amounts, categorized by the contractual re-pricing or maturity dates.

The Company:

	1 to 3 months	3 to 12 months	1 -5 years	Over 5 years	Non- interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2024					
Assets						
Investment securities	-	-	106,667	-	540	107,207
Receivables	-	-	-	-	1,324,631	1,324,631
Due from related parties	110,868	-	-	-	1,539,621	1,650,489
Cash and short-term deposits	226,794	-	-	-	96,283	323,077
Total financial assets	337,662	-	106,667	-	2,961,075	3,405,404
Liabilities						
Due to related parties	-	-	-	-	258,017	258,017
Lease liabilities	32,707	134,547	925,617	940,281	-	2,033,152
Long term loans	103,874	1,486,346	2,049,042	104,724	-	3,743,986
Short term loans	546,200	-	-	-	-	546,200
Payables	-	-	-	-	1,686,632	1,686,632
Bank overdraft	596,032	-	-	-	-	596,032
Total financial liabilities	1,278,813	1,620,893	2,974,659	1,045,005	1,944,649	8,864,019
Total interest re-pricing gap	(941,151)	(1,620,893)	(2,867,992)	(1,045,005)	1,016,426	(5,458,615)

Notes to the Financial Statements

31 December 2024

3. Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

The Company:

	1 to 3 months	3 to 12 months	1 -5 years	Over 5 years	Non- interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2023					
Assets						
Investment securities	-	-	106,667	-	1,062	107,729
Receivables	-	-	-	-	1,337,445	1,337,445
Due from related parties	110,868	-	-	-	1,029,746	1,140,614
Cash and short-term deposits	141,568	-	-	-	92,945	234,513
Total financial assets	252,436	-	106,667	-	2,461,198	2,820,301
Liabilities						
Due to related parties	201,723	-	-	-	23,414	225,137
Lease liabilities	51,643	154,930	1,155,886	923,269	-	2,285,728
Long term loans	78,252	241,231	2,607,143	170,203	-	3,096,829
Short term loans	321,200	-	-	-	-	321,200
Payables	-	-	-	-	1,824,048	1,824,048
Bank overdraft	471,562	-	-	-	-	471,562
Total financial liabilities	1,124,380	396,161	3,763,029	1,093,472	1,847,462	8,224,504
Total interest re-pricing gap	(871,944)	(396,161)	(3,656,362)	(1,093,472)	613,736	(5,404,203)

The Group and Company have no significant sensitivity to interest rate risk as all borrowings are at fixed rates.

Notes to the Financial Statements

31 December 2024

3. Financial risk management (continued)

(d) Market risk (continued)

(iii) Equity price risk

Equity price risk arises from equity securities held by the Company as part of its investment portfolio. Management monitors equity securities in its investment portfolio based on market expectations. The primary goal of the Company's investment strategy is to maximize investments returns.

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Increase +6% (2023: +6%)	6,400	6,400	6,400	6,400
Decrease -2% (2023: -3%)	(2,133)	(3,200)	(2,133)	(3,200)

Notes to the Financial Statements

31 December 2024

3. Financial risk management (continued)

(d) Capital management

The Group defines capital as equity and total borrowings. The Group manages its capital of \$14 billion to support and be responsive to opportunities for its current growth strategy and expansion plans and to maintain its normal operations and remain compliant with various covenants and restrictive rules and regulations of the industry and the financial environment in which it operates.

Capital Management Strategies

The Group's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide specific hurdle returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital as well as meet externally imposed capital requirements. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity.

Consistent with others in the industry, the Group monitors capital based on the gearing ratio. This ratio is calculated as total borrowings divided by capital as defined above. Total borrowings is calculated as current and non-current borrowings and bank overdraft, excluding non finance lease liabilities, as shown in the consolidated statement of financial position. Capital is calculated as equity, as shown in the statement of financial position plus total borrowings. The management of the Group remains deliberate in the way it funds its growth strategy and given the present economic environment and the general reduction in the cost of capital in the market; management continues to adjust major debts from a bullet repayment structure to that of amortization and lengthening of tenors.

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Total borrowings	5,055,315	3,989,169	4,886,218	3,889,591
Equity and total borrowing	11,067,134	10,616,189	9,891,057	9,242,843
Gearing ratio	46%	38%	49%	42%

Notes to the Financial Statements

31 December 2024

3. Financial risk management (continued)

(e) Fair value estimates

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognized stock exchange) exists as it is the best evidence of the fair value of a financial instrument.

The amount included in the financial statements for cash at bank and in hand, loan receivables, receivables, payables, short term loans and bank overdraft reflect their approximate fair values because of the short-term maturity of these instruments.

The fair values of long-term loans approximate amortised costs.

The fair values of directors' accounts and due to related companies could not be reasonably assessed as there are no set repayment terms.

Notes to the Financial Statements

31 December 2024

4. Critical accounting estimates and judgments in applying accounting policies

The Group and Company make estimates, assumptions and judgements that affect the reported amounts of, and disclosures relating to, assets, liabilities, income and expenses reported in these financial statements. Amounts and disclosures based on these estimates assumptions and judgements may be different from actual outcomes, and these differences may be reported in the financial statements of the next financial year. Estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and are continually evaluated.

(i) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the Credit risk note.

(ii) Income taxes

Estimates and judgements are required in determining the provision for income taxes. The tax liability or asset arising from certain transactions or events may be uncertain in the ordinary course of business. In cases of such uncertainty, the Group and Company recognise liabilities for possible additional taxes based on its judgement. Where, on the basis of a subsequent determination, the final tax outcome in relation to such matters is different from the amount that was initially recognised, the difference will impact the current and deferred income tax provisions in the period in which such determination is made.

(iii) Depreciable assets

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Group and Company apply a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

(iv) Recognition and measurement of intangible assets

The recognition and measurement of intangible assets, other than goodwill, in a business combination, involve the utilization of valuation techniques. These intangibles may be market related, consumer related, contract based or technology based. For significant amounts of intangibles arising from a business combination, the Group and Company has utilized independent professional advisors to assist management in determining the recognition and measurement of these assets.

Notes to the Financial Statements

31 December 2024

4. Critical accounting estimates and judgments in applying accounting policies (continued)

(v) Valuation of financial instruments

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group and Company determine fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premium used in estimating discount rates.

Considerable judgment is required in interpreting market data to arrive at estimates of fair values. Consequently, the estimates arrived at may be significantly different from the actual price of the instrument in an arm's length transaction.

