JAMAICA PRODUCERS GROUP LIMITED

AUDITED GROUP FINANCIAL STATEMENTS

52 Weeks Ended December 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Unit Holders of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Jamaica Producers Group Limited ("the company") and its subsidiaries (collectively, "the group"), set out on pages 8 to 66, which comprise the group balance sheet as at December 31, 2021, the group statements of profit or loss, statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the group as at December 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants including International Independence Standards ("the IESBA Code") 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters

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

1 *Impairment of goodwill and intangible assets*

The key audit matter	*How the matter was addressed in our audit*
The carrying value of the group's goodwill and intangible assets may not be recoverable due to changes in the business and economic environment in which specific subsidiaries operate. These factors create inherent uncertainty in forecasting and require significant judgement in estimating and discounting future cash flows that support the assessment of recoverability. *See notes 3(k) and 13 of the consolidated financial statements.*	Our audit procedures included the following: • testing the reasonableness of the group's forecasts and discounted cash flow calculations • Using our own valuation specialists to evaluate the assumptions and methodologies used by management. • Comparing the group's assumptions to externally derived data as well as our own assessments of key inputs, such as projected economic growth, competition, cost inflation and discount rates, as well as performing sensitivity analysis on the assumptions. • Assessing the adequacy of the group's disclosures about the assumptions and the sensitivity of the impairment assessments to changes in key assumptions.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Audit of the Consolidated Financial Statements (continued)

2 *Measurement of pension and other post-retirement benefits*

The key audit matter	*How the matter was addressed in our audit*
A subsidiary operates a defined benefit retirement scheme and provides other unfunded retirement benefits. Significant estimates are made in valuing the group's employee benefit asset and obligations. Given the value of the assets and liabilities, small changes in the assumptions can have a material financial impact on the group. The key assumptions involved in calculating employee benefit asset and obligations are discount rates, inflation, and future increases in salaries and pensions. Management appointed an external actuarial expert to assist in measuring the employee benefit asset and obligations at the reporting date. The use of significant assumptions increases the risk that management's estimate can be materially misstated. *[see notes 3(q) and 17 to the financial statements]*	In performing our audit, we ensured that the following procedures were performed: • Evaluating the independence and objectivity of the appointed actuarial expert. • Determining that the actuarial valuation was performed in accordance with the requirements of IAS 19 *Employee Benefits*. • Using our own actuarial specialist to evaluate the assumptions and methodologies used by management's expert. • Testing employee data provided by management to the actuarial expert. • Assessing key assumptions used by the actuary, including inflation and discount rates, by comparing them to information from independent sources. • Confirming a selection of the plan assets with the custodians of the assets and recomputing their fair values by reference to independent prices and yield curves. • Assessing whether disclosures in the financial statements are appropriate in respect of the group's employee benefit arrangements.

Report on the Audit of the Consolidated Financial Statements (continued)

3 Accounting for investments in associate and joint ventures during the year

The key audit matter	*How the matter was addressed in our audit*
The group acquired shareholdings in three equity-accounted investees during the year, as detailed in note 10 of the financial statements. The classification and measurement of these investments involves significant judgement, having regard to the group's ability to control or significantly influence the relevant activities (being the significant operating and financing decisions) of the investee entities through Board representation, shareholder agreements, commercial relationships and other relevant factors. The group is also required to determine the fair value of the net assets acquired and the goodwill arising on each acquisition, in accordance with IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities.* The determination of fair values involves judgment in the application of fair value analysis, including projected cash flows, and discount rates reflecting the business risks and capital structure. These measurements, being subject to significant judgement, are therefore, subject to higher risk of error. *See notes 3(a) and 10 of the financial statements.*	In performing our audit in respect of this matter, we did the following: • Examined the terms of the purchase and shareholder's agreements for each investment to determine that the rights acquired over each investee were appropriately assessed by management as conferring joint control or significant influence. • Involved our own valuation specialists in challenging the valuation methodologies and assumptions used by management's valuation experts to identify and measure the net assets, including intangible assets. • Tested the mathematical accuracy of the calculations including cash flow projections performed by management and management's expert which formed the basis of accounting measurement for the transactions. • Evaluated the adequacy of disclosures in respect of the acquisitions and the assumptions involved in the measurement of net assets acquired in the transactions, as well as uncertainties involved in the estimates made at the reporting date.

Other Information

Management is responsible for the other information. The other information comprises the information in the company's annual report for the year ended December 31, 2021, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance *for the Financial Statements*

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

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

Those charged with governance are responsible for overseeing the group's financial reporting process.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Audit of the Consolidated Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

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

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description, which is located at pages 7 to 8, forms part of our auditors' report.

Report on Additional Matters as Required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

The engagement partner on the audit resulting in this independent auditors' report is Nigel Chambers.

KPMG

Chartered Accountants
Kingston, Jamaica

March 1, 2022

Appendix to the Independent Auditors' Report

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 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 management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Appendix to the Independent Auditors' Report (continued)

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

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

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

JAMAICA PRODUCERS GROUP LIMITED

Group Balance Sheet
December 31, 2021

	Notes	2021 $'000	2020 $'000
CURRENT ASSETS			
Cash and cash equivalents		1,282,048	1,127,084
Short-term investments	4	416,110	1,091,990
Securities purchased under resale agreements	5	10,319,916	7,645,526
Accounts receivable	6	3,147,428	2,894,684
Taxation recoverable		63,701	38,133
Inventories	7	1,173,633	979,484
Total current assets		16,402,836	13,776,901
CURRENT LIABILITIES			
Accounts payable	8	4,547,419	3,919,950
Taxation		283,775	135,508
Loans and borrowings	20	833,250	712,762
Lease liabilities	21(i)(b)	158,957	184,088
Total current liabilities		5,823,401	4,952,308
WORKING CAPITAL		10,579,435	8,824,593
NON-CURRENT ASSETS			
Biological assets	9	101,779	55,880
Interest in associates and joint ventures	10(a)	969,891	-
Investments	12	511,058	591,325
Intangible assets	13	1,425,692	1,466,364
Deferred tax asset	14	9,056	14,011
Property, plant and equipment	15	22,809,785	22,306,664
Investment property	16	552,783	560,701
Employee benefit asset	17(a)	1,698,874	1,549,850
Right of use of assets	21(i)(a)	582,413	636,304
Total non-current assets		28,661,331	27,181,099
Total assets less current liabilities		39,240,766	36,005,692
EQUITY			
Share capital	18	112,214	112,214
Reserves	19	17,841,243	16,019,886
Attributable to equity holders of the parent		17,953,457	16,132,100
NON-CONTROLLING INTEREST	11	16,219,005	14,799,759
Total equity		34,172,462	30,931,859
NON-CURRENT LIABILITIES			
Deferred tax liability	14	1,293,498	1,313,920
Loans and borrowings	20	2,941,367	2,898,428
Employee benefit obligations	17(b)	396,749	384,517
Lease liabilities	21(i)(b)	436,690	476,968
		5,068,304	5,073,833
Total equity and non-current liabilities		39,240,766	36,005,692

