

J.P. SANTOS & COMPANY LIMITED

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

146TH ANNUAL REPORT

31ST DECEMBER, 2023

J.P.SANTOS & COMPANY LIMITED

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

C O N T E N T S

	Pages
NOTICE OF ANNUAL GENERAL MEETING	i-ii
STATUTORY INFORMATION	iii
REPORT OF THE DIRECTORS	iv-vii

Auditor's Report	1
Consolidated Statement of Comprehensive Income	2
Statement of Changes in Equity	3-4
Consolidated Statement of Financial Position	5
Consolidated Statement of Cash Flows	6
Notes on the Accounts	7- 44

J.P.SANTOS & COMPANY LIMITED
& SUBSIDIARIES

SUBSIDIARY OF JOHN FERNANDES LIMITED

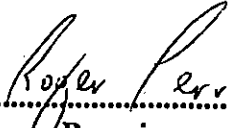
NOTICE OF ANNUAL GENERAL MEETING

The One Hundred and Forty Sixth (146th) Annual General Meeting of the Company will be held in the Boardroom of John Fernandes Ltd 49 – 52 Access Road, Georgetown, on the Friday, July 5, 2024, at 4:30 pm for the following purposes:-

- (a) To receive the Report of the Directors & the Audited Financial Statements for the year ended 31st December 2023 and the Report of the Auditors thereon.
- (b) To consider and (if thought fit) pass the following resolution.
 - 1. “That the Financial Statements for year ended 31st December 2023, and the Report of the Directors thereon be and are hereby adopted”.
- (c) To consider the declaration of a Final Dividend of \$5.00 per share by the Board, in addition to the Interim Dividend already declared and paid by the Board of \$4.00 per share and (if thought fit) pass the following resolution:-
 - 1. “That the Interim Dividend of \$4.00 per share, already paid be confirmed, and that a final dividend of \$5.00 per share as recommended by the Directors in respect of the year ended 31st December 2023 be approved”.
- (d) To elect Directors in place of those retiring by rotation.
- (e) To fix the remuneration of the Directors.
- (f) To appoint Auditors and the Directors be authorised to fix their remuneration.
- (g) To transact any other business of an Annual General Meeting.

In accordance with the Company's by laws 69-75, a member is entitled to appoint a “Proxy” to attend and vote on his/her behalf A “Proxy” need not be a member.

BY ORDER OF THE BOARD


.....
Roger Perreira
Company Secretary

DATE: May 3, 2024

CLOSURE OF SHARES REGISTER

The shares register of the above-named Company will be closed from 24th
June – 05th July 2024, both days inclusive.

J.P.SANTOS & COMPANY LIMITED

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

DIRECTORS:

C.J. Fernandes AA Chairman
L.P. Baker
P.N. de Groot
P.C. Fernandes
A.C. Fernandes

COMPANY SECRETARY:

Roger Perreira

AUDITORS:

TSD Lal & Company Chartered Accountants

ATTORNEYS-AT-LAW:

Messrs Luckhoo & Luckhoo
1 Croal Street, Stabroek

BANKERS:

Republic Bank (Guyana) Ltd
Bank of Nova Scotia
Guyana Bank for Trade & Industry Ltd
Demerara Bank Ltd

J. P. SANTOS & COMPANY LIMITED

REPORT OF THE DIRECTORS

The Directors hereby submit their report together with the audited financial statement for the year ended 31st December, 2023.

TURNOVER & PROFITABILITY

The group turnover increased by 4.7% from G\$7.134B in 2022 to G\$7.470B in 2023. There was a group profit after tax of G\$331.736M in 2023 as compared to G\$356.997M in 2022 a decrease of G\$25.261M.

The company's first subsidiary JPS Trading Inc. recorded a Total Comprehensive Income Profit after tax of G\$151.088M in 2023 as against G\$177.408M in 2022 while its second subsidiary Value 4 U Inc. recorded a Total Comprehensive profit after tax of G\$91.521M in 2023 as compared to G\$74.722M in 2022.

Taxation charged to the group for the year decreased by 8.58% from G\$208.757M in 2022 to G\$190.840M in 2023.

DIVIDENDS

We propose a final dividend of \$5.00 per share, which, taken with the interim dividend of \$4.00 per share already paid brings the total dividend per share for 2023 to \$9.00 as compared to \$8.00 for 2022. If approved, the total dividend payout for 2023 will be G\$171.040M as compared to G\$152.035M in 2022.

DIRECTORS

Directors Messrs C. J. Fernandes and P. N. De Groot, in accordance with the Company's By Laws, retire by rotation, and being eligible, offer themselves for re-election.

AUDITORS

The Auditors, Messrs TSD Lal & Company have retired as required by the Company's By Laws and offer themselves for re-appointment.

DIRECTORS' EMOLUMENTS

	G\$
Messrs: C. J. Fernandes, A.A	144,000
L. P. Baker	96,000
P. N. de Groot	96,000
P. C. Fernandes	96,000
A. C. Fernandes	96,000
	<u>528,000</u>

DIRECTORS' INTERESTS

SHARES IN	<u>J.P.S & Co. Ltd.</u>	<u>J.F. Ltd.</u>	<u>B.F. Ltd.</u>
	ORDINARY SHARES AT NO. PAR VALUE		
Messrs: C. J. Fernandes, A.A	-	7,560	1,792
L. P. Baker	-	-	-
P. N. de Groot	-	7,560	1,574
P. C. Fernandes	-	7,560	1,520
A. C. Fernandes	-	7,560	1,520

All of these shares are held beneficially.

No Director held shares in Value 4 U Inc., JPS Trading Inc., and Guyana Biscuit (Holdings) Ltd as at December 31, 2023.

INTER-COMPANY LEASE AGREEMENTS

- a) John Fernandes Limited leases 53 – 55 Water Street and 49 – 52 Access Road for the sums of US\$28,000 and US\$15,500 respectively per month.

OPERATION AND MANAGEMENT OF MEAT CENTRES

- a) The Company's subsidiary JPS Trading Inc. owns three (3) Meat Centres. These three Meat centres are stocked with meat produced and supplied by Bounty Farm Limited. We provide no consideration for the use of the name "Bounty".

DIRECTORS' CONTRACT

There were no service contracts with any of the Directors of the Company.

SHARE CAPITAL

The authorized Share Capital of the Company is 40,000,000 of which 19,004,400 shares have been issued and fully paid.

SUBSTANTIAL SHAREHOLDER

J.P. SANTOS & CO. LTD.	NUMBER OF SHARES	% SHAREHOLDING
John Fernandes Ltd.	17,342,421	91.25

A substantial shareholder is defined as a person who has holdings of 5% or more of the issued Share Capital of the Company.

PRINCIPAL ACTIVITIES OF THE COMPANY ITS SUBSIDIARIES AND ASSOCIATES

The principal activities of the Company its Subsidiaries and Associates and respective turnover and contribution to operating profit were:

1) <u>Principal Activities</u>	<u>Turnover</u>	<u>Contribution to Profit</u>
	G\$000	G\$000
Trading	7,469,678	353,903
Rental of Property	101,784	101,784
Other	<u>63,104</u>	<u>66,889</u>
	7,634,566	522,576

- 2) No Trading is carried on outside of Guyana by either J. P. Santos & Co. Ltd., its subsidiaries or its associates. The subsidiaries of J. P. Santos & Co. Ltd. are Value 4 U Inc. and JPS Trading Inc. which are incorporated in Guyana and carries on business in the Distribution and Retail Trade locally.

The Associate Company is Guyana Biscuit (Holdings) Ltd which is incorporated in Guyana and its principal activity is investment of funds in long and short term securities.

3) ISSUED SHARE CAPITAL OF SUBSIDIARIES AT DECEMBER 31, 2023

- a. Value 4 U Inc. 1,000 shares at \$1,000 per share
- b. JPS Trading Inc. 1,000 shares at \$1,000 per share

ISSUED SHARE CAPITAL OF ASSOCIATES AT DECEMBER 31, 2023

Guyana Biscuit (Holdings) Ltd 5,475 Shares at \$25 per share

The Directors and Chief Executive Officer, have no right to subscribe for shares or debt securities of the Companies.

SHAREHOLDERS' INTERESTS

Analysis of Shareholders' Interests according to size of holding as at 31st December, 2023.

Holdings	% of shareholders		No. of Shares held
	No. of shareholders	with Holdings	
1 - 10,000	167	83.50	477,199
10,001 - 20,000	19	9.50	281,186
20,001 - 50,000	7	3.50	277,600
50,001 - 100,000	4	2.00	303,000
100,001 - 500,000	2	1.00	325,590
500,001 - 1,000,000	0	0	0
1,000,001 & Over	1	0.50	17,339,825
	200	100	19,004,400

BY ORDER OF THE BOARD


ROGER PERREIRA
COMPANY SECRETARY

J.P. SANTOS & COMPANY LIMITED

FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER, 2023
AN INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
J.P. SANTOS AND COMPANY LIMITED AND SUBSIDIARIES
(SUBSIDIARY OF JOHN FERNANDES LIMITED)
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of J.P. Santos and Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies as set out on pages 2 to 44.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Guyana and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

Key Audit Matters

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

Key Audit Matter

How our audit addressed the Key Audit Matter

Valuation of Investments (Refer to notes 14(a), 14(b) and 14(c) in the group financial statements).

At 31 December 2023, the Group's Investments comprised of fair value through other comprehensive income of G\$1,071,050,509 and Investment in Associate of G\$218,982,187. The Company's Investment in Subsidiaries totaled G\$103,675,000 as at this date.

Investments are considered a key audit matter as they are material to the financial statements of the Group.

Also, there was significant measurement uncertainty involved in the valuation. As a result, the valuation of these instruments was significant to our audit.

Our procedures in relation to the valuation of investments included:

- Obtaining an understanding of the valuation methods used by the Group and assessing whether they were consistent with prior years and our understanding of the client;
- Reviewing the source data used by the Group in the valuation methods and performing tests to ascertain its completeness and accuracy;
- Reviewing the Group's policy on accounting for the various categories of investments and ensuring compliance with relevant IFRS/IAS; and
- Reviewing audited financial statements of subsidiaries and associate to ensure going concern and identify potential indicators of impairment.

Key Audit Matter

How our audit addressed the Key Audit Matter

Valuation and impairment of investment properties (Refer to note 13(a) in the group financial statements).

The consolidated financial statements detailed investment properties with a net book value of G\$1,661,615,176.

Investment properties are considered a key audit matter as significant management judgment was used to select depreciation rates for this category of buildings. In addition, an annual impairment review of land and building and equipment was done which involved significant management judgment.

Our procedures in relation to management's valuation and impairment of investment properties included:

- Test checking of depreciation rates for investment properties to ensure consistency with accounting policies and industry rates;
- Assessing the methodology used by management to carry out impairment review and also obtaining and checking written representation;
- Physical verification of selected investment properties was also done;
- Ensuring owner-occupied properties were correctly eliminated in the consolidated financial statements and presented and disclosed in accordance with IAS 40.

Key Audit Matter

How our audit addressed the Key Audit Matter

Valuation and impairment of property, plant and equipment. (Refer to note 13(b) in the group financial statements).

The consolidated financial statements detailed property, plant and equipment with a net book value of G\$118,388,240.

Property, plant and equipment is considered a key audit matter as significant management judgment was used to select depreciation rates for property, plant and equipment.