Notes to the Financial Statements

31 December 2024

5. Property, plant and equipment

The Group:

	Land and Buildings	Leasehold Improvements	Machinery, Furniture & Equipment	Motor Vehicles	Computers	Construction Work-in- Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost -							
1 January 2023	839,755	1,852,483	1,112,942	206,978	433,957	-	4,446,115
Additions	-	21,379	38,241	2,800	58,263	-	120,683
Revaluation	47,505	289,995	-	-	-	-	337,500
Transfer (Note 6)	(350,000)	-	-	-	-	-	(350,000)
Disposals	-	(997)	(14,404)	(3,400)	(666)	-	(19,467)
31 December 2023	537,260	2,162,860	1,136,779	206,378	491,554	-	4,534,831
Additions	-	2,015	46,272	39,995	24,487	437,182	549,951
Transfer of net assets	-	75,928	38,078	7,875	13,980	-	135,861
Disposals	-	-	(38,003)	-	(12,736)	-	(50,739)
31 December 2024	537,260	2,240,803	1,183,126	254,248	517,285	437,182	5,169,904
Depreciation -							
1 January 2023	18,785	71,454	340,963	95,433	172,378	-	699,013
Charge for the year	6,369	44,929	106,547	27,207	98,767	-	283,819
Revaluation	-	(3,563)	-	-	-	-	(3,563)
Relieved on disposal	-	(1,355)	(12,469)	(2,808)	(1,135)	-	(17,767)
31 December 2023	25,154	111,465	435,041	119,832	270,010	-	961,502
Charge for the year	6,209	54,593	99,212	26,874	78,621	-	265,509
Transfer of net assets	-	8,391	20,610	5,328	8,319	-	42,648
Relieved on disposals	-	-	(16,839)	-	(8,434)	-	(25,273)
31 December 2024	31,363	174,449	538,024	152,034	348,516	-	1,244,386
Net book value -							
31 December 2024	505,879	2,066,354	645,102	102,214	168,769	437,182	3,925,518
31 December 2023	512,106	2,051,395	701,738	86,546	221,544	-	3,573,329

Notes to the Financial Statements

31 December 2024

5. Property, plant and equipment (continued)

The Company:

	Land and Buildings	Leasehold Improvements	Machinery, Furniture & Equipment	Motor Vehicles	Computers	Construction Work-in-Progres	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost -							
1 January 2023	287,260	1,281,653	655,872	106,293	415,825	-	2,746,903
Additions	-	7,400	18,181	2,800	49,072	-	77,453
31 December 2023	287,260	1,289,053	674,053	109,093	464,897	-	2,824,356
Additions	-	520	23,382	2,511	20,454	437,075	483,942
Transfer of net assets	-	(113,892)	(68,928)	-	(20,972)	-	(203,792)
31 December 2024	287,260	1,175,681	628,507	111,604	464,379	437,075	3,104,506
Depreciation -							
1 January 2023	19,992	24,215	228,114	53,313	162,222	-	487,856
Charge for the year	6,369	31,621	53,192	11,156	94,058	-	196,396
31 December 2023	26,361	55,836	281,306	64,469	256,280	-	684,252
Charge for the year	6,209	28,355	45,487	9,556	72,045	-	161,652
Transfer of net assets	-	(12,588)	(38,933)	-	(12,387)	-	(63,908)
31 December 2024	32,570	71,603	287,860	74,025	315,938	-	781,996
Net book value -							
31 December 2024	254,690	1,104,078	340,647	37,579	148,441	437,075	2,322,510
31 December 2023	260,899	1,233,217	392,747	44,624	208,617	-	2,140,104

On December 20, 2023, land and building were revalued by V.B. Williams Realty Company Limited, Chartered Surveyors and valuers resulting in a surplus of \$341,063,000 for the Group. The surplus arising on the valuation was credited to capital reserves. (Note 17)

Notes to the Financial Statements

31 December 2024

6. Investment property

		Group	
		2024	2023
		\$'000	\$'000
Balance at the beginning of the year		630,000	-
Transfer from property, plant and equipment (Note 5)	(a)	-	350,000
Fair value gain on investment property (Note 25)	(b)	100,000	280,000
Balance at end of the year		730,000	630,000

- (a) In April 2022, certain properties which were acquired by the Group and included under property, plant and equipment. During the year, these properties which forms part of land of Drax Hall, St. Ann, Volume 1456 Folio 248, vacant lots representing 12 ³/₄ acres were transferred to investment property. These properties are held for investment potential and capital appreciation.
- (b) On December 31, 2024, properties were revalued by V.B. Williams Realty Company Limited, Chartered Surveyors and valuers resulting in a fair value surplus of \$100,000,000 (December 20, 2023: \$280,000,000) for the Group. The surplus arising on the valuation was credited to the Statement of Comprehensive Income.

An entity shall transfer a property to, or from, investment property when, and only when, there is a change in use. A change in use occurs when the property meets, the definition of investment property and there is evidence of the change in use. Management has commenced the process of selling/developing the property.

Changes in fair values are recognised as gains in profit or loss and included in 'other income'. All gains are unrealised.

The fair value measurement for investment properties of \$730,000,000 (2023: \$630,000,000) for the Group and \$Nil (2023: \$Nil) for the company have been categorised as Level 3 in the fair value hierarchy. The following table shows the valuation techniques used in measuring fair value as well as the significant unobservable inputs used.

Notes to the Financial Statements

31 December 2024

6. Investment property (continued)

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<p>Market based approach</p> <p>The approach is based on the principle of substitution whereby the purchaser with perfect knowledge of the property market pays no more for the subject property than the cost of acquiring an existing comparable property, assuming no cost delay in making the substitution.</p> <p>The approach requires comparison of the subject property with others of similar design and utility, inter alia, which were sold in the recent past.</p> <p>However, as no two properties are exactly alike, adjustment is made for the difference between the property subject to valuation and comparable properties.</p>	<ul style="list-style-type: none"> • Details of the sales of comparable properties. • Conditions influencing the sale of the comparable properties. • Comparability adjustment. 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> • Sale value of comparable properties were higher/(lower). • Comparability adjustment were higher/(lower).

7. Intangible assets

	Group			Company		
	Goodwill	Brand	Total	Goodwill	Brand	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost -						
1 January 2023, 31 December						
2023 and 31 December 2024	1,430,836	404,523	1,835,359	33,220	148,000	181,220

During 2022, the Company acquired all the existing and developing brands of Spicy Hill Farms Limited for a sum of \$148 million. The brands include ram goat soup “Manish Water”.

The Group continued to use the name, *Sampars Cash and Carry* to brand six (6) of its retail outlets and the name, *Select Grocers*, for its supermarket. The business acquisitions of Marnock LLC, Marnock Retail LLC, Caribbean Flavours and Fragrances Limited and Woodcats International limited provided intangible assets in the form of *technical formulae* and *special customer relationships*, and *general goodwill*, respectively.