The financial statements on pages 8 to 66 were approved for issue by the Board of Directors on March 1, 2022 and signed on its behalf by :

C.H. Johnston J.Hall

The accompanying notes form an integral part of the financial statements.

JAMAICA PRODUCERS GROUP LIMITED

Group Statement of Profit or Loss
Year ended December 31, 2021

	Notes	2021 $'000	2020 $'000
Gross operating revenue	22	25,020,595	20,998,982
Cost of operating revenue		(17,962,918)	(15,488,280)
Gross profit		7,057,677	5,510,702
Other income and expenses, net		872,301	382,821
Selling, administration and other operating expenses	23	(3,453,300)	(3,260,093)
Profit from operations		4,476,678	2,633,430
Gain on disposal of interest in associate		-	1,871,349
Share of profits in associates and joint ventures		256,309	4,084
Profit before finance cost and taxation		4,732,987	4,508,863
Finance cost	24	(257,371)	(293,400)
Profit before taxation		4,475,616	4,215,463
Taxation charge	25	(655,964)	(478,050)
Profit for the year		3,819,652	3,737,413
Attributable to:			
Parent company stockholders		1,844,791	2,167,593
Non-controlling interest	11	1,974,861	1,569,820
		3,819,652	3,737,413
Dealt with in the financial statements of:			
The company		8,170	471,955
Subsidiary companies		1,561,236	1,700,806
Associated companies and joint ventures	10(b)	275,385	(5,168)
		1,844,791	2,167,593
Profit per ordinary stock unit:	26		
Based on stock units in issue (cents)		164.40¢	193.17¢
Excluding stock units held by ESOP (cents)		176.12¢	207.11¢

The accompanying notes form an integral part of the financial statements.

JAMAICA PRODUCERS GROUP LIMITED

Group Statement of Profit or Loss and Other Comprehensive Income
Year ended December 31, 2021

	Notes	2021 $'000	2020 $'000
Profit for the year		3,819,652	3,737,413
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit asset and obligations	17	114,921	(616,284)
Deferred tax effect on remeasurement of defined benefit asset and obligations	14	(14,365)	77,036
Change of fair value through other comprehensive income (FVOCI) investments		(88,554)	(65,506)
Share of other comprehensive income of associates and joint ventures		127,288	-
Items that may be reclassified to profit or loss:			
Exchange gains on translation of foreign operations		77,425	671,868
		216,715	67,114
Total comprehensive income for the year		4,036,367	3,804,527
Attributable to:			
Parent company stockholders		2,023,517	2,543,751
Non-controlling interest		2,012,850	1,260,776
		4,036,367	3,804,527

JAMAICA PRODUCERS GROUP LIMITED

Group Statement of Changes in Equity
Year ended December 31, 2021

	Share capital $'000 (note 18)	Share premium $'000 (note 19)	Capital reserves $'000 (note 19)	Fair value reserve $'000 (note 19)	Reserve for own shares $'000 (note 19)	Retained profits $'000 (note 19)	Parent company stockholders' equity $'000	Non – controlling interest $'000	Total equity $'000
Balances at December 31, 2019	112,214	135,087	2,006,972	6,970	(66,392)	11,641,603	13,836,454	13,760,645	27,597,099
Total comprehensive income for 2020:									
Profit for the year	-	-	-	-	-	2,167,593	2,167,593	1,569,820	3,737,413
Other comprehensive (loss)/income									
Remeasurement of defined benefit asset and obligations	-	-	-	-	-	(258,839)	(258,839)	(357,445)	(616,284)
Deferred tax effect on remeasurement of defined benefit asset and obligations	-	-	-	-	-	32,355	32,355	44,681	77,036
Change of fair value through other comprehensive income (FVOCI) investments	-	-	-	(32,146)	-	-	(32,146)	(33,360)	(65,506)
Exchange gains arising on translation of foreign operations	-	-	634,788	-	-	-	634,788	37,080	671,868
Total other comprehensive income/(loss)	-	-	634,788	(32,146)	-	(226,484)	376,158	(309,044)	67,114
Total comprehensive income for the year	-	-	634,788	(32,146)	-	1,941,109	2,543,751	1,260,776	3,804,527
Other reserve movements									
Reclassification of capital gains to capital reserves (note 19)	-	-	2,233,168	-	-	(2,233,168)	-	-	-
Other transfer to capital reserves	-	-	12,742	-	-	(12,742)	-	-	-
	-	-	2,245,910	-	-	(2,245,910)	-	-	-
Transactions with owners of the company									
Own shares sold by ESOP	-	-	-	-	16,116	-	16,116	-	16,116
Acquisition of shares in subsidiary from non-controlling interest (note 1)	-	-	-	-	-	(61,690)	(61,690)	226,277	164,587
Distributions to non-controlling interests	-	-	-	-	-	-	-	(447,939)	(447,939)
Distributions to stockholders (note 27)	-	-	(209,373)	-	-	-	(209,373)	-	(209,373)
Unclaimed distributions to stockholders (note 27)	-	-	6,842	-	-	-	6,842	-	6,842
	-	-	(202,531)	-	16,116	(61,690)	(248,105)	(221,662)	(469,767)
Balances at December 31, 2020	112,214	135,087	4,685,139	(25,176)	(50,276)	11,275,112	16,132,100	14,799,759	30,931,859
Retained in the financial statements of:									
The company	112,214	135,087	1,816,728	(1,018)	-	1,999,292	4,062,303		
Subsidiary companies	-	-	2,868,411	(24,158)	(50,276)	9,280,697	12,074,674		
Associate companies	-	-	-	-	-	(4,877)	(4,877)		
Balances at December 31, 2020	112,214	135,087	4,685,139	(25,176)	(50,276)	11,275,112	16,132,100		

The accompanying notes form an integral part of the financial statements.