In addition, an annual impairment review of all property and equipment was done which involved significant management judgement.

Our procedures in relation to management's valuation and impairment of property, plant and equipment included:

- Test checking of depreciation rates for property, plant and equipment to ensure consistency with the accounting policies and industry rates;
- Obtaining and checking written representation by management of their assessment of impairment;
- Assessing the methodology used by management to carry out impairment review;
- Physical verification of selected assets which were acquired during the current and prior years;

Other Information in the Annual Report

Management/Directors are responsible for the other information. The other information comprises all the information included in the Group's 2023 Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The Group's 2023 Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 of this other information, we are required to report that fact. At the time of issuing the audit opinion, the annual report was not available.

Responsibilities of those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group'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 the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 internal control,
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors,
- Conclude on the appropriateness of the Directors' 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern,
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 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 the Directors 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 the directors 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements cont'd

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's report unless law or regulation precludes public disclosure about the matter 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 Other Legal and Regulatory Requirements

The consolidated financial statements comply with the requirements of the Companies Act 1991.

The engagement partner on the audit resulting in this independent auditor's report is Raan Motilall.



TSD LAL & CO.
CHARTERED ACCOUNTANTS

77 Brickdam,
Stabroek,
Georgetown,
Guyana.

Date: April 19, 2024

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Company		Group	
		2023 G\$	2022 G\$	2023 G\$	2022 G\$
Revenue	5	-	-	7,469,677,635	7,134,337,237
Cost of sales	6 (i)	-	-	(6,214,674,672)	(5,953,882,946)
Gross profit		-	-	1,255,002,963	1,180,454,291
Other revenue	9 (a)	282,181,929	269,347,270	158,937,182	158,995,912
Administrative expenses	7	(39,178,146)	(37,690,084)	(701,211,667)	(634,610,851)
Selling costs	8	-	-	(199,888,367)	(177,363,488)
Profit before interest and taxation		243,003,783	231,657,186	512,840,111	527,475,864
Net finance income	9 (b)	25,524,750	48,382,013	3,785,290	32,725,526
Share of associate profits	14 (c) (i)	-	-	5,950,464	5,552,181
Profit before taxation		268,528,533	280,039,199	522,575,865	565,753,571
Taxation	10	(43,460,091)	(48,607,707)	(190,839,989)	(208,756,657)
Profit for the year		225,068,442	231,431,492	331,735,876	356,996,914
Other comprehensive income:					
Items that will not be subsequently reclassified to profit or loss					
Fair value gain/(loss) on investments	18 (b)	(147,753,887)	362,419,241	(166,024,079)	411,375,996
Other comprehensive income for the year, net of tax		(147,753,887)	362,419,241	(166,024,079)	411,375,996
Total comprehensive income for the year		77,314,555	593,850,733	165,711,797	768,372,910
Profit attributable to:					
Equity holders of the parent		225,068,442	231,431,492	331,735,876	356,996,914
		225,068,442	231,431,492	331,735,876	356,996,914
Total comprehensive income attributable to:					
Equity holders of the parent		77,314,555	593,850,733	165,711,797	768,372,910
		77,314,555	593,850,733	165,711,797	768,372,910
Basic earnings per share in dollars	12	11.84	12.18	17.46	18.78

"The accompanying notes form an integral part of these financial statements".

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

Notes	Company					
	Share capital	Capital reserve	Other reserve	General reserve	Accumulated earnings	Total
	G\$	G\$	G\$	G\$	G\$	G\$
At 01 January 2022	19,004,400	212,032,483	825,957,408	1,620,376	1,427,195,813	2,485,810,480
Changes in equity 2022						
Profit for the year	-	-	-	-	231,431,492	231,431,492
Other comprehensive income for the year	-	-	362,419,241	-	-	362,419,241
Total comprehensive income for the year	-	-	362,419,241	-	231,431,492	593,850,733
Dividends	-	-	-	-	(133,030,800)	(133,030,800)
At 31 December 2022	19,004,400	212,032,483	1,188,376,649	1,620,376	1,525,596,505	2,946,630,413
Changes in equity 2023						
Profit for the year	-	-	-	-	225,068,442	225,068,442
Other comprehensive income for the year	-	-	(147,753,887)	-	-	(147,753,887)
Total comprehensive income for the year	-	-	(147,753,887)	-	225,068,442	77,314,555
Dividends	-	-	-	-	(152,035,200)	(152,035,200)
At 31 December 2023	19,004,400	212,032,483	1,040,622,762	1,620,376	1,598,629,747	2,871,909,768

"The accompanying notes form an integral part of these financial statements"

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Group Equity holders of the parent				
		Share capital	Capital reserve	Other reserve	General reserve	Accumulated earnings
		G\$	G\$	G\$	G\$	G\$
At 01 January 2022		19,004,400	212,032,483	961,775,175	1,620,376	1,956,152,155
Changes in equity 2022						
Profit for the year		-	-	-	-	356,996,914
Other comprehensive income for the year		-	-	411,375,996	-	-
Total comprehensive income for the year	18 (b)	-	-	411,375,996	-	356,996,914
Dividends	11	-	-	-	-	(133,030,800)
At 31 December 2022		19,004,400	212,032,483	1,373,151,171	1,620,376	2,180,118,269
Changes in equity 2023						
Profit for the year		-	-	-	-	331,735,876
Other comprehensive income for the year	18 (b)	-	-	(166,024,079)	-	-
Total comprehensive income for the year		-	-	(166,024,079)	-	331,735,876
Dividends	11	-	-	-	-	(152,035,200)
At 31 December 2023		19,004,400	212,032,483	1,207,127,092	1,620,376	2,359,818,945

"The accompanying notes form an integral part of these financial statements"

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		Company		Group	
	Notes	2023	2022	2023	2022
		G\$	G\$	G\$	G\$
ASSETS					
Non-current assets					
Property, plant and equipment	13 (b)	2,523,772	3,365,030	118,388,240	42,390,700
Intangible assets		-	-	-	414,252
Investment properties	13 (a)	1,661,615,176	1,257,004,178	1,661,615,176	1,257,004,178
Investments - subsidiary	14 (a)	103,675,000	103,675,000	-	-
- others	14 (b)	1,071,050,509	1,218,804,396	1,071,050,509	1,218,804,396
Investment in associate	14 (c)	9,442,250	9,442,250	218,982,187	232,675,031
		<u>2,848,306,707</u>	<u>2,592,290,854</u>	<u>3,070,036,112</u>	<u>2,751,288,557</u>
Current assets					
Inventories	6 (ii)	-	-	891,370,285	662,291,685
Tax recoverable		11,460,027	5,805,465	22,297,151	16,642,589
Trade and other receivables	15	319,076,602	213,913,604	715,424,825	520,932,150
Due by related companies	16	599,279,653	950,301,626	564,151,260	904,347,044
Cash on hand and at bank		18,366,969	18,480,063	34,008,830	35,778,374
		<u>948,183,251</u>	<u>1,188,500,758</u>	<u>2,227,252,351</u>	<u>2,139,991,842</u>
Total current assets		<u>948,183,251</u>	<u>1,188,500,758</u>	<u>2,227,252,351</u>	<u>2,139,991,842</u>
TOTAL ASSETS		<u>3,796,489,958</u>	<u>3,780,791,612</u>	<u>5,297,288,463</u>	<u>4,891,280,399</u>
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share capital	17	19,004,400	19,004,400	19,004,400	19,004,400
Capital reserve	18 (a)	212,032,483	212,032,483	212,032,483	212,032,483
Other reserve	18 (b)	1,040,622,762	1,188,376,649	1,207,127,092	1,373,151,171
General reserve	18 (c)	1,620,376	1,620,376	1,620,376	1,620,376
Accumulated earnings		1,598,629,747	1,525,596,505	2,359,818,945	2,180,118,269
		<u>2,871,909,768</u>	<u>2,946,630,413</u>	<u>3,799,603,296</u>	<u>3,785,926,699</u>
Total equity		<u>2,871,909,768</u>	<u>2,946,630,413</u>	<u>3,799,603,296</u>	<u>3,785,926,699</u>
Non-current liabilities					
Lease liability	25	1,398,345	2,533,094	1,398,345	2,533,094
Deferred tax	10	31,837,407	33,653,707	15,709,891	31,283,484
		<u>33,235,752</u>	<u>36,186,801</u>	<u>17,108,236</u>	<u>33,816,578</u>
Total non-current liabilities		<u>33,235,752</u>	<u>36,186,801</u>	<u>17,108,236</u>	<u>33,816,578</u>
Current liabilities					
Trade and other payables	19	94,865,974	84,177,005	688,082,969	546,332,774
Due to related companies	20	486,519,912	693,957,797	144,773,466	140,223,401
Deferred income		-	-	2,189,474	-
Bank loan	24	200,000,000	-	200,000,000	-
Taxes payable		12,971,992	18,479,321	25,747,267	42,970,286
Lease liability	25	1,134,749	1,360,275	1,134,749	1,360,275
Bank overdraft	21	95,851,811	-	418,649,006	340,650,386
		<u>891,344,438</u>	<u>797,974,398</u>	<u>1,480,576,931</u>	<u>1,071,537,122</u>
Total current liabilities		<u>891,344,438</u>	<u>797,974,398</u>	<u>1,480,576,931</u>	<u>1,071,537,122</u>
TOTAL LIABILITIES		<u>924,580,190</u>	<u>834,161,199</u>	<u>1,497,685,167</u>	<u>1,105,353,700</u>
TOTAL EQUITY AND LIABILITIES		<u>3,796,489,958</u>	<u>3,780,791,612</u>	<u>5,297,288,463</u>	<u>4,891,280,399</u>

These financial statements were approved by the Board of Directors on April 19, 2024.
On Behalf of the Board:

..... Director

..... Director

"The accompanying notes form an integral part of these financial statements".

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Company		Group	
	2023 G\$	2022 G\$	2023 G\$	2022 G\$
Operating activities				
Profit before taxation	268,528,533	280,039,199	522,575,865	565,753,571
Adjustments for:				
Depreciation/amortisation	21,473,886	21,465,994	38,741,256	40,114,326
Share of associate profits	-	-	(5,950,464)	(5,552,181)
Adjustments for loss of disposal of property, plant & equipment	-	-	554,043	2,393,446
Adjustment to associate company	-	-	463,800	463,800
Interest received	40,838,384	61,695,068	48,462,629	69,454,774
Interest paid	(15,171,144)	(13,313,055)	(24,093,864)	(18,724,171)
Dividends received	(162,807,513)	(151,016,854)	(22,343,713)	(20,553,054)
Operating profit before working capital changes	152,862,146	198,870,352	558,409,552	633,350,511
Increase in inventories	-	-	(229,078,600)	(136,496,540)
Increase in trade and other receivables	(105,162,998)	(49,116,175)	(194,492,675)	(160,599,254)
(Increase)/decrease in due by related companies	351,021,973	(196,952,326)	340,195,784	(147,427,305)
Increase in trade and other payables	10,688,969	11,629,632	141,750,195	217,428,172
Increase/(decrease) in due to related companies	(207,437,885)	480,171,666	4,550,065	123,972,473
Increase in deferred income	-	-	2,189,474	-
Cash generated from operations	201,972,205	444,603,149	623,523,795	530,228,057
Taxes paid	(56,438,282)	(43,536,467)	(228,381,847)	(181,119,891)
Net cash provided by operating activities	145,533,923	401,066,682	395,141,948	349,108,166
Investing activities				
Acquisition of property, plant and equipment	(425,243,626)	(372,544,414)	(519,489,585)	(377,413,213)
Interest received	(40,838,384)	(61,695,068)	(48,462,629)	(69,454,774)
Dividends received	162,807,513	151,016,854	22,343,713	20,553,054
Net cash used in investing activities	(303,274,497)	(283,222,628)	(545,608,501)	(426,314,933)
Financing activities				
Interest paid	15,171,144	13,313,055	24,093,864	18,724,171
Loan drawdown	200,000,000	-	200,000,000	-
Lease payment	(1,360,275)	(1,646,494)	(1,360,275)	(1,646,494)
Dividends paid	(152,035,200)	(133,030,800)	(152,035,200)	(133,030,800)
Net cash provided by/(used in) financing activities	61,775,669	(121,364,239)	70,698,389	(115,953,123)
Net decrease in cash and cash equivalents	(95,964,905)	(3,520,185)	(79,768,164)	(193,159,890)
Cash and cash equivalents at beginning of year	18,480,063	22,000,248	(304,872,012)	(111,712,122)
Cash and cash equivalents at end of year	(77,484,842)	18,480,063	(384,640,176)	(304,872,012)
Comprising:				
Cash on hand and at bank	18,366,969	18,480,063	34,008,830	35,778,374
Bank overdraft	(95,851,811)	-	(418,649,006)	(340,650,386)
	(77,484,842)	18,480,063	(384,640,176)	(304,872,012)

"The accompanying notes form an integral part of these financial statements".