Notes to the Financial Statements

31 December 2024

7. Intangible assets (continued)

These intangibles are assessed to have indefinite useful lives and their useful lives are dependent on the useful life of the cash-generating unit (CGU) to which they are allocated.

During 2021, goodwill of \$917,021,000 is allocated to Marnock LLC, and \$331,696,000 to Marnock Retail LLC. Marnock LLC is in the wholesale segment, while Marnock Retail LLC is in the retail segment.

The Group determines whether goodwill is impaired at least on an annual basis or when events or changes in circumstances indicate the carrying value maybe impaired.

This requires an estimation of the recoverable amount of the cash generating unit (CUG) to which goodwill is allocated. The recoverable amount is determined by reference to the value in use. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CUG and also to choose an appropriate discount rate in order to calculate the present value of those future cash flows. The cash flow projections are based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using estimated growth rates (which do not exceed the long-term average growth rate for the business in which the CUG operates). The key assumptions used for value in use calculations are as follows:

	Revenue growth rate	EBITDA to revenue	Capital expenditure to revenue	Discount rate
Marnock LLC	2%	2.2%	0%	10%
Marnock Retail LLC	2%	8%	0.5%	10%
Arosa Limited	2%	10%	2%	10%

For the current period, after review, analysis and assessment, management is of the opinion, that there is no impairment in the total value of intangibles, including goodwill, as the *recoverable amounts* are higher than the *carrying amounts*.

Notes to the Financial Statements

31 December 2024

8. Investment in subsidiaries

Investment in Subsidiaries	The Company	
	2024	2023
	\$'000	\$'000
Caribbean Flavours & Fragrances Limited	438,722	438,722
Woodcats International Limited	355,000	355,000
Derrpark Grocers Limited	148,819	148,819
Marnock LLC	1,009,451	1,009,451
Marnock Retail LLC	370,554	370,554
Arosa Limited	669,623	669,623
Balance at the end of the year	2,992,169	2,992,169

9. Investment securities

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<u>Investments at Amortised Cost</u>				
Bonds	95,750	95,750	-	-
Preference shares	106,667	106,667	106,667	106,667
	202,417	202,417	106,667	106,667
<u>Investments at Fair Value through Profit and Loss (FVTPL)</u>				
Quoted shares	540	1,062	540	1,062
	540	1,062	540	1,062
	202,957	203,479	107,207	107,729

Notes to the Financial Statements

31 December 2024

10. Right-of-use assets and related lease obligations

(i) Amounts recognized in the Statement of Financial Position

The Statement of Financial Position shows the following amounts relating to leases: -

Right-of-use assets

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Balance as at beginning of year	2,639,011	2,222,269	1,956,773	1,514,893
Additions	231,2055	669,450	231,205	669,450
Remeasurement	80,777	55,181	-	-
Amortisation	(330,533)	(307,889)	(207,794)	(227,570)
Disposal of lease	(307)	-	(307)	-
Transfer of net assets	187,443	-	(281,166)	-
Balance as at end of year	<u>2,807,596</u>	<u>2,639,011</u>	<u>1,698,711</u>	<u>1,956,773</u>

Lease liabilities

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Balance as at beginning of year	3,066,303	2,507,268	2,285,728	1,748,805
Additions	231,205	669,450	231,205	669,450
Remeasurement	80,777	55,181	-	-
Interest expense	263,281	230,222	170,371	174,446
Disposal of lease	(5,775)	-	(5,775)	-
Payments	(475,268)	(441,992)	(354,121)	(351,375)
Effect of foreign exchange	41,526	46,174	35,932	44,402
Transfer of net assets	220,125	-	(330,188)	-
Balance as at end of year	<u>3,422,174</u>	<u>3,066,303</u>	<u>2,033,152</u>	<u>2,285,728</u>

Comprises:

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Non-current	3,132,584	2,829,481	1,865,898	2,097,795
Current	289,590	236,822	167,254	187,933
Balance as at end of year	<u>3,422,174</u>	<u>3,066,303</u>	<u>2,033,152</u>	<u>2,285,728</u>

Notes to the Financial Statements

31 December 2024

10. Right-of-use assets and related lease obligations (continued)

(ii) Amounts recognized in the Statement of Comprehensive Income

The Statement of Comprehensive Income shows the following amounts relating to leases:

	The Group	The Group
	2024	2023
	\$'000	\$'000
Amortization of right-of-use assets (included in administrative expenses)	330,533	307,889
Interest expense (included in finance costs)	263,281	230,222
Effect of foreign exchange (included in finance costs)	41,526	46,174
	The Company	The Company
	2024	2023
	\$'000	\$'000
Amortization of right-of-use assets (included in administrative expenses)	207,794	227,570
Interest expense (included in finance costs)	170,371	174,446
Effect of foreign exchange (included in finance costs)	35,932	44,402

(iii) Amounts recognized in the Statement of Cash Flows

	The Group	The Group	The Company	The Company
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Total cash outflows for leases	475,268	441,992	354,121	351,375

Notes to the Financial Statements

31 December 2024

11. Deferred tax assets

Deferred tax assets is calculated in full on all temporary differences under the liability method using the applicable tax rate.

Deferred tax assets recognised on the Statement of Financial Position are as follows:

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Deferred tax assets	260,314	142,580	233,902	119,255

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

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Net assets at the beginning of year	142,580	51,868	119,255	46,027
Deferred tax credited to profit and loss (Note 30)	121,457	90,712	112,321	73,228
Transfer of net assets	(3,723)	-	2,326	-
Net assets at the end of year	260,314	142,580	233,902	119,255

Deferred tax assets is attributable to the following items:

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment	(61,916)	(38,114)	(39,611)	(41,447)
Interest receivable	(4,868)	(514)	-	-
Right-of-use assets, net of lease obligations	116,691	90,768	83,610	82,239
Interest payable	24,427	16,271	24,427	16,271
Expected credit loss allowance	26,492	14,665	26,492	14,665
Unrealised foreign exchange gains	6,223	232	6,600	-
Tax losses	153,265	59,272	132,384	47,527
Net deferred tax assets at end of year	260,134	142,580	233,902	119,255

Notes to the Financial Statements

31 December 2024

11. Deferred tax assets (continued)

The amounts shown in the Statement of Financial Position include the following:

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Deferred tax assets to be recovered:				
- after more than 12 months	234,532	142,580	202,875	102,984
- within 12 months	25,782	15,989	31,027	16,271
	<u>260,314</u>	<u>142,580</u>	<u>233,902</u>	<u>119,255</u>

12. Inventories

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Sampars wholesale outlets and Select Grocers; grocery and household items	2,512,672	1,910,709	1,873,106	1,469,566
Goods in transit	294,630	1,035,367	205,141	950,696
Wholesale bulk commodity food items	1,053,346	1,893,897	919,576	906,747
Subsidiaries: flavours and fragrances, processed meats and pallet inventories	315,606	245,109	-	-
	<u>4,176,254</u>	<u>5,085,082</u>	<u>2,997,823</u>	<u>3,327,009</u>

For year ended 31 December 2024, inventories valuing \$504,634,844 (2023: \$46,522,309) were written off to the statements of comprehensive income for the Group and \$64,688,982 (2023: \$40,818,878) for the Company.