Group Statement of Changes in Equity (Continued)
Year ended December 31, 2021

	Share capital $'000 (note 18)	Share premium $'000 (note 19)	Capital reserves $'000 (note 19)	Fair value reserve $'000 (note 19)	Reserve for own shares $'000 (note 19)	Retained profits $'000 (note 19)	Parent company stockholders' equity $'000	Non – controlling interest $'000	Total equity $'000
Balances at December 31, 2020	112,214	135,087	4,685,139	(25,176)	(50,276)	11,275,112	16,132,100	14,799,759	30,931,859
Total comprehensive income for 2021:									
Profit for the year	-	-	-	-	-	1,844,791	1,844,791	1,974,861	3,819,652
Other comprehensive income/(loss)									
Remeasurement of defined benefit asset and obligations	-	-	-	-	-	48,266	48,266	66,655	114,921
Deferred tax effect on remeasurement of defined benefit assets and obligations`	-	-	-	-	-	(6,032)	(6,032)	(8,333)	(14,365)
Share of other comprehensive income of associate and joint ventures	-	-	-	-	-	127,288	127,288	-	127,288
Change of fair value through other comprehensive income (FVOCI) investments	-	-	-	(37,807)	-	-	(37,807)	(50,747)	(88,554)
Exchange gains arising on translation of foreign operations	-	-	47,011	-	-	-	47,011	30,414	77,425
Total other comprehensive income/(loss)	-	-	47,011	(37,807)	-	169,522	178,726	37,989	216,715
Total comprehensive income for the year	-	-	47,011	(37,807)	-	2,014,313	2,023,517	2,012,850	4,036,367
Other reserve movements									
Other transfer to capital reserves	-	-	12,842	-	-	(12,842)	-	-	-
Transactions with owners of the company									
Own shares sold by ESOP	-	-	-	-	50,212	-	50,212	-	50,212
Net movement in subsidiary ESOP	-	-	-	-	-	-	-	(73,516)	(73,516)
Distributions to non-controlling interests	-	-	-	-	-	-	-	(497,724)	(497,724)
Distributions to stockholders (note 27)			(262,424)	-	-	-	(262,424)	-	(262,424)
Acquisition of shares in subsidiary from NCI	-	-	-	-	-	-	-	(22,364)	(22,364)
Unclaimed distributions to stockholders (note 27)	-	-	10,052	-	-	-	10,052	-	10,052
	-	-	(239,530)	-	50,212	(12,842)	(202,160)	(593,604)	(795,764)
Balances at December 31, 2021	112,214	135,087	4,492,620	(62,983)	(64)	13,276,583	17,953,457	16,219,005	34,172,462
Retained in the financial statements of:									
The company	112,214	135,087	1,546,244	(2,077)	-	2,007,462	3,798,930		
Subsidiary companies	-	-	2,946,376	(60,906)	(64)	10,865,898	13,751,304		
Associate companies and joint ventures	-	-	-	-	-	403,223	403,223		
Balances at December 31, 2021	112,214	135,087	4,492,620	(62,983)	(64)	13,276,583	17,953,457		

The accompanying notes form an integral part of the financial statements.

JAMAICA PRODUCERS GROUP LIMITED

Group Statement of Cash Flows
Year ended December 31, 2021

	Notes	2021 $'000	2020 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		3,819,652	3,737,413
Adjustments for:			
Depreciation – property, plant and equipment and investment property	15,16	1,184,057	1,124,368
Amortisation – right of use assets	21[i(a)]	169,549	165,455
Amortisation and impairment – intangible assets	13	94,928	211,115
Amortisation – biological assets	9	21,728	44,834
Exchange movement in working capital		8,874	44,737
Current taxation charge	25(a)	684,593	504,282
Deferred tax, net	25(a)	(28,629)	(26,232)
Employee benefits, net		(21,871)	(79,881)
Profit on disposal of property, plant and equipment and investments		(2,324)	(12,102)
Share of profit in associate companies and joint ventures		(256,309)	(4,084)
Impairment charge on long term loan receivable		-	53,931
Gain on disposal of investment on associate		-	(1,871,349)
Amortisation of bond issue costs	20	744	12,274
Interest earned	24	(336,054)	(245,998)
Interest expense	24	257,371	293,400
		5,596,309	3,952,163
(Increase)/decrease in current assets:			
Accounts receivable		(252,029)	123,913
Taxation recoverable		(25,568)	(14,437)
Inventories		(194,149)	(559)
Increase/(decrease) in current liabilities:			
Accounts payable		472,597	(33,279)
Tax paid		(555,402)	(561,528)
Net cash provided by operating activities		5,041,758	3,466,273
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to biological assets	9	(67,627)	(32,396)
Short-term investments		675,880	(852,750)
Interest received		335,339	176,631
Securities purchased under resale agreements		(2,674,390)	(2,264,959)
Additions to property, plant and equipment	15	(1,685,960)	(1,096,152)
Additions to intangible assets	13	(4,212)	(61,846)
Proceeds from disposal of investment in associate		-	1,900,000
Acquisition of subsidiary, net of cash		(22,364)	-
Proceeds from disposal of investments and property, plant and equipment		2,324	24,051
Own shares or subsidiary shares sold by ESOP		(23,304)	16,116
Acquisition of associate company and joint ventures		(296,216)	-
Movement in interests in associate companies and joint ventures, net		(254,221)	115,455
Net cash used by investing activities		(4,014,751)	(2,075,850)

The accompanying notes form an integral part of the financial statements.

JAMAICA PRODUCERS GROUP LIMITED

Group Statement of Cash Flows (Continued)
Year ended December 31, 2021

	Note	2021 $'000	2020 $'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans and borrowings, net		131,325	(804,490)
Interest paid		(180,435)	(243,428)
Distributions to non-controlling interests		(472,839)	(423,046)
Distributions to stockholders, net		(199,321)	(150,009)
Payment of lease liabilities	21	(182,018)	(150,786)
Net cash used by financing activities		(903,288)	(1,771,759)
Net increase/(decrease) in cash and cash equivalents		123,719	(381,336)
Cash and cash equivalents at beginning of the year		1,127,084	1,407,847
Exchange gains on foreign currency cash and cash equivalents		31,245	100,573
Cash and cash equivalents at end of the year		1,282,048	1,127,084

The accompanying notes form an integral part of the financial statements.