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

1 Incorporation and activities

The Company was incorporated in Guyana on 6 April 1910 as a limited liability Company and under the Companies Act Chapter 89:01 and continued under the Companies Act 1991. The Company is involved in the rental of property.

The Company owns 100% of Value 4 U Incorporated, formerly Bryden and Fernandes Inc. which was incorporated in Guyana in July 2000 and which is engaged in the distribution of detergents and household products.

The Company owns 100% of JPS Trading Inc. which was incorporated in Guyana in December 2006 and is involved in the retail of goods.

The Company also owns 42.36% of Guyana Biscuit (Holdings) Limited which was incorporated in Guyana on April 1917 and is involved in the investment of funds in long and short term securities.

John Fernandes Limited owns 91.24% (2022 – 91.24%) of the issued share capital of J.P. Santos & Company Limited.

2 New and amended standards and interpretations

Amendments effective for the current year end

**Effective for annual
periods beginning on
or after**

New and Amended Standards

IFRS 17 Insurance contracts	1 January, 2023
Amendments to IAS 1 and IFRS Practice statement 2: Disclosure of Accounting Policies	1 January, 2023
Amendments to IAS 8: Definition of Accounting Estimates	1 January, 2023
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January, 2023

None of the above new and amended standards and interpretations had an impact on the Group's financial statements.

Pronouncements effective in future periods available for early adoption

Amendments to IAS 1: Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants	1 January, 2024
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	1 January, 2024
Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements	1 January, 2024
Amendments to IAS 12: International Tax Reform—Pillar Two Model Rules	1 January, 2024
IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information	1 January, 2024
IFRS S2: Climate-related Disclosures	1 January, 2024

None of the above new or amended standards or interpretations is expected to have a material effect on the Group's financial statements.

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

3 Summary of significant accounting policies

(a) Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain investments, property and equipment and conforms with International Financial Reporting Standards.

(b) Revenue and expenses recognition

The Group follows a 5-step process to determine whether to recognize revenue:

- 1 Identifying the contract with a customer
- 2 Identifying the performance obligations
- 3 Determining the transaction price
- 4 Allocating the transaction price to the performance obligations
- 5 Recognizing revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business to third parties, net of discounts, and sales related taxes. The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Sales of goods are recognised when goods are delivered and control of the asset has been transferred. The Group considers whether there are other promises in contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. customer loyalty points). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Income from rental of the Company and Group's various premises is recognised on an accrual basis.

Expenses are recognized on an accrual basis.

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

3 Summary of significant accounting policies cont'd

(c) i) Property, plant and equipment and depreciation

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost or revalued amounts. Revalued amounts are taken as the fair value at the date of revaluation determined from market-based evidence by appraisal undertaken by professional valuers.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the capital reserve. Depreciation on revalued assets is charged to the consolidated statement of profit or loss and other comprehensive income.

Equipment, fixtures and vehicles are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of property plant and equipment, other than land and construction work in progress, over their estimated useful lives using the straight line method as follows:

	<u>2023 and 2022</u>
Buildings	- 2.00%
Motor vehicles, furniture, fittings and equipment	- Varying rates up to 50%

Depreciation of property, plant and equipment is charged in the year of acquisition.

No depreciation is provided on freehold land and construction work-in-progress. Steel structured buildings are not depreciated as the depreciation would be minimal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognized in the consolidated statement of profit or loss and other comprehensive income.

ii) Leases

The Company and Group assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value. For these leases, the Company and Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES
(SUBSIDIARY OF JOHN FERNANDES LIMITED)
NOTES TO THE FINANCIAL STATEMENTS

3 Summary of significant accounting policies cont'd

(c) ii) Leases cont'd

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;

Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

The amount expected to be payable by the lessee under residual value guarantees;

The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made:

The Company and Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented under Property, Plant and Equipment in the statement of financial position.

The Company and Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

3 Summary of significant accounting policies cont'd

(d) Inventories

Inventories are valued at the lower of cost and net realizable value using the weighted average cost method. Finished goods cost comprise cost of production and attributable overheads appropriate to the location and condition.

Net realizable value is the selling price in the normal course of business less costs of completion and selling expenses.

(e) Investment properties

After initial recognition, the Company and Group has chosen the cost model to measure all of its investment properties in accordance with IAS 40 requirements for that model. None of the investment properties were held for sale.

Depreciation is charged so as to write off the cost of investment properties, other than land and construction work in progress, over their estimated useful lives using the straight line method as follows:

	<u>2023 and 2022</u>
Buildings	- 2%
Furniture, fittings and equipment	- Varying rates up to 50%

(f) Provisions

Provisions are recognised when the Company and Group have a present obligation (legal or constructive) as a result of a past event, it is probable that the Company and Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

De-recognition of provisions

Provisions are de-recognized when it is no longer probable that an outflow of economic resources will be required to settle the obligation.

(g) Foreign currency transactions

Items included in the financial statements are measured using the primary economic environment in which the Company and Group operate. The financial statements are presented in Guyana Dollars, which is the Company and Group's functional currency.

Transactions in currencies other than Guyana dollars are recorded at the official or Republic Bank (Guyana) Limited Cambio rates of exchange prevailing on the dates of the transactions.

At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the official or Republic Bank (Guyana) Limited rates prevailing on that date.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined.

Gains and losses arising on retranslation are included in the statement of profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognized directly in equity.

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

3 Summary of significant accounting policies cont'd

(h) Taxation

Income tax expenses represent the sum of tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Company and Group's liability for current tax is calculated using tax rates that have been enacted in Guyana or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on the differences between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

The carrying amount of the deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable sufficient taxable profit will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on tax rates (and tax laws) that have been enacted or substantively been enacted at the end of the reporting period.

Deferred tax is charged or credited to the consolidated statement of profit or loss and other comprehensive income except when it relates to items charged or credited directly to equity in which case the deferred tax is also dealt with in equity.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority, and the Company & Group intend to settle its current tax assets and liabilities on a net basis.

(i) Capital reserves

This comprises of revaluation surplus which arose from the revaluation of land and buildings.

This reserve is not distributable.

(j) Other reserve

Fair value adjustment of "FVTOCI" investments is credited to this account.

This reserve is not distributable.

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

3 Summary of significant accounting policies cont'd

(k) Financial instruments

Financial assets and liabilities are recognized in the Company and Group's consolidated statement of financial position when the Company and Group become a party to the contractual provisions of the instruments.

Trade and other receivables

Trade and other receivables are measured at amortised cost.

Trade and other payables

Trade and other payables are measured at amortised cost.

Investments

Investments consist of equity.

Management has made an irrevocable election on initial application of IFRS 9 to classify equity instruments as FVTOCI with all subsequent changes in fair value being recognized in other comprehensive income. This election is made on the basis that the instruments are not held for trading. Dividend income from these investments is recognized in profit or loss.

Investments in subsidiaries and associate companies are carried at cost in the Company's financial statements.

Investment in associate companies in the Group is stated using the equity method.

Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than investment or other purposes.

These are readily convertible to a known amount of cash, with maturity dates of three (3) months or less.

Derecognition

Financial assets are derecognized when the right to receive cash flows from the asset has expired.

Financial liabilities are derecognized when they are extinguished, i.e. when obligation is discharged, cancelled or expired.

(l) Management fees

This represents the value of technical expertise and services provided to Value 4 U Inc. by John Fernandes Limited.

(m) Impairment of tangible assets

At the end of each reporting period, the Company and Group review the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company and Group estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES
(SUBSIDIARY OF JOHN FERNANDES LIMITED)
NOTES TO THE FINANCIAL STATEMENTS

3 Summary of significant accounting policies cont'd

(n) Consolidation

The consolidated financial statements incorporate the financial statements at 31 December 2023 of the following:

Subsidiaries:

<u>Name of Company</u>	<u>Country of registration</u>	<u>Parent shareholding</u>	<u>Main business</u>
Value 4 U Inc.	Guyana	100	Distribution
JPS Trading Inc.	Guyana	100	Retail

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved through the ownership of shares.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, income and expenses are eliminated in full on consolidation.

(o) Associate Company

<u>Name of Associate</u>	<u>Country of registration</u>	<u>Parent shareholding</u>	<u>Main business</u>
Guyana Biscuit Holdings Ltd.	Guyana	42.36%	Investment of funds in long and short term securities

An associate is an entity over which the Company and Group have significant influence and that is neither a subsidiary nor an interest in a joint venture.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not in control or in joint venture over those policies.

The results, assets and liabilities of the associate are incorporated in the financial statements using the equity method of accounting. Under the equity method, investment in the associate is carried in the statement of financial position at cost and adjusted for post-acquisition changes in the Group's net assets of the associate, less any impairment in the value of individual investments.

(p) Dividends

Dividends that are proposed and declared are recorded as an appropriation of accumulated earnings in the consolidated statement of changes in equity in the period in which they have been approved. Dividends that are proposed and declared after the reporting date are disclosed as a note to the financial statements.

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

3 Summary of significant accounting policies cont'd

(q) Segment reporting

A business segment is a component of an entity that is engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is a group of assets and operations engaged in providing similar products and services that are subject to risks and returns that are different from those of other business segments.

The Company and Group analyses its operations by business into one segment for the Company and the Group's two segments as disclosed in the financial statements (Note 29). The format is reflecting services and trading.

(r) Operating lease and leasehold improvements

Operating lease costs are recognised as an expense in the period which they are incurred.

Leasehold improvements are capitalized and amortised over the shorter of the useful life of the improvements or the lease term.

(s) Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs for the period were expensed since they were not directly attributable to the acquisition or construction of a qualifying asset.

(t) Pension fund

The Group participates in a defined contribution pension plan. Employees are required to contribute 5% of their gross salary, while the employers contribute 10% of the employee's salary. The Group currently has eighty-six employees (2022 – ninety) contributing to the scheme.

An employee must be employed by the Group for two years before they can be part of this scheme.