13. Receivables

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Trade	2,541,030	1,489,753	676,516	871,825
Less: Expected credit loss provision [Note 3(a)]	(612,310)	(150,006)	(105,968)	(91,692)
	<u>1,928,720</u>	<u>1,339,747</u>	<u>570,548</u>	<u>780,133</u>
Other receivables	1,250,975	700,069	754,083	557,312
	<u>3,179,695</u>	<u>2,039,816</u>	<u>1,324,631</u>	<u>1,337,445</u>

Notes to the Financial Statements

31 December 2024

14. Due from/(to) related parties

	The Group		The Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<u>Due from related parties:</u>				
Marnock LLC	-	-	573,880	562,249
Loans to Marnock LLC	-	-	88,487	110,868
Marnock Retail LLC	-	-	647,381	233,910
Derrpark Grocers Limited	-	-	30,351	-
Arosa Limited	-	-	288,150	205,701
Other related parties	7,205	39,879	22,240	27,886
	<u>7,205</u>	<u>39,879</u>	<u>1,650,489</u>	<u>1,140,614</u>
<u>Due to related parties:</u>				
Caribbean Flavours and Fragrances Limited	-	-	(23,414)	(23,414)
Caribbean Flavours and Fragrances Limited	-	-	(221,816)	(173,593)
Woodcats International Limited	-	-	(12,787)	(28,130)
	<u>-</u>	<u>-</u>	<u>(258,017)</u>	<u>(225,137)</u>
	<u>7,205</u>	<u>39,879</u>	<u>1,392,472</u>	<u>915,477</u>

Notes to the Financial Statements

31 December 2024

15. Cash and short-term deposits

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<u>Cash at bank and in hand:</u>				
Cash at bank	393,988	289,341	303,533	212,605
Cash in hand	52,750	33,973	3,196	13,011
	<u>446,738</u>	<u>323,314</u>	<u>306,729</u>	<u>225,616</u>
<u>Short term investments:</u>				
Scotia Investment Jamaica Limited	7,040	5,399	-	-
NCB Capital Markets Limited	32,722	45,131	2,048	2,049
Jamaica Money Market Brokers Limited	46,863	37,986	14,300	6,848
	<u>86,625</u>	<u>88,516</u>	<u>16,348</u>	<u>8,897</u>
	<u>533,363</u>	<u>411,830</u>	<u>323,077</u>	<u>234,513</u>

Cash at bank substantially comprise savings and operating accounts at licensed commercial banks in Jamaica. The rate of interest earned on the Company's savings and operating account ranges from 0% to 0.40%.

Short term investments are held at licensed financial institutions and attract interest ranging from 1.05% to 8.15% per annum. They all have remaining maturities of less than one year, substantially comprise Reverse Repurchase Agreements on Certificates of Participation, consisting of interest in, or is collateralised by mainly Government of Jamaica and Bank of Jamaica Securities. These agreements may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligations. The risk is managed primarily by reviews of the financial status of the counterparty.

16. Share capital

	2024	2023
	No. of shares	No. of shares
Authorised:		
Ordinary share of no par value	<u>7,675,400,000</u>	<u>7,675,400,000</u>
	<u>\$'000</u>	<u>\$'000</u>
Issued and fully paid:		
4,533,360,670 (2023: 4,533,360,670)		
Ordinary stock unit of no par value	<u>3,863,849</u>	<u>3,863,849</u>

Notes to the Financial Statements

31 December 2024

17. Capital reserves

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Balance at the beginning of the year	435,701	94,638	94,638	94,638
Transfer of net assets	(37,135)	-	(37,135)	-
Revaluation gain on property, plant and equipment (Note 5)	-	341,063	-	-
Balance at the end of the year	<u>398,566</u>	<u>435,701</u>	<u>57,503</u>	<u>94,638</u>

18. Investment reserves

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Balance at the beginning and end of the year	<u>614</u>	<u>614</u>	<u>614</u>	<u>614</u>

19. Non-controlling interest

	<u>The Group</u>	
	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of the year	245,840	241,231
Transfer of net assets	193,976	-
Share of (loss)/ profit for the year	(77,954)	21,653
Dividends paid by subsidiary	(42,294)	(15,727)
Other movement during the year	<u>1,144</u>	<u>(1,317)</u>
Balance at end of the year	<u>320,712</u>	<u>245,840</u>

Notes to the Financial Statements

31 December 2024

20. Long-term loans

		The Group		The Company	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
JMMB Bank (Jamaica) Limited	(a)	61,664	78,546	61,664	78,546
JMMB Bank (Jamaica) Limited	(b)	69,198	108,772	69,198	108,772
JMMB Bank (Jamaica) Limited	(c)	228,074	263,477	228,074	263,477
Sagicor Bank Jamaica Limited	(d)	152,234	159,727	152,234	159,727
Sagicor Bank Jamaica Limited	(e)	35,204	50,310	35,204	50,310
Sagicor Bank Jamaica Limited	(f)	11,858	13,877	11,858	13,877
Sagicor Bank Jamaica Limited	(g)	194,532	229,070	194,532	229,070
Sagicor Bank Jamaica Limited	(h)	160,823	232,924	160,823	232,924
Cornerstone Trust & Merchant Bank Limited	(i)	16,247	24,209	16,247	24,209
JN Bank Limited	(j)	342	1,610	523	1,610
JN Bank Limited	(k)	722	1,430	541	1,430
JN Bank Limited	(l)	1,106	2,321	1,106	2,321
8% Fixed Rate Senior Unsecured Bond Due 2025	(m)	500,000	500,000	500,000	500,000
Barita Investments Limited	(n)	375,000	430,556	375,000	430,556
Fixed-To-Floating Secured Bond Due 2027	(o)	1,000,000	1,000,000	1,000,000	1,000,000
Inter-American Investment Corporation ("IDB Invest")	(p)	156,416	-	156,416	-
Inter-American Investment Corporation ("IDB Invest")	(q)	601,430	-	601,430	-
Inter-American Investment Corporation ("IDB Invest")	(r)	179,136	-	179,136	-
First Global Bank Limited	(s)	8,948	13,458	-	-
First Global Bank Limited	(t)	12,088	-	-	-
Bank of America LLC	(u)	5,820	7,657	-	-
Capital One LLC	(v)	2,477	3,578	-	-
Bank of Nova Scotia Jamaica Limited	(w)	2,434	3,577	-	-
Bank of Nova Scotia Jamaica Limited	(x)	-	440	-	-
Bank of Nova Scotia Jamaica Limited	(y)	6,713	-	-	-
Bank of Nova Scotia Jamaica Limited	(z)	7,386	-	-	-
		3,789,852	3,125,539	3,743,986	3,096,829
Less: Current portion		(1,608,735)	(328,172)	(1,590,220)	(319,483)
		<u>2,181,117</u>	<u>2,797,367</u>	<u>2,153,766</u>	<u>2,777,346</u>