1. The company

Jamaica Producers Group Limited ("the company") is incorporated and domiciled in Jamaica. The company's registered office is located at 4 Fourth Avenue, Newport West, Kingston 13, Jamaica.

The main activities of the company, its subsidiaries (collectively, "group"), joint ventures and associates (note 32) are port terminal operations; shipping and logistics; the cultivation, marketing and distribution of fresh produce; food and drink manufacturing; land management and the holding of investments.

On April 9, 2021 the group acquired a 50% shareholding in Geest Line Limited ("Geest"). Geest, based in the UK, operates a shipping line connecting Europe and the Caribbean (note 10).

On September 1, 2021 the group acquired a 50% shareholding in CoBeverage Lab S.L. ("CBL"). CBL is a producer of fruit and vegetable juices based in Barcelona, Spain (note 10).

On October 16, 2021, the company completed an investment in Grupo Frontera Limited ("GFL"), a joint venture holding company. The investment was made by subscription of shares and through a long term loan. The company owns 50% of the issued shares of GFL. On the same date, a subsidiary of GFL, Grupo Alaska SA, acquired the assets of an ice and bottled water producer and distributor in the Dominican Republic.(note 10).

During the prior year, on August 13, 2020, the group concluded an agreement to sell part of its interest in SAJE Logistics Infrastructure Limited ("SAJE"), representing 22.1% of the issued share capital of SAJE, for consideration of $1.90 billion, resulting in a gain of $1.87 billion before transaction costs. The group retains an investment representing 9.5% of the issued share capital of SAJE through Kingston Wharves Limited, and accounts for this remaining investment on the basis of fair value through other comprehensive income ("FVOCI").

Also during the prior year, as part of a programme of corporate simplification and administrative cost saving, the group acquired the equity and debt interests owned by a Non-Controlling Interest ("NCI") in a non-trading subsidiary of the group, Four Rivers Mining Company Limited ("FRM"). FRM closed its operations in 2016 and has been winding down its operations since then. The group acquired the 49% equity holdings of the NCI and the rights to amounts due by FRM to the NCI of $164,588,000 for consideration of $2. The transaction resulted in the elimination of NCI and intercompany amounts on the Balance Sheet that had a net effect of $61,690,000 recognised directly in equity.

2. Statement of compliance and basis of preparation

(a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations issued by the International Accounting Standards Board (IASB) and comply with the provisions of the Jamaican Companies Act.

Certain new, revised and amended standards and interpretations came into effect during the current financial year. The group has assessed them and has adopted those which are relevant to its financial statements but their adoption did not result in any changes to amounts recognised or disclosed in these financial statements.

At the date of authorisation of the financial statements, certain new and amended standards have been issued which are not yet effective and which the group has not early adopted. The group has assessed the relevance of all such new standards and amendments with respect to its operations and has determined that the following may be relevant:

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued)

Standards issued but not yet effective

- Amendments to IAS 37 *Provision*, C*ontingent Liabilities and Contingent Assets* is effective for annual periods beginning on or after January 1, 2022 and clarifies those costs that comprise the costs of fulfilling a contract.

  The amendments clarify that the "costs of fulfilling a contract" comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. This clarification will require entities that apply the "incremental cost" approach to recognise larger and potentially more provisions. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.

  The group is assessing the impact that the amendment will have on its 2022 financial statements.

- Annual Improvements to IFRS Standards 2018-2020 cycle contain amendments to IFRS 1 *First*-time Adoption *of International Financial Reporting Standards*, IFRS *9 Financial Instruments,* IFRS 16 *Leases*, IAS 41 *Agriculture*, and are effective for annual periods beginning on or after January 1, 2022.

  (i) IFRS 9 *Financial Instruments* amendment clarifies that – for the purpose of performing the "10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

  (ii) IFRS 16 *Leases* amendment removes the illustration of payments from the lessor relating to leasehold improvements.

  The group is assessing the impact that the amendment will have on its 2022 financial statements.

- Amendments to IAS 1 *Presentation of Financial Statements*, will apply retrospectively for annual reporting periods beginning on or after January 1, 2023. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

  Under existing IAS 1 requirements, entities classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Instead of the requirement for a right of deferral to be "unconditional", the standard requires that a right to defer settlement must have "substance" and exist at the end of the reporting date. An entity classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting date. It has also been clarified that a right to defer exists only if the entity is in compliance with conditions specified in the loan agreement at the reporting date, even if the lender does not test compliance until a later date.

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued)

- Amendments to IAS 1 *Presentation of Financial Statements* (continued)

  The group does not expect the amendment to have a significant impact on its financial statements.

- Amendments to IAS 1 *Presentation of Financial Statements* are effective for annual periods beginning on or after January 1, 2023 and may be applied earlier. The amendments help entities provide useful accounting policy disclosures.

  The key amendments to IAS 1 include:

  - requiring entities to disclose their *material* accounting policies rather than their *significant* accounting policies;

  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

  The amendments are consistent with the refined definition of material:

  "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

  The group is assessing the impact that the amendment will have on its 2023 financial statements.

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* are effective for periods beginning on or after January 1, 2023, with early adoption permitted. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued)

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (continued)

  The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

  Developing an accounting estimate includes both:

  - selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 *Financial Instruments*; and

  - choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

  The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies is unchanged.

  The group is assessing the impact that the amendment will have on its 2023 financial statements.

- Amendments to IAS 12 *Income Taxes* are effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted. The amendments clarify how entities should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions.

  The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

  For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If an entity previously accounted for deferred tax on leases and decommissioning liabilities under the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability.

  For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

  The group is assessing the impact that the amendment will have on its 2023 financial statements.

2. Statement of compliance and basis of preparation (continued)

(b) Basis of preparation

The financial statements are prepared on the historical cost basis, except for certain investments measured at fair value through other comprehensive income (FVOCI). The financial statements are presented in Jamaica dollars (J$), which is the functional currency of the company.