(u) Earnings per share

Earnings per share is calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares in issue during the year.

(v) Deferred income

Deferred income represents rental income for 2024 invoiced in 2023 and will be recognized to the statement of profit or loss and other comprehensive income in the upcoming year when received.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company and Group's accounting policies, which are described in note 3, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

4 Critical accounting judgements and key sources of estimation uncertainty cont'd

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the financial statements:

i) Impairment of financial assets/determination of expected credit losses

Management makes judgement on recognition of every financial asset of the expected credit losses. Expected credit losses are estimates of any potential default in payments of contractual cash flows taking into account the entirety of the contract life. These losses are reassessed if the credit risk on the instrument changes. Credit risk is determined based on past and forward-looking information. If the retrieval of forward-looking information causes undue cost or effort past information is used to determine credit risk. There exists significant measurement uncertainty in determining this amount as it is based on management's judgement.

ii) Other financial assets

In determining the fair value of investments and other financial assets in the absence of a market, the directors estimate the likelihood of impairment by using discounted cash flows.

iii) Useful lives of property, plant and equipment

Management reviews the estimated useful lives of property, plant and equipment at the end of each year to determine whether the useful lives of property, plant and equipment should remain the same.

iv) Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

	Company		Group	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	G\$	G\$	G\$	G\$
5 Revenue	-	-	7,469,677,635	7,134,337,237

This represents the value of goods and services sold locally to third parties.

6 (i) Cost of sales	Company		Group	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	G\$	G\$	G\$	G\$
Opening inventories	-	-	528,358,241	427,889,840
Add:				
Purchases	-	-	6,396,467,028	6,054,351,347
	-	-	6,924,825,269	6,482,241,187
Less:				
Closing inventories	-	-	710,150,597	528,358,241
	-	-	6,214,674,672	5,953,882,946

(ii) Inventory	Company		Group	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	G\$	G\$	G\$	G\$
Inventory for resale	-	-	710,150,597	528,358,241
Goods in transit	-	-	181,219,688	133,933,444
	-	-	891,370,285	662,291,685

Inventory of G\$ 710,150,597 (2022- G\$ 528,358,241) is expected to be realized within the next year.

Damages written off during the year amounted to G\$ 11,099,092 (2022-G\$7,339,542).

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

7 Administrative expenses

	Company		Group	
	2023	2022	2023	2022
	G\$	G\$	G\$	G\$
Salaries and wages	-	-	488,296,644	439,774,720
Bonus	-	-	6,173,523	12,171,113
National Insurance Scheme	-	-	35,716,468	32,288,445
Advertising	379,500	332,000	12,190,570	8,031,171
Travelling and subsistence	-	-	20,104,687	7,741,954
Bond expenses	-	-	2,478,961	455,846
Security	-	-	10,822,156	9,822,408
Repairs and maintenance - equipment	-	-	1,368,434	1,998,772
Repairs and maintenance - motor vehicle	-	-	15,277,358	11,748,424
Repairs and maintenance - building	-	-	1,308,744	74,788
Insurance	4,393,699	4,393,699	5,721,674	5,717,013
Tax penalty	-	-	99,815	20,378
Loss on disposal	-	-	554,043	2,393,446
Severance pay	-	-	440,767	119,255
Bad debt	-	-	697,004	108,332
Donations	-	-	1,962,771	1,046,342
Electricity	-	-	22,361,406	23,474,327
Telephone	31,313	31,674	2,068,593	2,134,189
Leasehold amortization	13,020,104	13,020,104	13,434,356	15,298,473
Depreciation	8,453,782	8,445,890	25,306,900	24,815,853
Cleaning and sanitation	-	-	824,279	1,186,054
Office expense	-	-	1,059,247	311,898
Rates & taxes and water rates	6,990,605	6,815,644	7,449,975	7,345,912
AGM expenses	174,079	129,880	174,079	129,880
Directors' fees (a)	528,000	528,000	528,000	528,000
Entertainment	-	-	152,096	656,963
General expenses	146,000	146,000	146,000	146,000
Stationery & postage	63,777	84,512	3,301,414	4,011,974
Legal fees	860,000	60,000	860,000	60,000
Pensions	3,260,937	3,191,981	3,260,937	3,191,981
Pension scheme	-	-	13,716,416	14,902,840
Medical	469,350	117,700	469,350	117,700
Audit fees	287,000	273,000	2,755,000	2,645,000
Professional fees	-	-	10,000	21,400
Directors' travel	120,000	120,000	120,000	120,000
	<u>39,178,146</u>	<u>37,690,084</u>	<u>701,211,667</u>	<u>634,610,851</u>

(a) Directors' fees

- Chairman	144,000	144,000	144,000	144,000
- Four (2022 - Four) directors equally (i)	<u>384,000</u>	<u>384,000</u>	<u>384,000</u>	<u>384,000</u>
	<u>528,000</u>	<u>528,000</u>	<u>528,000</u>	<u>528,000</u>

(i) The four (4) directors were paid G\$96,000 each.

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

8 Selling costs

	Company		Group	
	2023	2022	2023	2022
	G\$	G\$	G\$	G\$
Telephone	-	-	2,752,611	2,778,891
Insurance - stocks	-	-	3,245,415	2,991,511
Electricity	-	-	54,393,024	53,774,971
Security	-	-	8,297,694	8,978,996
Sanitation	-	-	9,564,838	10,237,500
Repairs to building	-	-	8,205,213	4,289,597
Rent	-	-	43,440,000	34,440,000
Packing materials	-	-	23,767,491	17,415,874
Uniforms	-	-	4,935,064	4,056,738
Staff training	-	-	194,056	78,000
Office expenses/stationery	-	-	8,227,036	8,434,732
Medical expenses/staff welfare	-	-	6,681,856	7,404,217
Advertising	-	-	3,437,224	848,680
Travel and entertainment	-	-	4,655,448	5,422,947
Vehicle expenses	-	-	1,743,826	1,881,693
Licence	-	-	3,143,232	2,403,021
Repairs and maintenance	-	-	13,204,339	11,926,120
	<u>-</u>	<u>-</u>	<u>199,888,367</u>	<u>177,363,488</u>

9 (a) Other revenue

Rental of wharf and buildings	119,374,416	118,330,416	101,784,000	100,740,000
Dividend received	162,807,513	151,016,854	22,343,713	20,553,054
Commissions and fees	-	-	33,045,945	27,426,829
Discount received	-	-	1,763,524	10,276,029
	<u>282,181,929</u>	<u>269,347,270</u>	<u>158,937,182</u>	<u>158,995,912</u>

9 (b) Net finance income

Interest receivable	40,838,384	61,695,068	48,462,629	69,454,774
Interest payable	(15,171,144)	(13,173,019)	(24,093,864)	(18,724,171)
Bank charges	(142,490)	(140,036)	(20,583,475)	(18,005,077)
	<u>25,524,750</u>	<u>48,382,013</u>	<u>3,785,290</u>	<u>32,725,526</u>

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

10 Taxation

	Company		Group	
	2023 GS	2022 GS	2023 GS	2022 GS
Corporation tax	32,304,399	37,958,961	186,851,362	185,411,562
Deferred tax	(1,816,300)	(1,822,237)	(15,573,593)	4,916,609
	<u>30,488,099</u>	<u>36,136,724</u>	<u>171,277,769</u>	<u>190,328,171</u>
Property tax	12,971,992	12,470,983	18,652,904	17,580,894
Share of associate company tax	-	-	909,316	847,592
	<u>43,460,091</u>	<u>48,607,707</u>	<u>190,839,989</u>	<u>208,756,657</u>

	Company	
	2023 GS	2022 GS
Reconciliation of tax expenses		
Accounting profit	<u>268,528,533</u>	<u>280,039,199</u>
Corporation tax at 25%	67,132,134	70,009,800
Add:		
Tax effect of expenses not deductible in determining taxable profits		
Depreciation/Amortisation for accounting purposes	5,368,471	5,366,499
	<u>72,500,605</u>	<u>75,376,298</u>
Deduct:		
Tax effect of depreciation and other allowances for tax purposes including lease	505,672	336,876
Non taxable income	(40,701,878)	(37,754,214)
	<u>32,304,399</u>	<u>37,958,961</u>
Property tax	12,971,992	12,470,983
Deferred tax	(1,816,300)	(1,822,237)
	<u>43,460,091</u>	<u>48,607,707</u>

	Group	
	2023 GS	2022 GS
Reconciliation of tax expenses		
Accounting profit	<u>522,575,865</u>	<u>565,753,571</u>
Corporation tax at 25%	130,643,965	141,438,392
Add:		
Tax effect of expenses not deductible in determining taxable profits		
Depreciation/Amortization for accounting purposes	9,685,314	10,028,582
Non deductible expense	1,742,464	1,914,056
	<u>142,071,743</u>	<u>153,381,030</u>
Deduct:		
Tax effect of depreciation and other allowances for tax purposes	(5,033,642)	(5,062,600)
Non taxable income	(5,585,928)	(5,138,264)
	<u>131,452,172</u>	<u>143,180,166</u>
Effect of varying rates (a)	<u>55,399,190</u>	<u>42,231,396</u>
Corporation tax	186,851,362	185,411,562
Property tax	18,652,904	17,580,894
Deferred tax	(15,573,593)	4,916,609
Share of associate company tax	909,316	847,592
	<u>190,839,989</u>	<u>208,756,657</u>

(a) This is as a result of the different tax rates used in the Group, that is, services are taxed at 25% and trading at 40%.

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

10 Taxation Cont'd

Components of deferred tax liability

	Company		Group	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	G\$	G\$	G\$	G\$
Revaluation of property, plant and equipment -				
Statement of changes in equity	45,628,644	45,628,644	45,628,644	45,628,644
Property, plant and equipment	(13,791,237)	(11,974,937)	(13,725,315)	(11,890,062)
Excess of minimum tax over corporation tax	-	-	(16,193,438)	(2,455,098)
	<u>31,837,407</u>	<u>33,653,707</u>	<u>15,709,891</u>	<u>31,283,484</u>
Movement in temporary differences				
At 1 January	33,653,707	35,475,944	31,283,484	26,366,875
Movement	<u>(1,816,300)</u>	<u>(1,822,237)</u>	<u>(15,573,593)</u>	<u>4,916,609</u>
At 31 December	<u>31,837,407</u>	<u>33,653,707</u>	<u>15,709,891</u>	<u>31,283,484</u>

11 Dividends

	Company and Group	
	<u>2023</u>	<u>2022</u>
	G\$	G\$
Amounts recognised as distributed to shareholders in the year:		
Interim dividend for year \$4 per share (2022 - \$4)	76,017,600	76,017,600
Final dividend of \$4 per share (2022 - \$3)	<u>76,017,600</u>	<u>57,013,200</u>
	<u>152,035,200</u>	<u>133,030,800</u>

12 Basic earnings per share in dollars

	Company		Group	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	G\$	G\$	G\$	G\$
Net profit for the year after taxation	<u>225,068,442</u>	<u>231,431,492</u>	<u>331,735,876</u>	<u>356,996,914</u>
Number of ordinary shares issued and fully paid	<u>19,004,400</u>	<u>19,004,400</u>	<u>19,004,400</u>	<u>19,004,400</u>
Basic earnings per share in dollars	<u>11.84</u>	<u>12.18</u>	<u>17.46</u>	<u>18.78</u>