Notes to the Financial Statements

31 December 2024

20. Long-term loans (continued)

- (a) This term loan facility, which was received in September 2020, attracts interest at 8.25% per annum and is repayable over 84 equal monthly installments.
- (b) This term loan facility, which was received in May 2019, is unsecured, attracts interest at 7.75% per annum and is repayable over 84 equal monthly instalments.
- (c) This loan facility of \$300M, which was received in November 2022, attracts interest at 10% per annum and is repayable over 84 equal monthly instalments of \$5,245,853. The facility was used to fund the acquisition of Arosa Limited.
- (d) This term loan facility, which was received in November 2021, attracts interest at 7.25% per annum and is repayable over 180 equal monthly instalments.
- (e) This term loan facility, which was obtained to undertake the renovation of the Sampars Stores and Information Technology projects was received in October 2019, attracts interest at 7.25% per annum and is repayable over 96 equal monthly instalments.
- (f) The original loan of \$21M was received in June 2019, attracts interest at 7.25% per annum and is repayable over 120 equal monthly instalments. The loan was used to finance the purchase of Woodcats International Limited.
- (g) The original loan of \$355M, which was received in April 2019, attracts interest at 7.25% per annum and is repayable over 120 equal monthly instalments of \$4,167,737. The loan was used to refinance the bridge loan to purchase Woodcats International Limited.
- (h) The original loan of \$300M, which was received in December 2021, attracts interest at 7.25% per annum and is repayable over 60 equal monthly instalments.
- (i) This loan, which was received in October 2021, attracts interest at 6.99% per annum, and is repayable over 48 equal monthly instalments. The loan is secured by promissory note, letter of undertaking and Lien in favour of Cornerstone Financial Holdings Limited.
- (j) This loan, which was received in July 2018, attracts interest at 9.75% per annum and is repayable over 84 months in equal instalments. The loan is secured by promissory note for the sum of \$10.75M, over two Shacman trucks costing \$11,954,511 and letter of undertaking and Liens in favour of JN Bank Limited
- (k) This loan, which was received in July 2018, attracts interest at 9.75% per annum and is repayable over 84 months in equal instalments. The loan is secured by promissory note for the sum of \$10.75M, over two Shacman trucks costing \$11,954,511 and letter of undertaking and Liens in favour of JN Bank Limited
- (l) This loan, which was received in November 2018, attracts interest at 9.75% per annum and is repayable over 84 equal monthly instalments. This loan is secured by promissory note of \$6.94M over one Shacman steel body truck and letter of undertaking and Lien in favour of JN Bank Limited.

Notes to the Financial Statements

31 December 2024

20. Long-term loans (continued)

- (m) This Bond Placement Facility was issued in October 2020, attracts interest at 8% per annum. Interest is paid quarterly, and principal is due upon maturity on October 1, 2025.
- (n) This loan, which is unsecured, was received in March 2022, attracts interest at 9.50% per annum and is repayable over 20 quarterly instalments.
- (o) This fixed to floating rate senior secured Bond facility was issued in October 2023 for 48 months, attracts interest at fixed at 12.5% for the first 24 months, variable thereafter at the providing Government of Jamaica 6 months (7.97% as at May 2023) +453bps and subjected to a minimum coupon rate of 10.75% per annum. The proceeds were used to refinance debt facilities and provide working capital support for the Group. Principal is due upon maturity in October 2027. This loan is secured by Hypothecation of 584,653,270 Caribbean Flavours & Fragrances Limited shares, with market value of \$713,276,989.40 as at July 4, 2023 and Debt Service Reserve Account held with the Arranger.
- (p) The original loan of US\$1,000,000 drawn down in April 2024 under a US\$3 million committed senior financing facility to finance the implementation of a water plant, solar panels and modernisation of warehousing and distribution centre. The loan attracts interest at SOFR+3.5% (current effective rate of 8.02%) with maturity on November 15, 2033.
- (q) The original loan of US\$3,845,067 was drawn down in March 2024, under a three-year US\$5 million committed revolving credit line (and loan r below), to pay for the purchase of goods from eligible suppliers, attracts interest at SOFR+2% (current effective rate of 7.04%) with maturity on April 18, 2025.
- (r) The original loan of US\$1,145,256 was drawn down in April 2024, under a three-year US\$5 million committed revolving credit line (and loan q above), to pay for the purchase of goods from eligible suppliers, attracts interest at SOFR+2% (current effective rate of 7.21%) with maturity on May 9, 2025.
- (s) This loan, which was received in September 2021, attracts interest of 7% per annum and is repayable over 60 months in equal monthly instalments of \$445,527. This loan is secured by a lien on the motor vehicle.
- (t) This loan, which was received in March 2024, attracts interest of 8.50% per annum and is repayable over 60 months in equal monthly instalments of \$283,134.10. This loan is secured by a lien on a motor vehicle.
- (u) The original loan of US\$72,000, which was received in December 2021, attracts interest of 6.85% per annum and is repayable over 72 equal monthly instalments of US\$1,222.89. This loan is secured against a lien on a motor vehicle.

Notes to the Financial Statements

31 December 2024

20. Long-term loans (continued)

- (v) The original loan of US\$44,588.23, which was received in January 2021, attracts interest at 8.5% per annum and was repayable over 96 equal monthly instalments of US\$732.87. This loan is secured against a lien on a motor vehicle.
- (w) This loan, which was received in April 2019, attracts interest at 7.49% per annum with maturity on 29 April 2026. This loan is secured against a lien on a motor vehicle.
- (x) This loan, which was received in April 2019, attracted interest of 7.50% and was repaid during the year.
- (y) This loan, which was received in December 2024, attracts interest of 10.50% and is repayable over 24 equal monthly instalments. This loan is secured against a lien on a motor vehicle.
- (z) This loan, which was received in December 2024, attracts interest rate of 10.50% and is repayable over 24 equal monthly instalments. This loan is secured against a lien on a motor vehicle.