(c) Use of estimates and judgment

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of, and disclosures relating to assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from those 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. Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

(i) Impairment of goodwill and other intangible assets

Impairment of goodwill and other intangibles is dependent upon management's internal assessment of future cash flows from the intangibles and cash-generating units that gave rise to the goodwill. That internal assessment determines the amount recoverable from future use of cash generating units in respect of goodwill. The estimate of the amount recoverable from future use of those cash generating units is sensitive to the discount rates used (note 13).

(ii) Measurement of pension and other post-retirement benefits

The amounts recognised in the financial statements for pension and other post-retirement benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include the discount rate used to determine the present value of estimated future cash flows required to settle the pension and other post-retirement obligations, and the expected rate of increase in medical costs for post-retirement medical benefits. The discount rate is determined based on the estimate of yield on long-term Government securities that have maturity dates approximating the terms of the group's obligation. The estimated rate of increase in medical costs is determined based on inflationary factors. Any changes in these assumptions will impact the amounts recorded in the financial statements for these obligations.

3. Significant accounting policies

The group has consistently applied the accounting policies as set out hereafter to all periods presented in these financial statements.

(a) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method from the date on which control is transferred to the group. Control is the power to govern the relevant financial and operating policies of an entity so as to obtain benefits from its activities.

The group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquired entity; plus
- if the business combination is achieved in stages, the fair value of the pre-existing interest in the acquired entity; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss. Any contingent consideration payable is measured at fair value at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities that the group incurs in connection with a business combination, are expensed as incurred.

(ii) Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets from the acquisition date.

Changes in the group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the change in the carrying value of non-controlling interest and the fair value of consideration paid or received is recognised directly in equity.

(iii) Subsidiaries

Subsidiaries are those entities controlled by the group. The group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The consolidated financial statements include the financial statements of all subsidiaries, including an Employee Share Ownership Plan ("ESOP") classified as a structured entity (note 19), made up to December 31, 2021.

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iv) Loss of control

On the loss of control, the group derecognises the assets and liabilities, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the group retains any interest in a former subsidiary, then such interest is measured at fair value at the date that control is lost.

(v) Joint venture arrangements

A joint venture is a contractual arrangement in which the group has joint control and whereby the group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Joint ventures are recognised initially at cost, including transaction costs. Subsequent to initial recognition, the consolidated financial statements include the group's share of the profit or loss and other comprehensive income of joint ventures using the equity method, until the date on which joint control ceases. If the group's share of losses exceeds its interest in a joint venture the group's carrying amount is reduced to nil and recognition of further losses is discontinued, except to the extent that the group has incurred legal or constructive obligations or made payments on behalf of a joint venture. If the joint venture subsequently reports gains, the group resumes recognising its share of those gains only after its share of gains equals the share of losses not recognised.

(vi) Associates

Associates are those entities over which the group has significant influence, but not control or joint control over the financial and operating decisions, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method and are initially recognised at cost, including transaction costs.

The group's investment is carried at its share of the fair value of net identifiable assets of the associate net of any impairment loss identified on acquisition.

The group's share of associates' post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition movements in reserves is recognised in other comprehensive income to the extent that the profits, losses or movements are consistent with the group's significant accounting policies.

Should the group's share of losses in an associate equal or exceed its interest in the associate, including any other unsecured receivables, the group ceases to recognise further losses unless it incurs obligations or makes payments on behalf of the associate.

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(vii) Transactions eliminated on consolidation

Balances and transactions between companies within the group, and any unrealised gains arising from those transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in the associate or joint venture. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the asset transferred.

(b) Foreign currencies

The group's foreign currency assets and liabilities are translated at the buying rates of exchange ruling at the reporting date [note 31(b)(ii)]. Items in the foreign subsidiaries' profit and loss accounts are translated at rates of £1 to J$205.31 (2020: J$178.22), US$1 to J$149.97 (2020: J$141.77), €1 to J$174.07 (2020: J$156.59), being the weighted average rates of exchange for the year. Other transactions in foreign currencies are converted at the rates of exchange at the dates of those transactions.

Gains and losses arising from translating profit or loss items are included in profit or loss. Unrealised portions of such gains are ultimately transferred to capital reserve. Exchange differences arising on other changes to stockholders' interests are reflected in other capital reserves [note 19(ii)].

(c) Financial instruments – Classification, recognition and de-recognition, and measurement

Financial instruments carried on the balance sheet include cash and cash equivalents, accounts receivable, short-term investments, securities purchased under resale agreement, investments, accounts payable and loans and borrowing and lease liabilities.

Financial assets

Initial recognition and measurement

Financial assets that are not designated as at fair value through profit or loss and: a) are held within a business model whose objective is to hold assets to collect contractual cash flows, and b) have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified as "Held to collect" and measured at amortised cost.

Amortised cost represents the net present value ("NPV") of the consideration receivable or payable at the transaction date. This classification of financial assets comprises the following captions:

- Cash and cash equivalents;
- Accounts receivable;
- Short-term investments; and
- Securities purchased under resale agreements.

3. Significant accounting policies (continued)

(c) Financial instruments – Classification, recognition and de-recognition, and measurement (continued)

Equity instruments

On initial recognition the group elects to irrevocably designate an equity investment at fair value through other comprehensive income (“FVOCI”). Subsequent changes in the investment at fair value are recorded in OCI.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described in their respective accounting policy notes.

Impairment of financial assets

For trade receivables, the group applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected credit loss provision. The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward-looking information.

The group recognises a loss allowance for expected credit losses on other financial assets that are measured at amortised cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Macroeconomic Factors, Forward Looking Information and Multiple Scenarios

The group applies an unbiased and probability weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions. Macroeconomic factors and forward-looking information are incorporated into the measurement of ECL as well as the determination of whether there has been a significant increase in credit risk since origination. Measurement of ECLs at each reporting date reflects reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. The group uses three scenarios that are probability weighted to determine ECL.

Derecognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired, or the group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement, and either (a) the group has transferred substantially all the risks and rewards of the asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3. Significant accounting policies (continued)

(c) Financial instruments – Classification, recognition and de-recognition, and measurement (continued)

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs. The group's financial liabilities, which include accounts payable, are recognised initially at fair value.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described in their respective policy notes.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the group balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

(d) Cash and cash equivalents

Cash comprises cash in hand, on demand and on call deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in fair value and are held for the purpose of meeting short-term cash commitments, rather than for investment or other purposes.