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

13 (a) Investment properties

Company and Group	Leasehold land G\$	Freehold land and buildings G\$	Furniture, fittings and equipment G\$	Lease G\$	Construction Work-in-progress G\$	Total G\$
Cost						
At 1 January 2022	20,757	700,941,222	29,604,202	324,487,899	24,469,940	1,079,524,020
Additions	-	33,318,853	473,500	-	338,752,061	372,544,414
At 31 December 2022	20,757	734,260,075	30,077,702	324,487,899	363,222,001	1,452,068,434
Additions	-	14,943,178	-	-	410,300,448	425,243,626
At 31 December 2023	20,757	749,203,253	30,077,702	324,487,899	773,522,449	1,877,312,060
Accumulated depreciation/amortisation						
At 1 January 2022	-	59,126,089	25,187,405	90,126,026	-	174,439,520
Charge for the year	-	7,517,824	86,808	13,020,104	-	20,624,736
At 31 December 2022	-	66,643,913	25,274,213	103,146,130	-	195,064,256
Charge for the year	-	7,517,824	94,700	13,020,104	-	20,632,628
At 31 December 2023	-	74,161,737	25,368,913	116,166,234	-	215,696,884
Net book values:						
At 31 December 2022	20,757	667,616,162	4,803,489	221,341,769	363,222,001	1,257,004,178
At 31 December 2023	20,757	675,041,516	4,708,789	208,321,665	773,522,449	1,661,615,176

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

13 (b) Property, plant and equipment

Company	Right of use asset G\$	Total G\$
Cost		
At 1 January 2023 & December 2023	<u>9,767,164</u>	<u>9,767,164</u>
Accumulated depreciation		
At 1 January 2022	5,560,876	5,560,876
Charge for the year	<u>841,258</u>	<u>841,258</u>
At 31 December 2022	6,402,134	6,402,134
Charge for the year	<u>841,258</u>	<u>841,258</u>
At 31 December 2023	<u>7,243,392</u>	<u>7,243,392</u>
Net book values:		
At 31 December 2022	<u>3,365,030</u>	<u>3,365,030</u>
At 31 December 2023	<u>2,523,772</u>	<u>2,523,772</u>

Group	Right of use asset G\$	Furniture, fittings and equipment G\$	Motor vehicles G\$	Total G\$
Cost				
At 1 January 2022	9,767,164	321,741,098	66,766,461	398,274,723
Additions	-	4,868,799	-	4,868,799
Disposals	-	(2,534,236)	(19,813,285)	(22,347,521)
At 31 December 2022	9,767,164	324,075,661	46,953,176	380,796,001
Additions	-	31,536,833	62,709,126	94,245,959
Disposals	-	(4,963,957)	(137,931)	(5,101,888)
At 31 December 2023	9,767,164	350,648,537	109,524,371	469,940,072
Comprising:				
Cost	9,767,164	139,635,104	109,524,371	258,926,639
Valuation	-	211,013,433	-	211,013,433
	<u>9,767,164</u>	<u>350,648,537</u>	<u>109,524,371</u>	<u>469,940,072</u>
Accumulated depreciation				
At 1 January 2022	5,560,876	291,334,199	44,253,079	341,148,154
Charge for the year	841,258	12,051,587	4,318,376	17,211,221
Charges written back	-	(2,234,023)	(17,720,051)	(19,954,074)
At 31 December 2022	6,402,134	301,151,763	30,851,404	338,405,301
Charge for the year	841,258	11,831,615	5,021,503	17,694,376
Charges written back	-	(4,420,687)	(127,158)	(4,547,845)
At 31 December 2023	<u>7,243,392</u>	<u>308,562,691</u>	<u>35,745,749</u>	<u>351,551,832</u>
Net book values:				
At 31 December 2022	<u>3,365,030</u>	<u>22,923,898</u>	<u>16,101,772</u>	<u>42,390,700</u>
At 31 December 2023	<u>2,523,772</u>	<u>42,085,846</u>	<u>73,778,622</u>	<u>118,388,240</u>

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

14 Investments

	Company	
	Cost	Cost
	<u>2023</u>	<u>2022</u>
	G\$	G\$
(a) Investment in subsidiary		
Value 4 U Inc.	102,675,000	102,675,000
JPS Trading Inc.	1,000,000	1,000,000
	<u>103,675,000</u>	<u>103,675,000</u>

(b) Investment - FVTOCI (i)

	Company and Group			
	Cost	Fair value	Cost	Fair value
	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
	G\$	G\$	G\$	G\$
Banks DIH Limited	134,443,952	568,215,725	134,443,952	616,919,930
Demerara Tobacco Company Limited-	150,919,200	419,220,000	150,919,200	503,064,000
Republic Bank (Guyana Ltd)	8,100,000	27,000,000	8,100,000	31,494,000
Guyana Unit Trust	12,144,476	26,291,560	12,144,476	26,375,146
Caribbean Container Inc.	275,400	4,590,000	275,400	642,600
Demerara Distillers Limited	3,170,043	24,032,820	3,170,043	39,127,720
Sterling Products Ltd	401,540	1,700,404	401,540	1,181,000
	<u>309,454,611</u>	<u>1,071,050,509</u>	<u>309,454,611</u>	<u>1,218,804,396</u>

(i) Category of investment

	Company and Group	
	<u>2023</u>	<u>2022</u>
	G\$	G\$
Quoted investments	1,044,758,949	1,192,429,250
Un-quoted investments	<u>26,291,560</u>	<u>26,375,146</u>
	<u>1,071,050,509</u>	<u>1,218,804,396</u>

Income from the categories of investment

	Company		Group	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	G\$	G\$	G\$	G\$
Quoted investments	21,898,275	20,146,016	21,898,275	20,146,016
Un-quoted investments	<u>140,909,238</u>	<u>130,870,838</u>	<u>445,438</u>	<u>407,038</u>
	<u>162,807,513</u>	<u>151,016,854</u>	<u>22,343,713</u>	<u>20,553,054</u>

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

14 Investments - cont'd	Company		Group	
	2023 G\$	2022 G\$	2023 G\$	2022 G\$
(c) Associate company				
At January 1	9,442,250	9,442,250	232,675,031	179,477,487
Share of reserves of associate company (i)	-	-	(13,692,844)	53,197,544
At December 31	<u>9,442,250</u>	<u>9,442,250</u>	<u>218,982,187</u>	<u>232,675,031</u>

(i) Share of reserves of associate company	Group	
	2023 G\$	2022 G\$
Group share of associate company's profit	5,950,464	5,552,181
Group share of associate company taxes and other adjustments	(19,643,308)	47,645,363
	<u>(13,692,844)</u>	<u>53,197,544</u>

The summary financial statements of Guyana Biscuit Holdings Ltd is presented below:

Statement of comprehensive income:

	Guyana Biscuit Holdings Ltd.	
	2023 G\$	2022 G\$
Income	<u>14,542,207</u>	<u>13,563,344</u>
Profit after taxation	<u>11,901,806</u>	<u>11,107,212</u>
Other comprehensive (loss)/ income	<u>(43,134,670)</u>	<u>115,583,539</u>

Statement of financial position:

	2023 G\$	2022 G\$
Total assets	<u>544,032,759</u>	<u>573,926,826</u>
Shareholders' funds	531,170,868	563,498,732
Liabilities	<u>12,861,891</u>	<u>10,428,094</u>
Total equity and liabilities	<u>544,032,759</u>	<u>573,926,826</u>

15 Trade and other receivables	Company		Group	
	2023 G\$	2022 G\$	2023 G\$	2022 G\$
Trade receivables	1,299,600	1,094,400	261,803,891	194,503,118
Other receivables	7,124,229	7,124,229	37,242,809	44,135,394
Value added tax	74,112,773	18,374,975	74,112,773	27,748,466
Assets in transit	-	-	85,689,740	56,106,503
Prepayments	<u>236,540,000</u>	<u>187,320,000</u>	<u>256,575,612</u>	<u>198,438,669</u>
	<u>319,076,602</u>	<u>213,913,604</u>	<u>715,424,825</u>	<u>520,932,150</u>

16 Due by related companies

	2023 G\$	2022 G\$	2023 G\$	2022 G\$
Bounty Farm Limited	563,384,230	903,434,221	564,151,260	903,646,931
Value 4 U Inc.	35,895,423	46,867,405	-	-
Fairfield Investment Ltd	-	-	-	700,113
	<u>599,279,653</u>	<u>950,301,626</u>	<u>564,151,260</u>	<u>904,347,044</u>

The above inter-company balances are unsecured and are considered recoverable in full. Interest of 7% is received on balances owing.

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

17 Share capital

		Company and Group	
		2023	2022
Authorised			
Number of Ordinary shares		40,000,000	40,000,000
		G\$	G\$
Issued and fully paid			
19,004,400 Ordinary shares		19,004,400	19,004,400
All fully paid ordinary shares with no par value and carrying equal voting rights			

18 (a) Capital reserve

		Company and Group	
		2023	2022
Share premium		G\$	G\$
Revaluation		404,511	404,511
Others		211,013,433	211,013,433
		614,539	614,539
		212,032,483	212,032,483

	Company			Group		
	2023	Movement	2022	2023	Movement	2022
	G\$	G\$	G\$	G\$	G\$	G\$
(b) Other reserve	1,040,622,762	(147,753,887)	1,188,376,649	1,207,127,092	(166,024,079)	1,373,151,171

This represents the cumulative fair value adjustment of investments held.
Both (a) and (b) above are not distributable.
There is no tax effect on gains or losses.

		Company and Group	
		2023	2022
		G\$	G\$
(c) General reserve		1,620,376	1,620,376

This amount has been set aside for the growth and development of the business.
There is no effect on gains or losses.

19 Trade and other payables

	Company		Group	
	2023	2022	2023	2022
	G\$	G\$	G\$	G\$
Trade payables	996,182	1,549,007	246,414,235	99,697,695
Other payables	23,397,908	19,958,308	343,689,093	361,719,690
Value added tax	-	-	26,857,757	19,818,489
Accruals	70,471,884	62,669,690	71,121,884	65,096,900
	94,865,974	84,177,005	688,082,969	546,332,774

20 Due to related companies

	Company		Group	
	2023	2022	2023	2022
	G\$	G\$	G\$	G\$
(a) John Fernandes Limited	83,749,618	122,340,518	112,446,319	132,839,915
(b) Bounty Farm Ltd	-	-	26,480,912	7,318,041
(c) JPS Trading Inc.	377,770,294	461,617,279	-	-
(d) Value 4 U Inc.	25,000,000	110,000,000	-	-
(e) Fairfield Rice Inc.	-	-	67,016	65,445
(f) Fernandes Energy Inc.	-	-	5,779,219	-
	486,519,912	693,957,797	144,773,466	140,223,401

(a) Represents operating expenses paid on behalf of the Group.

(b) Represents amounts owing for purchases made.

(c) Represents operating expenses given as a loan that is paid on behalf of the Group.

(d) Represents loan given to JP Santos by Value 4 U Inc.

(e) Represents amounts due for expenses paid on behalf of the company.

(f) Represents amounts due for expenses paid on behalf of the company.

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

	Company		Group	
	2023	2022	2023	2022
	G\$	G\$	G\$	G\$
21 Bank Overdraft	95,851,811	-	418,649,006	340,650,386

Company:

This facility is secured by a guarantee and mortgage for the sum of G\$75,000,000 granted by J.P. Santos and Company Limited and G\$5,000,000 secured against the registered office building of the company.