Loans (d)-(h) were substantially secured by the following: -

- i) Overdraft facility of \$150M @ 12.00% re account #5502326319.
- ii) Overdraft facility of \$210M @ 12.00% re account #5502329083.
- iii) First legal mortgage over commercial property located at 8-10 Brome Close, Ziadie Gardens, Kingston 20, Saint Andrew registered at Volume 1489 Folio 647 and 648 in the name of Derrimon Trading Company Limited stamped to cover \$50M and \$45M.
- iv) First Demand Debenture over the fixed and floating assets present and future of Derrimon Trading Company Limited stamped to cover \$550M.
- v) Second Demand Debenture over the fixed and floating assets present and future of Derrimon Trading Company Limited stamped to cover \$435M.
- vi) Third Demand Debenture over the fixed and floating assets present and future of Derrimon Trading Company Limited stamped to cover \$21M.
- vii) Forth Demand Debenture, stamped collateral to the first legal mortgage above, over the fixed and floating assets present and future of Derrimon Trading Company Limited stamped to cover \$100M.
- viii) Fifth Demand Debenture over the fixed and floating assets present and future of Derrimon Trading Company Limited stamped to cover \$200M.

Notes to the Financial Statements

31 December 2024

20. Long-term loans (continued)

Loans (d)-(h) were substantially secured by the following (continued): -

- ix) Sixth Demand Debenture over the fixed and floating assets present and future of Derrimon Trading Company Limited stamped to cover \$300M.
- x) Seventh Demand Debenture over the fixed and floating assets present and future of Derrimon Trading Company Limited stamped to cover \$300M.
- xi) First legal mortgage over commercial property located at No. 3 Ascot Drive, Old Harbour, Saint Catherine, registered at Volume 956 Folio 95 in the name of Derrimon Trading Company Limited stamped to cover \$173M.

The Company as beneficial owner, hereby charges to the bank with the payment and discharge in accordance with the foregoing covenant of the outstanding indebtedness, save and except for the shares and all existing and future assets of Caribbean Flavours and Fragrances Limited (CFF) and all future assets of Marnock LLC.

Loans (p) to (r) are secured by a perfected first priority security interest over revenues accounts in the USA.

21. Payables

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Local payables and accruals	1,590,416	1,704,426	1,217,198	1,467,999
Foreign payables	656,432	621,148	81,470	143,775
Staff related payables	223,034	240,540	174,617	200,536
Statutory liabilities	26,344	22,570	14,873	11,738
Other	198,474	-	198,474	-
	<u>2,694,700</u>	<u>2,588,684</u>	<u>1,686,632</u>	<u>1,824,048</u>

Notes to the Financial Statements

31 December 2024

22. Short-term loans

		The Group		The Company	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
Sagicor Bank Jamaica Limited	(a)	250,000	-	250,000	-
Sagicor Bank Jamaica Limited	(b)	200,000	200,000	200,000	200,000
Sagicor Bank Jamaica Limited	(c)	55,000	55,000	55,000	55,000
JMMB Bank (Jamaica) Limited	(d)	41,200	41,200	41,200	41,200
National Commercial Bank Jamaica Limited	(e)	-	25,000	-	25,000
		<u>546,200</u>	<u>321,200</u>	<u>546,200</u>	<u>321,200</u>

- (a) This loan, which is a revolving unsecured term loan facility is denominated in Jamaican dollars and was received in February 2024, it attracts interest at 9.25% per annum and is repayable within 12 months.
- (b) This loan, which is a revolving unsecured term loan facility is denominated in Jamaican dollars and was renewed April 2024, it attracts interest at 8.75% per annum and is repayable within 12 months.
- (c) This loan, which is denominated in Jamaican dollars, represents a Stand-by Letter of Credit, it expires upon the bank giving notice to the beneficiaries of the Instruments. The borrower is required to pay immediately in the event that the Bank is required to pay under the terms of the letters issued. Interest on loan is paid monthly, and the principal is due upon maturity.
- (d) This loan is a Revolving Line of Credit, which was renewed in May 2024 and is unsecured, it attracts interest at 7.75% per annum and is repayable within 12 months.
- (e) This loan was a Revolving Line of Credit, which was received in July 2023 and was unsecured, attracted interest at 7.75% per annum and was repaid during the year.

Notes to the Financial Statements

31 December 2024

23. Bank overdraft

The Group and the Company have approved bank overdraft limits of \$760 million and \$560 million, respectively (2023: \$530 million and \$500 million, respectively), which attracts interest at rates ranging from 12% to 14.5% (2023: 12% to 17.5%).

24. Revenue

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

25. Other operating income

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Advertising space	1,963	8,887	870	8,887
Rental from warehouse space	155,722	34,852	179,772	50,090
Net bargain purchase	-	(10,495)	-	-
Gain on disposal of property, plant and equipment	-	1,000	-	-
Management fees	1,529	12,000	121,529	64,500
Other income: insurance proceeds, bad debts recovered and dividends	293,611	54,790	318,875	150,241
Fair value gain on investment property (Note 6)	100,000	280,000	-	-
	<u>552,825</u>	<u>381,034</u>	<u>621,046</u>	<u>273,718</u>

Notes to the Financial Statements

31 December 2024

26. Expenses by nature

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Operating and administrative:				
Amortization of right-of-use assets	330,533	307,889	207,794	227,570
Audit fee	25,946	23,831	8,050	7,493
Bank charges	132,882	135,294	87,135	91,786
Depreciation	265,509	283,819	161,652	196,396
Directors' fees	2,710	2,300	1,110	1,320
Donations	18,129	39,208	10,743	36,308
Insurance	177,890	142,306	111,845	80,501
Motor vehicle expense	57,108	74,453	23,223	27,448
Office expenses	61,406	79,549	40,026	42,964
Other expenses	76,881	113,139	17,261	53,219
Professional fees	76,605	84,392	38,045	50,876
Repairs and maintenance	119,452	112,225	49,934	49,272
Security	91,058	81,560	55,554	59,893
Staff costs (Note 28)	1,236,479	1,469,160	762,314	779,703
Structuring fees	21,643	44,166	21,643	44,166
Travelling and entertainment	39,204	37,686	16,264	15,236
Utilities	284,310	291,788	182,096	210,686
	<u>3,017,745</u>	<u>3,322,765</u>	<u>1,794,689</u>	<u>1,974,837</u>
Selling and distribution	818,990	787,186	796,815	606,035
Impairment allowance on financial assets [Note 3(a)]	462,304	194,712	15,269	124,438
Finance costs, net (Note 29)	765,804	588,067	686,459	560,912
Cost of sales	<u>11,355,842</u>	<u>14,065,345</u>	<u>8,326,033</u>	<u>10,116,10</u>
	<u>16,420,685</u>	<u>18,958,075</u>	<u>11,619,265</u>	<u>13,382,33</u>