(e) Short-term investments

Short-term investments comprise fixed deposits with banks, money market securities and loans and receivables maturing within one year. They are acquired for their earnings potential and for balancing the group's risks on its investment portfolio. Their nature, liquidity and risk are similar to those of cash and cash equivalents.

3. Significant accounting policies (continued)

(f) Securities purchased under resale agreements

Securities purchased under resale agreements ("reverse repos") are short-term transactions in which the purchaser makes funds available to other parties and in turn receives securities which it agrees to resell on a specified date at a specified price. Reverse repos are accounted for as short-term collateralised lending. The difference between the sale and repurchase consideration is recognised on the effective interest basis over the period of the repurchase agreement and is included in interest income.

(g) Accounts receivable

Trade and other receivables are recognised initially at the fair value of the amounts due from the customers and subsequently measured at amortised cost, less allowance for impairment.

(h) Inventories

Inventories are measured at the lower of cost, determined principally on the first-in first-out basis, and net realisable value. Net realisable value is the estimated selling price less the estimated costs of completion and selling expenses.

(i) Trade and other payables

Trade and other payables, including provisions, are measured at amortised cost. A provision is recognised in the balance sheet when the group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(j) Biological assets

Biological assets represent the cost of, primarily, pineapple and banana fields, which are capitalised up to maturity. These are measured at cost, less accumulated amortisation and impairment losses. The costs are normally amortised over a period of two years for pineapples and seven years for bananas.

(k) Intangible assets and goodwill

(i) Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units (note 13) and tested annually for impairment. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the equity accounted investee as a whole. Other intangible assets that are acquired by the group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure including expenditure on internally generated goodwill and brands is recognised in profit or loss as incurred.

3. Significant accounting policies (continued)

(k) Intangible assets and goodwill (continued)

(iii) Amortisation

Intangible assets are amortised on the straight-line basis in profit or loss over their estimated useful lives from the date that they are available for their intended use by management. Goodwill is not amortised but tested annually for impairment.

The estimated useful lives are as follows:

• brands and trademarks	25 years
• customer relationships	10-15 years
• other identified intangible assets	3-5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted as appropriate.

(l) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of an asset.

The cost of self-constructed assets includes the costs of material and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the present value of costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs related to the acquisition or construction of qualifying assets are recognised as part of the cost of the qualifying asset.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent costs

The group recognises the cost of replacing part of an item of property, plant and equipment in the carrying amount of such an item when that cost is incurred, if it is probable that the future economic benefits embodied with the item will flow to the group and the cost of the item can be measured reliably.

(iii) Depreciation

Property, plant and equipment, including leased assets, with the exception of freehold land, on which no depreciation is charged, are depreciated on the straight-line basis at annual rates, varying between 2% and 50%, estimated to write down the assets to residual values over their expected useful lives.

3. Significant accounting policies (continued)

(l) Property, plant and equipment (continued)

(iii) Depreciation (continued)

Computer software, vehicles, furniture and equipment are depreciated on the straight-line basis at rates between 25% and 50% per annum. Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(m) Investment property

Investment property, principally freehold warehouse buildings, are held for long-term rental yields and are not occupied by the Group. Investment property is shown at cost less accumulated depreciation.

Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. On replacement of a separately measured part of an item of investment property, the carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss when the expenditure is incurred.

Land is not depreciated. Depreciation is calculated on buildings held as investment property on the straight-line basis at an annual rate of 2.5%.

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its recoverable amount [note 3(n)].

Gains and losses on disposal of investment property are determined by comparing proceeds with their carrying amounts and are included in the statement of profit or loss.

(n) Impairment of non-financial assets

The carrying amounts of the group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of goodwill is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

3. Significant accounting policies (continued)

(n) Impairment of non-financial assets (continued)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(o) Loans payable

Loans payable are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, loans are measured at amortised cost using the effective interest method.

(p) Leases

At inception of a contract, the group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group uses the definition of a lease in IFRS 16.

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

3. Significant accounting policies (continued)

(p) Leases (continued)

i. As a lessee (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the group by the end of the lease term or the cost of the right-of-use asset reflects that the group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the scheduled lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Generally, the group uses its incremental borrowing rate as the discount rate.

The group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the group is reasonably certain to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee, if the group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3. Significant accounting policies (continued)

(p) Leases (continued)

i. As a lessee (continued)

Short-term leases and leases of low-value assets

The group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. As a lessor

When the group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(q) Employee benefits

Employee benefits are all forms of consideration given by the group in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, national insurance contributions, annual leave and non-monetary benefits such as medical care and housing, post-employment benefits such as pensions and other long-term employee benefits such as termination benefits. Employee benefits that are earned as a result of past or current service are recognised in the following manner:

- Current employee benefits are recognised as a liability, net of payments made, and charged as expense. The expected cost of vacation leave that accumulates is recognised when the employees become entitled to the leave.

- Pension obligations

  The group, through its subsidiaries, participates in defined benefit retirement plans, the assets of which are generally held in separate trustee-administered funds. The pension plans are funded by payments from employees and by the group, taking into account the recommendations of qualified actuaries. The group has defined benefit and defined contribution plans.

3. Significant accounting policies (continued)

(q) Employee benefits (continued)

- Pension obligations (continued)

  The asset or liability recognised in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for past service costs.

  The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

  Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in profit or loss.

  The group also participates in defined contribution plans whereby it pays contributions to privately administered pension plans which are administered by trustees. Once the contributions have been paid, the group has no further payment obligations. The contributions are charged to profit or loss in the period to which they relate.

- Other retirement obligations

  The group, through its subsidiaries, provides post-employment health care and life insurance benefits to certain retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that for defined benefit pension plans.

  Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

- Termination benefits

  Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the group recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

3. Significant accounting policies (continued)

(r) Revenue

Performance obligations and revenue recognition policies:

Revenue is measured based on the consideration specified in a contract with a customer. The group recognises revenue when it transfers control over goods or service to a customer.