The effective interest rate on the overdraft facilities was 7.5% (2022-7.5%).

Subsidiaries:

JPS Trading Inc.:

This overdraft was granted by Republic Bank (Guyana) limited at an interest rate of 7.5% (2022-7.5%). The facility is secured by a guarantee and mortgage for the sum of G\$75,000,000 granted by JP Santos and Company Limited and G\$5,000,000 secured against the registered office building of the company.

Value 4 U Inc.

The facility is secured on the assets of its parent company, JP Santos & Company Limited.

Interest is charged at 7% per annum.

22 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 or operating decisions.

Listed below are transactions with related parties:

	Company		Group	
	2023	2022	2023	2022
	G\$	G\$	G\$	G\$
<u>Parent company - John Fernandes Limited</u>				
(i) Guarantee	150,000,000	150,000,000	150,000,000	150,000,000
(ii) Payable	83,749,618	122,340,518	112,446,319	132,839,915
(iii) Rental received	109,620,000	109,620,000	109,620,000	109,620,000
(iv) Interest on loan	-	-	7,477,870	7,707,232
<u>Fellow subsidiary - Bounty Farm Limited</u>				
(i) Purchases from	-	-	582,910,927	570,420,626
(ii) Interest received on loan	40,838,384	61,695,068	40,838,384	61,695,068
(iii) Receivable	563,384,230	903,434,221	564,151,260	903,646,931
(iv) Payable	-	-	26,480,912	7,318,041
<u>Subsidiary - JPS Trading Inc.</u>				
Payable - JP Santos & Co Ltd	377,770,294	461,617,279	-	-

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

22. Related party transactions - cont'd

	Company		Group	
	2023	2022	2023	2022
	G\$	G\$	G\$	G\$
<u>Subsidiary - Value 4U Inc.</u>				
Guarantee by J.P. Santos & Co. Ltd.	105,552,283	105,552,283	105,552,283	105,552,283
Payable- JP Santos & Co Ltd.	25,000,000	110,000,000	-	-
Payable- Fairfield Rice Inc.	-	-	67,016	65,445
Receivable-JP Santos & Co Ltd.	35,895,423	46,867,405	-	-
Receivable- Fairfield Investment Ltd	-	-	-	700,113
Interest paid	6,801,510	6,139,178	6,801,510	6,139,178
<u>Guyana Biscuit Holdings Ltd</u>				
Interest paid	6,907,480	6,590,652	6,907,480	6,590,652

No provision made for any related party receivables.

Interest of 7% is charged on all loans to related parties and is fully eliminated upon consolidation for all subsidiaries.

	Company and Group	
	2023	2022
	G\$	G\$
<u>Key management personnel</u>		
(i) Directors' fees	528,000	528,000

Key management personnel for both Company and Group are paid by the parent company.

23. Contingent liabilities

	Company and Group	
	2023	2022
	G\$	G\$
Guarantees in favour of Value 4 U Inc.	105,552,283	105,552,283

24. Bank loan

	Company and Group
	2023
	G\$
Republic Bank Ltd	200,000,000

This loan was granted by Republic Bank (Guyana) Ltd to facilitate the construction of the Bond at Vryheid Lust, East Coast Demerara.

This loan is for G\$1,068,000,000 for a period of fifteen (15) years at the rate of 7% per annum. The G\$200,000,000 represent the first drawdown of the loan.

The loan is secured by a guarantee for G\$1,078,000,000 in favour of JP Santos & Co Ltd signed by Bounty Farm Limited. This is supported by eight debentures on the fixed and floating assets of Bounty Farm Ltd.

25. Lease liability

	Company and Group	
	2023	2022
	G\$	G\$
- Repayment due within one year	1,134,749	1,360,275
- Repayment due within two to five years	1,398,345	2,533,094
	2,533,094	3,893,369

The lease agreement is for an immovable property at Lot 129 Regent Road, Bourda, Georgetown, Guyana, consisting a term of 25 years and discounted to present value at a rate of 8%. During 2021, it was decided to purchase the property and subsequently the lease term was reduced to 6 years.

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

26 Analysis of financial assets and liabilities by measurement basis

2023	Company		
	FVTOCI	Financial assets and liabilities at amortized cost	Total
	G\$	G\$	G\$
Assets			
Investments - others	1,071,050,509	-	1,071,050,509
Tax recoverable	-	11,460,027	11,460,027
Trade and other receivables	-	319,076,602	319,076,602
Due by related companies	-	599,279,653	599,279,653
Cash on hand and at bank	-	18,366,969	18,366,969
	<u>1,071,050,509</u>	<u>948,183,251</u>	<u>2,019,233,760</u>
Liabilities			
Trade and other payables	-	94,865,974	94,865,974
Due to related companies	-	486,519,912	486,519,912
Bank loan	-	200,000,000	200,000,000
Taxes payable	-	12,971,992	12,971,992
Bank overdraft	-	95,851,811	95,851,811
	<u>-</u>	<u>890,209,689</u>	<u>890,209,689</u>
2022			
Assets			
Investments - others	1,218,804,396	-	1,218,804,396
Trade and other receivables	-	213,913,604	213,913,604
Tax recoverable	-	5,805,465	5,805,465
Due by related companies	-	950,301,626	950,301,626
Cash on hand and at bank	-	18,480,063	18,480,063
	<u>1,218,804,396</u>	<u>1,188,500,758</u>	<u>2,407,305,154</u>
Liabilities			
Trade and other payables	-	84,177,005	84,177,005
Due to related companies	-	693,957,797	693,957,797
Taxes payable	-	18,479,321	18,479,321
	<u>-</u>	<u>796,614,123</u>	<u>796,614,123</u>

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

26 Analysis of financial assets and liabilities by measurement basis - cont'd

	<u>Group</u>		
		Financial assets and liabilities at	
2023	<u>FVTOCI</u>	<u>amortized cost</u>	<u>Total</u>
	G\$	G\$	G\$
Assets			
Investments - others	1,071,050,509	-	1,071,050,509
Tax recoverable	-	22,297,151	22,297,151
Trade and other receivables	-	715,424,825	715,424,825
Due by related companies	-	564,151,260	564,151,260
Cash on hand and at bank	-	34,008,830	34,008,830
	<u>1,071,050,509</u>	<u>1,335,882,066</u>	<u>2,406,932,575</u>
Liabilities			
Trade and other payables	-	688,082,969	688,082,969
Due to related companies	-	144,773,466	144,773,466
Deferred income	-	2,189,474	2,189,474
Bank loan	-	200,000,000	200,000,000
Taxes payable	-	25,747,267	25,747,267
Bank overdraft (secured)	-	418,649,006	418,649,006
	<u>-</u>	<u>1,479,442,182</u>	<u>1,479,442,182</u>
2022			
Assets			
Investments - others	1,218,804,396	-	1,218,804,396
Trade and other receivables	-	520,932,150	520,932,150
Tax recoverable	-	16,642,589	16,642,589
Due by related companies	-	904,347,044	904,347,044
Cash on hand and at bank	-	35,778,374	35,778,374
	<u>1,218,804,396</u>	<u>1,477,700,157</u>	<u>2,696,504,553</u>
Liabilities			
Trade and other payables	-	546,332,774	546,332,774
Due to related companies	-	140,223,401	140,223,401
Taxes payable	-	42,970,286	42,970,286
Bank overdraft (secured)	-	340,650,386	340,650,386
	<u>-</u>	<u>1,070,176,847</u>	<u>1,070,176,847</u>

NOTES TO THE FINANCIAL STATEMENTS

27 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

IFRS 13 requires fair value of assets and liabilities to be determined based on the following hierarchy:

Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs)

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the value is observable.

Company and Group					
IFRS 13 Level	2023		IFRS 13 Level	2022	
	Carrying Value	Fair Value		Carrying Value	Fair Value
	G\$	G\$		G\$	G\$
FVTOCI	2	1,044,758,949	2	1,192,429,250	1,192,429,250
	3	26,291,560	3	26,375,146	26,375,146
		<u>1,071,050,509</u>		<u>1,218,804,396</u>	<u>1,218,804,396</u>
Group					
IFRS 13 Level	2023		IFRS 13 Level	2022	
	Carrying Value	Fair Value		Carrying Value	Fair Value
	G\$	G\$		G\$	G\$
Property, plant and equipment	3	<u>118,388,240</u>	3	<u>42,390,700</u>	<u>42,390,700</u>

Valuation techniques and assumptions applied for the purposes of measuring fair value

- (a) Fair values of investments were determined based on quoted prices on the local stock exchange.
- (b) Property, plant and equipment is carried at revalued amount less accumulated depreciation and any recognised impairment loss. P.P.E was revalued on August 3, 1991 by directors at current market value and March 29, 2014 at current market value by senior valuation officer Peter Green. Significant management judgement is involved in the selection of depreciation rates and impairment assessment.

Fair value measurements stated for disclosure purposes

The following table details the carrying cost of assets and liabilities and their fair values for disclosure purposes.

Company						
2023			2022			
IFRS 13 Level	Carrying Value	Fair Value	- IFRS 13 Level	Carrying Value	Fair Value	
	G\$	G\$		G\$	G\$	
Assets						
Investment properties	3	1,661,615,176	1,661,615,176	3	1,257,004,178	1,257,004,178
Tax recoverable	3	11,460,027	11,460,027	3	5,805,465	5,805,465
Trade and other receivables	2	319,076,602	319,076,602	2	213,913,604	213,913,604
Due by related companies.	2	599,279,653	599,279,653	2	950,301,626	950,301,626
Cash on hand and at bank	1	18,366,969	18,366,969	1	18,480,063	18,480,063
		2,609,798,427	2,609,798,427		2,445,504,936	2,445,504,936
Liabilities						
Trade and other payables	2	94,865,974	94,865,974	2	84,177,005	84,177,005
Due to related companies	2	486,519,912	486,519,912	2	693,957,797	693,957,797
Bank loan	2	200,000,000	200,000,000	-	-	-
Bank overdraft	1	95,851,811	95,851,811	-	-	-
		877,237,697	877,237,697		778,134,802	778,134,802

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

27 Fair value estimation - cont'd

Fair value measurements stated for disclosure purposes - cont'd

	Group					
	2023			2022		
	IFRS 13 Level	Carrying Value G\$	Fair Value G\$	IFRS 13 Level	Carrying Value G\$	Fair Value G\$
Assets						
Investment properties	3	1,661,615,176	1,661,615,176	3	1,257,004,178	1,257,004,178
Investment in associate	3	218,982,187	218,982,187	3	232,675,031	232,675,031
Trade and other receivables	2	715,424,825	715,424,825	2	520,932,150	520,932,150
Due by related companies	2	564,151,260	564,151,260	2	904,347,044	904,347,044
Cash on hand and at bank	1	34,008,830	34,008,830	1	35,778,374	35,778,374
		<u>3,194,182,278</u>	<u>3,194,182,278</u>		<u>2,950,736,777</u>	<u>2,950,736,777</u>
Liabilities						
Trade and other payables	2	688,082,969	688,082,969	2	546,332,774	546,332,774
Due to related companies	2	144,773,466	144,773,466	2	140,223,401	140,223,401
Deferred income	2	2,189,474	2,189,474	2	-	-
Bank loan	2	200,000,000	200,000,000	2	-	-
Bank overdraft (secured)	1	418,649,006	418,649,006	1	340,650,386	340,650,386
		<u>1,453,694,915</u>	<u>1,453,694,915</u>		<u>1,027,206,561</u>	<u>1,027,206,561</u>

Valuation techniques and assumptions applied for the purposes of measuring fair value for disclosure purposes

- (a) Investment properties are carried at cost less accumulated depreciation and any recognised impairment loss.
Significant management judgment is involved in the selection of depreciation rates and impairment assessment.
- (b) Investments in subsidiaries are carried at cost.
- (c) Investment in associate is carried at cost and stated using the equity method in the Company's and Group's financial statements respectively.
- (d) The fair value of trade and other receivables is based on expected realisation of outstanding balances taking into account the Company and Group's history with respect to delinquencies.
- (e) Assets and liabilities where the carrying amounts are equal to fair value:- due to their short-term maturity, the carrying value of certain assets and liabilities approximates their fair values. These include taxes recoverable/payable, amounts due by/to related companies, trade and other payables, cash on hand and at bank and bank overdraft.