Notes to the Financial Statements

31 December 2024

27. Operating profit

In arriving at the operating profit, the following have been charged: -

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Auditors' remuneration	25,946	23,831	8,050	7,493
Amortization of right-of-use assets	330,533	307,889	207,794	227,570
Expected credit loss	462,304	194,712	15,269	124,438
Depreciation	265,509	283,819	161,652	196,396
Directors' emoluments:				
- Fee	2,710	2,300	1,110	1,320
- Management remuneration (included in staff costs)	137,718	120,653	67,416	56,180
Staff costs (Note 28)	<u>1,401,436</u>	<u>1,469,160</u>	<u>762,314</u>	<u>779,703</u>

28. Staff costs

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Wages and salaries	1,088,466	1,145,590	543,743	574,077
Statutory contributions	107,366	121,797	80,041	72,310
Termination costs	352	1,729	-	-
Staff welfare	48,037	73,351	7,642	27,165
Contract services and other	157,215	126,693	130,888	106,151
Total staff costs (Note 27)	<u>1,401,436</u>	<u>1,469,160</u>	<u>762,314</u>	<u>779,703</u>

The amounts are broken down as follows:

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Administration (Note 26)	1,236,479	1,469,160	762,314	779,703
Cost of sales	164,957	-	-	-
	<u>1,401,436</u>	<u>1,469,160</u>	<u>762,314</u>	<u>779,703</u>

Notes to the Financial Statements

31 December 2024

29. Finance costs, net

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Interest income	(8,445)	(21,105)	(2,878)	(6,381)
Interest expense	448,251	353,679	456,097	351,880
Foreign exchange losses	62,717	25,271	62,869	40,967
Lease interest expense	263,281	230,222	170,371	174,446
Total finance costs (Note 26)	<u>765,804</u>	<u>588,067</u>	<u>686,459</u>	<u>560,912</u>

Notes to the Financial Statements

31 December 2024

30. Taxation

- (a) Taxation is computed on the (loss)/profit for the year adjusted for taxation purposes and comprises:

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Income tax at 25%	67,347	60,146	-	-
Income tax at 15%	26,472	5,491	26,472	5,491
Income tax at 21%	(952)	24,082	-	-
Income tax – prior year over accrual	(9,147)	-	-	-
Remission of income tax at Nil% (2023: 50%)	-	(14,805)	-	-
Deferred tax assets (Note 11)	(121,457)	(90,712)	(112,321)	(73,228)
	(37,737)	(15,798)	(85,849)	(67,737)

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

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
(Loss)/profit before taxation	(653,813)	166,189	(156,949)	(256,786)
Tax calculated at the appropriate rate	40,960	80,775	(39,237)	(64,196)
Adjusted for the effects of: -				
Expenses not allowed for tax purposes	11,263	9,843	131	5,491
Employers tax credit	(10,401)	(13,087)	-	-
Other charges and allowances	(27,764)	(69,372)	(29,095)	120
Effect of differences in tax rates	(17,648)	(9,152)	(17,648)	(9,152)
Depreciation and capital adjustments	(25,000)	-	-	-
Income tax – prior year over accrual	(9,147)	-	-	-
Adjustment for the effect of remission of tax	-	(14,805)	-	-
	(37,737)	(15,798)	(85,849)	(67,737)

Notes to the Financial Statements

31 December 2024

30. Taxation (continued)

(c) Remission of Income Tax

Derrimon Trading Company Limited (DTCL) is listed on the Junior Market of the Jamaica Stock Exchange, effective December 17, 2013; and under the Income Tax Act (Jamaica Stock Exchange Junior Market) (Remission) Notice 2010, 100% of income taxes will be remitted by the Minister of Finance during the first five (5) years of listing, which expired December 17, 2018. DTCL was required to account for income tax at 50% during the second five (5) years, from December 17, 2018, to December 16, 2023.

However, in February 2021, the Company issued an Additional Public Offer (APO) whereby 1.8 million New Ordinary Shares were issued to the public. As a result, the Company does not qualify to claim the 50% remission of Income Tax given that the subscribed participating voting share capital increased above \$500 million.

The financial statements of Derrimon Trading Company Limited have been prepared on the basis that the Company will not have the full benefit of the tax remissions.

Effective 2 October 2013, the shares of one of the Company's subsidiaries, Caribbean Flavours and Fragrances Limited (CFFL), were listed on the Junior Market of the JSE, and accordingly was entitled to a remission of income taxes for ten years in the following proportion:

- **Years 2014 - 2018 – 100% of standard rate**
- **Years 2019 - 2023 – 50% of standard rate**

With the expiration of the tax remission on 2 October 2023, CFFL was subject to tax at a rate of 25% in 2024.

As at December 31, 2024, subject to the agreement of The Commissioner, Tax Administration Jamaica, tax losses available for offset against future taxable profits for the Group aggregated \$613,060,000 (2023: \$295,914,000) and \$529,534,000 (2023: \$248,767,109) for the Company. Since January 1, 2014, tax losses may be carried forward indefinitely; however, the amount that can be utilised in any one year is restricted to 50% of the current year's taxable profits.

Notes to the Financial Statements

31 December 2024

31. Segment financial information

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer that are used to make strategic decisions.

The Group operates three (3) segments. Two (2) segments are exposed to similar risks as they both sell household and grocery products and the third segment, manufactures flavours and fragrances, processed meats and wooden products. The principal divisions are:

- (i) Distribution - distribution of household products, Sun Powder Detergents and bulk food products and chilled and ambient beverages.
- (ii) Wholesale and retail - operation of eight (8) outlets, six (6) trading under the name Sampars Cash and Carry and Sampars Outlets, two (2) under the name Select Grocers and one (1) under the name Food Savers NY.

The distribution hub, along with four (4) outlets is located in Kingston and Saint Andrew, three (3) locations are in rural Jamaica and one (1) located in Brooklyn, New York.

- (iii) Other operations – manufacturers of flavours and fragrances, processed meats, wooden pallets and by products of wood.