A contract with a customer that results in a recognised financial instrument in the group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows:

Type of revenue	Nature and timing of satisfaction of performance obligations, including significant payment terms.	Revenue recognition under IFRS 15
Terminal and logistics services	The group provides a full range of cargo handling, logistics, freight forwarding and trans-shipment services. Fees to its customers are calculated based on specific tariffs and charged based on services rendered.	Generally recognised at the point in time that the service is delivered.
Sale of food and drinks	The group provides goods to its customers. Customers obtain control of products when the goods are delivered and have been accepted at their premises, or in certain cases when the goods have been collected from the group's premises. Invoices are generated at that point and are payable within a range of terms that vary from immediately to 60 days.	Recognised at the point in time that the goods are delivered and have been accepted by the customers at their premises. For contracts that permit return of goods, revenue is recognised to the extent that it is highly probable that a significant reversal will not occur.
	Some contracts allow customers to return goods. Returned goods are exchanged for new goods or, in certain cases, are refunded through credit notes.	The group has a very low level of returned goods. Where applicable, the right to recover returned goods is measured at the former carrying amount of inventory less any expected cost to recover.

3. Significant accounting policies (continued)

(s) Finance costs

Finance costs represent interest payable and amortised borrowing costs calculated using the effective interest method.

(t) Interest income

Interest income is recognised in profit or loss and is calculated taking into account the effective interest rate on the asset.

(u) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income, in which case it is also recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(v) Segment reporting

An operating segment is a component of the group:

(i) that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components.

(ii) whose operating results are reviewed regularly by the Chief Executive Officer ("CEO") to make decisions about resources to be allocated to the segment and assess its performance, and

(iii) for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4. Short-term investments

This comprises fixed deposits bearing interest of 3% annually.

5. Securities purchased under resale agreements

The fair value of the underlying securities purchased under resale agreements approximated $10,850,804,000 (2020: $8,091,011,000).

6. Accounts receivable

	2021 $'000	2020 $'000
Trade receivables	2,602,068	2,367,560
Other receivables and prepayments	714,519	727,852
	3,316,587	3,095,412
Less: allowance for expected credit losses	(169,159)	(200,728)
	3,147,428	2,894,684

The movement in allowance for expected credit losses during the year is as follows:

	2021 $'000	2020 $'000
Balance at beginning of year	200,728	125,203
Impairment losses recognised	30,303	111,970
Amount recovered in the year	(50,496)	(41,773)
Amount written-off as uncollectible	(11,415)	-
Exchange loss on retranslation	39	5,328
Balance at end of year	169,159	200,728

The allowance for impairment is used to record impairment losses, unless the group is satisfied that no recovery of the amount owing is probable, at which point the amount considered irrecoverable is written-off directly against the receivable.

7. Inventories

	2021 $'000	2020 $'000
Raw materials and consumables	554,167	419,337
Processed goods	165,978	109,711
Spare parts and other	453,488	450,436
	1,173,633	979,484

Inventory balances are shown net of a provision of $32,349,000 (2020: $30,129,000).

8. Accounts payable

	2021 $'000	2020 $'000
Trade payables	2,060,803	1,870,354
Dividends payable – shareholders and non-controlling interests	594,869	495,655
Accrued expenses and other payables	1,891,747	1,553,941
	4,547,419	3,919,950

9. Biological assets

	2021 $'000	2020 $'000
Balance at beginning of the year	55,880	68,318
Increase due to new plantings	67,627	32,396
Amortisation in year	(21,728)	(44,834)
Balance at end of the year	101,779	55,880

10. Interest in associates and joint venture companies

The group's associated and joint venture companies, which are recognised using the equity method, are set out below:

(a) Interest in associates and joint ventures

	2021 $'000	2020 $'000
(i) Tortuga Cayman Limited	72,793	-
(ii) Geest Line Limited	525,309	-
(iii) CoBeverage Lab S.L.	125,855	-
(iv) Grupo Frontera Limited	245,934	-
	969,891	-

(i) The group has a 40% holding in Tortuga Cayman Limited, a company that manufactures and distributes baked products, through its subsidiary Tortuga International Holdings Limited. During the prior year, in accordance with accounting policy (note 3(a)(vi)) the group limited the recognition of losses to the value of its equity and debt interests in the associate.

(ii) On April 9, 2021, the group acquired a 50% shareholding in Geest Line Limited ("Geest") for consideration of $138,565,000. Based in the UK, Geest operates a shipping line connecting Europe and the Caribbean.

(iii) On September 1, 2021 the group acquired a 50% shareholding in Co Beverage Lab S.L ("CBL") for consideration of $120,709,000. CBL is a producer of fruit and vegetable juices in Barcelona, Spain with sales across Europe.

(iv) On October 15, 2021 the group acquired a 50% shareholding in Grupo Frontera Limited ("GFL") through a subscription for new shares. At the same time the group made a long-term loan to GFL. The group's total investment was $266,070,000. GFL owns 100% of Grupo Alaska S.A. ("GA"), which on the same date acquired the trade, assets and certain liabilities of an ice and water manufacturer and distributor in the Dominican Republic. In accordance with the measurement principles of IFRS 3 *Business Combinatio*n, the net assets and liabilities disclosed at the date of investment are based on provisional estimates available to management at the date of approving the financial statements. These are subject to change as the fair value assessments are finalised within the measurement period.

10. Interest in associate and joint venture companies (continued)

(b) The following table summarises the financial information for Geest Line Limited and the aggregated information for Grupo Frontera Limited, Co Beverage Lab S.L and Tortuga Cayman Limited, as included in the Group's financial statements as at December 31, 2021, reflecting adjustments for differences in accounting policies, foreign exchange and related party transactions.