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

28 Financial risk management

Objectives

The Company's and Group's management monitors and manages the financial risks relating to the operations of the Company and Group through internal risk reports which analyze exposures by degree and magnitude of risks.

The Company and Group seeks to minimize the effects of these risks by the use of techniques that are governed by management's policies on foreign exchange risk.

The Company's and Group's management reports monthly to the Board of Directors on matters relating to risk and management of risk.

(a) Market risk

The Company's and Group's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The Company and Group uses interest rate sensitivity and exposure limits to financial instruments to manage its exposure to interest rate and foreign currency risk.

There has been no change in the Company's and Group's exposure to market risks or the manner in which it manages these risks.

(i) Foreign currency risk

The financial statements as at 31 December include the following assets and liabilities denominated in foreign currencies stated in Guyana Dollar equivalent:

	Company		Group	
	2023	2022	2023	2022
	G\$	G\$	G\$	G\$
Liabilities				
US Dollar	-	-	243,646,189	96,410,373
Net liabilities	-	-	243,646,189	96,410,373

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 1% increase and decrease in the Guyana dollar against balances denominated in foreign currencies.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates. A positive number indicates an increase in profit where foreign currencies strengthen 1% against the G\$. For a 1% weakening of the foreign currencies against G\$ there would be an equal and opposite impact on the profit, and the balances below would be negative.

	Company		Group	
	2023	2022	2023	2022
	G\$	G\$	G\$	G\$
Loss	-	-	2,436,462	964,104

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

28 Financial risk management - cont'd

(a) Market risk - cont'd

(ii) Interest sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period.

The sensitivity analysis includes only outstanding balances at the end of the reporting period. A 50 basis point increase or decrease is used when reporting interest rates internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates.

A positive number indicates an increase in profits where the interest rate appreciated by 50 basis points.

For a decrease of 50 basis points in the interest rate, this would have an equal and opposite impact on profit and the balances below would be negative. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the impact on the Company's and Group's profit would have been:

	Increase / Decrease in Basis Point	Impact on profit for the year			
		Company		Group	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		G\$	G\$	G\$	G\$
Overdrafts	+/-50	<u>(479,259)</u>	<u>-</u>	<u>(2,093,245)</u>	<u>(1,703,252)</u>

Apart from the foregoing with respect to the other financial assets and liabilities, it was not possible to determine the expected impact of a reasonable possible change in interest rates on profit or equity as other factors such as credit risks, market risks, political and disaster risks can affect the value of assets and liabilities.

The Group's related party and lease balances are exposed to interest risk, however, this is minimal as the interest rate does not fluctuate.

(iii) Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. Management continually identifies, underwrites and diversifies risk in order to minimize the total cost of carrying such risk.

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

28. Financial risk management - cont'd

(a) Market risk - cont'd

(iv) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates.

The Company and Group are exposed to various risks that are associated with the effects of variations in interest rates. This impacts directly on its cash flows.

The Company's and Group's management continually monitors and manages these risks through the use of appropriate tools and implements relevant strategies to hedge against any adverse effects.

	Interest rate range	Company			
		Maturing 2023			
		Within 1 year G\$	Within 2-5 years G\$	Non-interest bearing G\$	Total G\$
Assets					
Investments - others	-	-	-	1,071,050,509	1,071,050,509
Trade and other receivables	-	-	-	319,076,602	319,076,602
Due by related companies	7%	599,279,653	-	-	599,279,653
Cash on hand and at bank	-	-	-	18,366,969	18,366,969
		<u>599,279,653</u>	<u>-</u>	<u>1,408,494,080</u>	<u>2,007,773,733</u>
Liabilities					
Trade and other payables	-	-	-	94,865,974	94,865,974
Due to related companies	7%	486,519,912	-	-	486,519,912
Bank loan	7%	200,000,000	-	-	200,000,000
Taxes payable	-	-	-	12,971,992	12,971,992
Lease liability	8%	1,134,749	1,398,345	-	2,533,094
Bank overdraft	7.5%	95,851,811	-	-	95,851,811
		<u>783,506,472</u>	<u>1,398,345</u>	<u>107,837,966</u>	<u>892,742,783</u>
Interest sensitivity gap		<u>(184,226,819)</u>	<u>(1,398,345)</u>	<u>-</u>	<u>(185,625,164)</u>

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

28 Financial risk management - cont'd

(a) Market risk - cont'd

(iv) Interest rate risk - cont'd

	Interest rate range	Company			
		Maturing 2022			
		Within 1 year G\$	Within 2 to 5 years G\$	Non-interest bearing G\$	Total G\$
Assets					
Investments - others	-	-	-	1,218,804,396	1,218,804,396
Trade and other receivables	-	-	-	213,913,604	213,913,604
Due by related companies	7%	950,301,626	-	-	950,301,626
Cash on hand and at bank	-	-	-	18,480,063	18,480,063
		<u>950,301,626</u>	<u>-</u>	<u>1,451,198,063</u>	<u>2,401,499,689</u>
Liabilities					
Trade and other payables	-	-	-	84,177,005	84,177,005
Lease liability	8%	1,360,275	2,533,094	-	3,893,369
Due to related companies	7%	693,957,797	-	-	693,957,797
Taxes payable	-	-	-	18,479,321	18,479,321
		<u>695,318,072</u>	<u>2,533,094</u>	<u>102,656,326</u>	<u>800,507,492</u>
Interest sensitivity gap		<u>254,983,554</u>	<u>(2,533,094)</u>	<u>-</u>	<u>252,450,460</u>

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

28 Financial risk management - cont'd

(a) Market risk - cont'd

(iv) Interest rate risk - cont'd

Group					
Maturing 2023					
	Interest rate range	Within 1 year G\$	Within 2-5 years G\$	Non-interest bearing G\$	Total G\$
Assets					
Investments, - others	-	-	-	1,071,050,509	1,071,050,509
Tax recoverable	-	-	-	22,297,151	22,297,151
Trade and other receivables	-	-	-	715,424,825	715,424,825
Due by related companies	7%	564,151,260	-	-	564,151,260
Cash on hand and at bank	-	-	-	34,008,830	34,008,830
		<u>564,151,260</u>	<u>-</u>	<u>1,842,781,315</u>	<u>2,406,932,575</u>
Liabilities					
Trade and other payables	-	-	-	688,082,969	688,082,969
Due to related companies	7%	144,773,466	-	-	144,773,466
Deferred income	-	2,189,474	-	-	2,189,474
Bank loan	7%	200,000,000	-	-	200,000,000
Taxes payable	-	-	-	25,747,267	25,747,267
Lease liability	8%	1,134,749	1,398,345	-	2,533,094
Bank overdraft (secured)	7.5%	418,649,006	-	-	418,649,006
		<u>766,746,695</u>	<u>1,398,345</u>	<u>713,830,236</u>	<u>1,481,975,276</u>
Interest sensitivity gap		<u>(202,595,435)</u>	<u>(1,398,345)</u>	<u>-</u>	<u>(203,993,780)</u>

Group					
Maturing 2022					
		Within 1 year G\$	Within 2-5 years G\$	Non-interest bearing G\$	Total G\$
Assets					
Investments - others	-	-	-	1,218,804,396	1,218,804,396
Tax recoverable	-	-	-	16,642,589	16,642,589
Trade and other receivables	-	-	-	520,932,150	520,932,150
Due by related companies	7%	904,347,044	-	-	904,347,044
Cash on hand and at bank	-	-	-	35,778,374	35,778,374
		<u>904,347,044</u>	<u>-</u>	<u>1,792,157,509</u>	<u>2,696,504,553</u>
Liabilities					
Trade and other payables	-	-	-	546,332,774	546,332,774
Due to related companies	7%	140,223,401	-	-	140,223,401
Lease liability	8%	1,360,275	2,533,094	-	3,893,369
Taxes payable	-	-	-	42,970,286	42,970,286
Bank overdraft (secured)	8.5%	340,650,386	-	-	340,650,386
		<u>482,234,062</u>	<u>2,533,094</u>	<u>589,303,060</u>	<u>1,074,070,216</u>
Interest sensitivity gap		<u>422,112,982</u>	<u>(2,533,094)</u>	<u>-</u>	<u>419,579,888</u>

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

28 Financial risk management - cont'd

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet its commitments associated with financial instruments.

The Group manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.

The following table shows the distribution of liabilities by maturity:

Company	Maturing 2023		
	Within	Within	Total
	1 year	2 to 5 years	
	G\$	G\$	G\$
Liabilities			
Trade and other payables	94,865,974	-	94,865,974
Due to related companies	486,519,912	-	486,519,912
Bank loan	200,000,000	-	200,000,000
Taxes payable	12,971,992	-	12,971,992
Lease liability	1,134,749	1,398,345	2,533,094
Bank overdraft	95,851,811	-	95,851,811
	891,344,438	1,398,345	892,742,783
	Maturing		
	2022		
	Within	Within	Total
	1 year	2 to 5 years	
	G\$	G\$	G\$
Liabilities			
Trade and other payables	84,177,005	-	84,177,005
Due to related companies	693,957,797	-	693,957,797
Taxes payable	18,479,321	-	18,479,321
Lease liability	1,360,275	2,533,094	3,893,369
	797,974,398	2,533,094	800,507,492

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

28 Financial risk management - cont'd

(b) Liquidity risk - cont'd

Group

	Maturing		
	2023		
	Within	Within	Total
	<u>1 year</u>	<u>2 to 5 years</u>	
	G\$	G\$	G\$
Liabilities			
Trade and other payables	688,082,969	-	688,082,969
Due to related companies	144,773,466	-	144,773,466
Deferred income	2,189,474	-	2,189,474
Bank loan	200,000,000	-	200,000,000
Taxes payable	25,747,267	-	25,747,267
Lease liability	1,134,749	1,398,345	2,533,094
Bank overdraft (secured)	418,649,006	-	418,649,006
	<u>1,480,576,931</u>	<u>1,398,345</u>	<u>1,481,975,276</u>

	Maturing		
	2022		
	Within	Within	Total
	<u>1 year</u>	<u>2 to 5 years</u>	
	G\$	G\$	G\$
Liabilities			
Trade and other payables	546,332,774	-	546,332,774
Due to related companies	140,223,401	-	140,223,401
Lease liability	1,360,275	2,533,094	3,893,369
Taxes payable	42,970,286	-	42,970,286
Bank overdraft (secured)	340,650,386	-	340,650,386
	<u>1,071,537,122</u>	<u>2,533,094</u>	<u>1,074,070,216</u>

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

28 Financial risk management - cont'd

(c) Credit risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Company and Group.