	2024				
	Distribution	Wholesale and Retail	Other Operations	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	4,679,685	8,613,338	1,966,058	(44,835)	15,214,246
Operating (loss)/profit	(852,313)	765,780	275,108	(76,584)	111,991
Assets	11,692,480	7,243,623	1,760,485	(2,998,864)	17,697,724
Liabilities	8,803,864	3,701,894	529,740	(1,670,305)	11,365,193
Capital expenditure	2,126	529,328	18,497	-	549,951
Depreciation	143,859	97,128	24,522	-	265,509
Finance costs, net	633,701	135,054	(2,951)	-	765,804

	2023				
	Distribution	Wholesale and Retail	Other Operations	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	7,157,030	9,771,979	1,949,018	(134,797)	18,743,230
Operating (loss)/profit	(444,236)	972,954	271,834	(46,296)	754,256
Assets	11,644,157	6,069,278	1,610,825	(2,676,900)	16,647,360
Liabilities	7,432,622	3,242,587	1,967,157	(2,867,866)	9,774,500
Capital expenditure	2,126	87,521	31,036	-	120,683
Depreciation	163,362	100,610	19,847	-	283,819
Finance costs, net	496,356	114,287	(16,487)	(6,089)	588,067

Notes to the Financial Statements

31 December 2024

32. (Loss)/earnings per share

(Loss)/profit per stock unit (“EPS”) is computed by dividing the (loss)/profit attributable to stockholders of the parent of (\$538,122,000) (2023: \$160,334,000) by the weighted average number of ordinary stock units in issue during the year, numbering 4,533,360,670 (2023: 4,533,360,670).

	The Group	
	2024	2023
	\$'000	\$'000
Net (loss)/profit attributable to Stockholders of the Group	(538,122)	160,334
Weighted average number of ordinary stock units (000)	4,533,360	4,533,360
(Loss)/earnings per share	(11.87¢)	3.54¢

129

33. Contingent liabilities and commitments

- (a) In the normal course of business, the Group is subject to various claims, disputes and legal proceedings, which occur as part of the normal course of business. Provision is made for such matters when, in the opinion of management and its legal advisors, it is probable that a payment will be made by the Group and the amount can be reasonably estimated. In respect of claims asserted against the Group, which, according to the principles outlined above, have not been provided for, management is of the opinion that such claims are either without merit, can be successfully defended or will result in exposure to the Group which is immaterial to both the financial position and financial performance.

The Group’s and Company’s attorneys that routinely act on behalf of the Group, by letter dated 3 March 2025, reported with regards to the Company’s year ended 31 December 2024, as follows:

- They were not aware of any outstanding judgment, settlement or claim.
 - They were not aware of any guarantees of indebtedness to others made by the Group, not publicly disclosed.
 - They hold no trust monies on behalf of the Group.
 - They are aware of one pending litigation against the Company for a personal injury claim by an independent contractor.
- (b) Management reported that as at 31 December 2024, the Group had capital commitments of \$300,000,000 (2023: \$232,500,000).
- (c) As at 31 December 2024, as far as the Board of Directors of the Group are aware, there were no significant pending or threatening litigations against the Group.

Notes to the Financial Statements

31 December 2024

34. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related party transactions and balances are recognised and disclosed below for the following:

- (a) Enterprises over which a substantial interest in the voting power is owned by a key management personnel, including directors and officers and close members of families; or
- (b) Enterprises over which such a person, in (a) above, is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the Group.

The following amounts are reflected in the statement of financial position:

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cash and short-term deposits	33,336	31,250	33,336	31,250
Long-term loans	(391,247)	(454,765)	(391,247)	(454,765)

The following were (credited)/debited to the statement of comprehensive income:

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Dividend income	-	-	(169,083)	(29,233)
Interest income	(2,782)	-	(2,782)	-
Interest expense	40,562	30,117	40,562	30,117
Directors' fees	2,710	2,300	1,110	1,320
Management remuneration	137,718	120,653	67,416	56,180

Form of Proxy

Affix \$100
Stamp here
and cancel

I/WE¹ of
being a shareholder(s) of **DERRIMON TRADING COMPANY LIMITED** hereby appoint:
..... of

or failing him/her of

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 17th day of September 2025 at 10:00am at the Terra Nova All-Suite Hotel and at any adjournment thereof, to vote for me/us and in my/our name for the said resolutions (either with or without modification, as my/our Proxy may approve) or against the said resolutions as hereby indicated.

I desire this form to be used as follows² (unless directed by the proxy who will vote as he sees fit):

Ordinary Business	For	Against
RESOLUTION 1: To receive the audited accounts for the year ended 31 December 2024.		
RESOLUTION 2(a): To re-appoint Derrick Cotterell to the Board of Directors..		
RESOLUTION 2(b): To re-appoint Tania Waldron-Gooden to the Board of Directors.		
RESOLUTION 2(c): To re-appoint Howard Mitchell to the Board of Directors.		
RESOLUTION 2(d): To re-appoint Earl Richards to the Board of Directors.		
RESOLUTION 2(e): To re-appoint Stephen Phillibert to the Board of Directors.		
RESOLUTION 2(f): To re-appoint Alexander Williams to the Board of Directors.		
RESOLUTION 3: To fix the remuneration of the Directors.		
RESOLUTION 4: To re-appoint the Auditors and to fix their remuneration.		

Signed: Signed³:

Dated this _____ day of _____, 2025

¹ Full name and address to be inserted in Block Capitals.

² Please indicate with an X in the spaces how you wish your vote to be cast.

³ To be used if under common seal by a corporation.

Notes

- (1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his place. Such proxy need not be a member of the Company.
- (2) If the appointer is a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.
- (3) Any alteration made in this Form of Proxy should be initialed by the person who signs it.
- (4) A member must lodge his Form of Proxy with the Secretary at 235 Marcus Garvey Drive, Kingston 11, Jamaica **not less than 48 hours before the Meeting**, but if not so lodged it may be handed to the Chairman of the Meeting.
- (5) In the case of joint holders, the vote of the senior joint holder who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders(s), and for this purpose seniority will be determined by the order in which the names appear in the books of the Company.
- (6) If this form is returned without any indication as to how the person appointed proxy shall vote, he will exercise his discretion as to how he votes or whether he abstains from voting.
- (7) **The person to whom this Proxy is given need not be a holder of shares in the Company but must attend the Meeting in person to represent you.**



📍 235 Marcus Garvey Drive
Kingston 11,
Jamaica, W.I.

☎ 876 901 3344

🌐 www.derrimon.com

📘 📷 🔗 @derrimontrading