The Company and Group faces credit risk in respect of its cash and cash equivalents, investments and receivables. However, this risk is controlled by close monitoring of these assets by the Company and Group. The maximum credit risk faced by the Company and Group is the balance reflected in the financial statements.

Cash and cash equivalents are held by commercial banks. These banks have been assessed by the Directors as being credit worthy, with very strong capacity to meet their obligations as they fall due. The related risk is therefore considered very low.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable on a regular basis.

The table below shows the Company and Group's maximum exposure to credit risk

	Company		Group	
	Maximum Exposure		Maximum Exposure	
	2023	2022	2023	2022
	G\$	G\$	G\$	G\$
Cash at bank	18,366,969	18,480,063	17,818,830	24,278,374
Due by related companies	599,279,653	950,301,626	564,151,260	904,347,044
Trade and other receivables excluding prepayments	82,536,602	26,593,604	458,849,213	322,493,481
Tax recoverable	11,460,027	5,805,465	22,297,151	16,642,589
Total credit risk exposure	711,643,251	1,001,180,758	1,063,116,454	1,267,761,488

	Company		Group	
	2023	2022	2023	2022
	G\$	G\$	G\$	G\$
Trade and other receivables excluding prepayments	82,536,602	26,593,604	458,849,213	322,493,481
Tax recoverable	11,460,027	5,805,465	22,297,151	16,642,589
Due by related companies	599,279,653	950,301,626	564,151,260	904,347,044
	693,276,282	982,700,695	1,045,297,624	1,243,483,114

The above balances are classified as follows:

Current	680,346,588	969,771,001	1,002,985,156	1,204,061,617
Past due but not impaired	12,929,694	12,929,694	42,312,468	39,421,497
	693,276,282	982,700,695	1,045,297,624	1,243,483,114

Aging of trade and other receivables and related companies balances which were past due but not impaired:

120-180 days	-	-	18,545,650	-
180+ days	12,929,694	12,929,694	23,766,818	39,421,497
	12,929,694	12,929,694	42,312,468	39,421,497

While the foregoing is past due, they are still considered to be collectible in full.

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

29 Segment reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance.

Principal activities are as follows:

The Group is currently organized into two business segments - services and trading.

This is the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Services:

This includes the rental of properties and investment in short and long term securities by the subsidiary company.

Trading:

The selling and distribution of branded products.

	2023			
	Services	Trading	Eliminations	Total
	G\$	G\$	G\$	G\$
Statement of income				
Third party revenues	-	7,469,677,635	-	7,469,677,635
Cost of sales	-	6,214,674,672	-	6,214,674,672
	-	1,255,002,963	-	1,255,002,963
Administrative expenses	39,178,146	662,033,521	-	701,211,667
Selling costs	-	199,888,367	-	199,888,367
	39,178,146	861,921,888	-	901,100,034
Profit/(loss) on operating activities	(39,178,146)	393,081,075	-	353,902,929
Rent received	119,374,416	-	(17,590,416)	101,784,000
Other income	24,107,237	33,045,945	-	57,153,182
Share of associate profit	5,950,464	-	-	5,950,464
	149,432,117	33,045,945	(17,590,416)	164,887,646
Profit before interest and tax	110,253,971	426,127,020	(17,590,416)	518,790,575
Finance income/(cost)	25,524,750	(21,739,460)	-	3,785,290
Profit before tax	135,778,721	404,387,560	(17,590,416)	522,575,865
Taxation	44,369,407	146,470,582	-	190,839,989
Profit after tax	91,409,314	257,916,978	(17,590,416)	331,735,876

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

29 Segment reporting - cont'd

	2023			
	Services	Trading	Eliminations	Total
	G\$	G\$	G\$	G\$
Segment Assets				
<u>Non-current assets</u>				
Property, plant and equipment	-	118,388,240	-	118,388,240
Investment properties	1,661,615,176	-	-	1,661,615,176
Investments - subsidiary	103,675,000	-	(103,675,000)	-
- others	1,071,050,509	-	-	1,071,050,509
Investment in associate	218,982,187	-	-	218,982,187
	<u>3,055,322,872</u>	<u>118,388,240</u>	<u>(103,675,000)</u>	<u>3,070,036,112</u>
<u>Current assets</u>				
Inventories	-	891,370,285	-	891,370,285
Tax recoverable	11,460,027	10,837,124	-	22,297,151
Trade and other receivables	319,076,602	396,348,223	-	715,424,825
Due by related companies	599,279,653	434,335,266	(469,463,659)	564,151,260
Cash on hand and at bank	18,366,969	15,641,861	-	34,008,830
	<u>948,183,251</u>	<u>1,748,532,759</u>	<u>(469,463,659)</u>	<u>2,227,252,351</u>
Total assets	<u>4,003,506,123</u>	<u>1,866,920,999</u>	<u>(573,138,659)</u>	<u>5,297,288,463</u>
Segment Liabilities				
<u>Non-current liabilities</u>				
Lease liability	1,398,345	-	-	1,398,345
Deferred tax	31,837,407	(16,127,516)	-	15,709,891
Total non-current liabilities	<u>33,235,752</u>	<u>(16,127,516)</u>	<u>-</u>	<u>17,108,236</u>
<u>Current liabilities</u>				
Trade and other payables	94,865,974	593,216,995	-	688,082,969
Due to related companies	486,519,912	127,717,213	(469,463,659)	144,773,466
Deferred income	-	2,189,474	-	2,189,474
Bank loan	200,000,000	-	-	200,000,000
Lease liability	1,134,749	-	-	1,134,749
Taxes payable	12,971,992	12,775,275	-	25,747,267
Bank overdraft (secured)	95,851,811	322,797,195	-	418,649,006
	<u>891,344,438</u>	<u>1,058,696,152</u>	<u>(469,463,659)</u>	<u>1,480,576,931</u>
Total liabilities	<u>924,580,190</u>	<u>1,042,568,636</u>	<u>(469,463,659)</u>	<u>1,497,685,167</u>

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

29 Segment reporting - cont'd

	2022			
	Services G\$	Trading G\$	Eliminations G\$	Total G\$
Statement of income				
Third party revenues	-	7,134,337,237	-	7,134,337,237
Cost of sales	-	5,953,882,946	-	5,953,882,946
	-	1,180,454,291	-	1,180,454,291
Administrative expenses	37,690,084	596,920,767	-	634,610,851
Selling costs	-	177,363,488	-	177,363,488
	37,690,084	774,284,255	-	811,974,339
Profit/loss on operating activities	(37,690,084)	406,170,036	-	368,479,952
Rent received	118,330,416	-	(17,590,416)	100,740,000
Other Income	30,829,083	27,426,829	-	58,255,912
Share of associate profit	5,552,181	-	-	5,552,181
	154,711,680	27,426,829	(17,590,416)	164,548,093
Profit before interest and tax	117,021,596	433,596,865	(17,590,416)	533,028,045
Finance income/(cost)	48,382,013	(15,656,487)	-	32,725,526
Profit before tax	165,403,609	417,940,378	(17,590,416)	565,753,571
Taxation	49,455,299	159,301,358	-	208,756,657
Profit after tax	115,948,310	258,639,020	(17,590,416)	356,996,914
Segment Assets 2022				
<u>Non-current assets</u>				
Property, plant and equipment	-	42,390,700	-	42,390,700
Intangible assets	-	414,252	-	414,252
Investment properties	1,257,004,178	-	-	1,257,004,178
Investments - subsidiary	103,675,000	-	(103,675,000)	-
- others	1,218,804,396	-	-	1,218,804,396
Investment in associate	232,675,031	-	-	232,675,031
	2,812,158,605	42,804,952	(103,675,000)	2,751,288,557
<u>Current assets</u>				
Inventories	-	662,291,685	-	662,291,685
Tax recoverable	5,805,465	10,837,124	-	16,642,589
Trade and other receivables	213,913,604	307,018,546	-	520,932,150
Due by related companies	950,301,626	582,403,077	(628,357,659)	904,347,044
Cash on hand and at bank	18,480,063	17,298,311	-	35,778,374
	1,188,500,758	1,579,848,743	(628,357,659)	2,139,991,842
Total assets	4,000,659,363	1,622,653,695	(732,032,659)	4,891,280,399
Segment Liabilities				
<u>Non-current liabilities</u>				
Lease liability	-	2,533,094	-	2,533,094
Deferred tax	33,653,707	(2,370,223)	-	31,283,484
	33,653,707	162,871	-	33,816,578
<u>Current liabilities</u>				
Trade and other payables	84,177,005	462,155,769	-	546,332,774
Due to related companies	693,957,797	74,623,263	(628,357,659)	140,223,401
Lease liability	-	1,360,275	-	1,360,275
Taxation	18,479,321	24,490,965	-	42,970,286
Bank overdraft (secured)	-	340,650,386	-	340,650,386
	796,614,123	903,280,658	(628,357,659)	1,071,537,122
Total liabilities	830,267,830	903,443,529	(628,357,659)	1,105,353,700

J.P. SANTOS & COMPANY LIMITED AND SUBSIDIARIES

(SUBSIDIARY OF JOHN FERNANDES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

29 Segment reporting - cont'd

The Group's revenue comprises of sales to various customers. During the reporting period no one customer provided revenue of 5% or more.

The Group's revenue and income from investments are derived locally.

30 Capital risk management

The Company and Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The overall strategy remains unchanged from 2022.

The capital structure of the Company and Group consists of cash equivalents and equity attributable to equity holders, comprising issued capital, reserves and accumulated earnings.

Gearing ratio

The Company's and Group's management reviews the capital structure on an on-going basis. As part of this review, management

The gearing ratio at the year end was as follows:

	Company		Group	
	2023	2022	2023	2022
	G\$	G\$	G\$	G\$
Debt (i)	784,904,817	697,851,166	765,955,566	484,767,156
Cash and cash equivalents	(18,366,969)	(18,480,063)	(34,008,830)	(35,778,374)
Net debt	<u>766,537,848</u>	<u>679,371,103</u>	<u>731,946,736</u>	<u>448,988,782</u>
Equity (ii)	<u>2,871,909,768</u>	<u>2,946,630,413</u>	<u>3,799,603,296</u>	<u>3,785,926,699</u>
Debt to equity ratio	<u>0.27:1</u>	<u>0.24:1</u>	<u>0.20:1</u>	<u>0.13:1</u>
Net debt to equity ratio	<u>0.27:1</u>	<u>0.23:1</u>	<u>0.19:1</u>	<u>0.12:1</u>

(i) Debt is defined as short-term borrowings as detailed in note 21, along with the loan from related companies as stated in note 20, bank loan as detailed in note 24 and lease liability as disclosed in note 25.

(ii) Equity includes all capital and reserves of the Company and Group.

31 Capital commitments

The group has invested in a project for the construction of an office and warehouse for Value 4 U Inc and Bounty Farm Limited amounting to G\$1,068,139,742. From this balance, the Group has a balance of G\$342,617,719 remaining for the completion of the office and warehouse.

32 Pending litigation

There is no pending litigation brought by/against the Company and the Group.

33 Reclassification

In the current year, certain prior year balances were reclassified to conform with current year's presentation.

34 Approval of financial statements

The financial statements were approved by the Board of Directors and authorised for issue on April 19, 2024.