	2021			2020
	Geest Line Limited $'000	Other associates and joint venture $'000	Total $'000	Other associates $'000
Percentage ownership interest	50%	40%/50%		40%
Cash and cash equivalents	1,133,570	183,956		716
other current assets	1,989,523	572,180		238,705
Non-current assets	187,923	1,845,032		29,908
Current liabilities	(2,446,322)	(488,948)		(150,370)
Non-current Liabilities	(449,516)	(1,933,097)		(121,921)
Net assets attributable to equity holders (100%)	415,178	179,122		(2,962)
Group's share of net assets	207,589	89,908	297,497	(1,185)
Goodwill	69,925	38,645	108,570	-
Fair value adjustments at acquisition date	301,758	5,186	306,944	-
Net amounts due to the group from associates and joint ventures	(47,819)	303,422	255,603	-
Foreign exchange adjustments	(6,144)	7,421	1,277	1,185
Carrying amount of investment	525,309	444,582	969,891	-
Revenue	12,196,890	913,844		79,296
Depreciation and amortization	(80,892)	(74,208)		(12,907)
Interest income	411	-		-
Interest expense	(3,285)	(32,400)		(8,936)
Profit/(loss) from continuing operations	495,620	(18,486)		(110)
taxation expense	40,241	(2,097)		-
Profit after tax	535,861	(20,583)		(110)
Other comprehensive income, net of tax	242,061	-		-
Total comprehensive income/(loss)	777,922	(20,583)		(110)
Share of total comprehensive income during the year or since date of investment:				
Profit/(loss) from continuing operations	292,506	(17,121)	275,385	-
Other comprehensive income	127,288	-	127,288	-
Foreign exchange difference on translation	5,723	(5,173)	550	-
	419,794	(17,121)	403,223	-

11. Non-controlling interest

The following table summarises information relating to each of the group's subsidiaries that has a material non-controlling interest ("NCI") before any intra-group eliminations but after adjustments to align accounting policies.

	2021				2020			
	Kingston Wharves Limited	Tortuga International Holdings Limited	JP Snacks Caribbean Limited	Total	Kingston Wharves Limited	Tortuga International Holdings Limited	JP Snacks Caribbean Limited	Total
NCI percentage	58%	38%	30%		58%	38%	30%	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Non-current assets	22,609,088	799,335	427,729		22,225,028	677,222	366,930	
Current assets	10,884,231	501,871	455,348		8,086,693	427,741	353,949	
Non-current liabilities	(3,251,843)	(186,342)	(721,932)		(3,052,774)	(136,522)	(608,385)	
Current liabilities	(2,511,988)	(342,822)	(159,129)		(2,003,260)	(242,638)	(113,239)	
Net assets/(liabilities)	27,729,488	772,042	2,016		25,255,687	725,803	(745)	
Carrying amount of NCI	15,910,941	303,040	5,024	16,219,005	14,507,481	285,548	6,730	14,799,759
Revenue	8,674,001	1,080,639	1,492,594		7,145,119	990,569	1,326,131	
Profit/(loss) for the year	3,392,401	7,699	468		2,839,653	(193,980)	(17,026)	
Other comprehensive income/ (loss)	13,061	38,539	52,801		(596,766)	59,364	48,675	
Total comprehensive income/ (loss)	3,405,462	46,238	53,269		2,242,887	(134,616)	31,649	
Profit/(loss) allocated to NCI	1,989,491	2,917	(17,547)	1,974,861	1,665,138	(73,490)	(21,828)	1,569,820
Other comprehensive income/ (loss) allocated to NCI	7,575	14,574	15,840	37,989	(346,124)	22,478	14,602	(309,044)
Cash flows from operating activities	3,781,625	99,942	41,282		2,806,343	(64,021)	22,225	
Cash flows from investment activities	(743,090)	(16,357)	(109,495)		(580,042)	78,750	(42,834)	
Cash flows from financing activities	(721,413)	(59,968)	98,628		(1,538,163)	(84,645)	(11,173)	
Net increase/(decrease) in cash and cash equivalents	2,317,122	23,617	30,415		688,138	(69,916)	(31,782)	

12. Investments

	2021 $'000	2020 $'000
Quoted equities	17,869	14,122
Unquoted equity	449,616	537,111
Long-term receivable	43,573	40,092
	511,058	591,325

The long-term receivable represents a third-party loan of US$1,140,000 (2020: US$1,140,000) receivable in equal monthly payments over fifteen years. It commenced in 2010 and included a one-year principal moratorium for the first year. The loan, which earns interest at 3% per annum, is secured by a first mortgage over property and liens over plant, equipment, inventories and any other assets owned by the borrower. In addition, a first lien is held over the shares held by the borrower in former subsidiaries that own the assets pledged as security.

An impairment allowance of US$734,000 (2020: US$734,000) has been recognised against this loan following a review of indicators of uncertainty in recoverability of the underlying value of security and the costs of liquidation.

13. Intangible assets

	Brands and trademarks $'000	Customer relationships $'000	Other identifiable intangibles $'000	Goodwill $'000	Total $'000
Cost					
December 31, 2019	552,525	665,462	147,898	882,750	2,248,635
Additions	-	-	61,846	-	61,846
Disposals	-	-	(1,753)	-	(1,753)
Exchange adjustments	36,915	20,789	4,794	113,264	175,762
December 31, 2020	589,440	686,251	212,785	996,014	2,484,490
Additions	-	-	4,212	-	4,212
Transfers to property, plant and equipment	-	-	(3,185)	-	(3,185)
Exchange adjustments	41,154	23,176	5,501	43,356	113,187
December 31, 2021	630,594	709,427	219,313	1,039,370	2,598,704
Amortisation and impairment					
December 31, 2019	165,145	315,941	91,227	189,975	762,288
Charge for the year	23,380	59,734	19,648	-	102,762
Impairment	-	69,411	-	38,942	108,353
Disposals	-	-	(351)	-	(351)
Exchange adjustments	12,110	13,521	3,736	15,707	45,074
December 31, 2020	200,635	458,607	114,260	244,624	1,018,126
Charge for the year	24,487	41,400	29,041	-	94,928
Transfers to property, plant and equipment	-	-	(1,272)	-	(1,272)
Exchange adjustments	15,644	23,181	4,896	17,509	61,230
December 31, 2021	240,766	523,188	146,925	262,133	1,173,012
Net book values					
December 31, 2021	389,828	186,239	72,388	777,237	1,425,692
December 31, 2020	388,805	227,644	98,525	751,390	1,466,364
December 31, 2019	387,380	349,521	56,671	692,775	1,486,347

13. Intangible assets (continued)

In the prior year, as a result of the group's impairment assessment, the following impairments were identified:

i) The value in use of certain customer relationships was identified to be lower than the carrying amount because of lower than previously expected future earnings before interest, taxes, depreciation and amortisation ("EBITDA") margins. Accordingly, an impairment of $69,411,000 was recognised to reflect this reduction in recoverable amount.

ii) The value in use of goodwill was identified to be lower than the carrying amount and an impairment of $38,942,000 was recognised to reflect this reduction in recoverable amount.

In testing goodwill for impairment, recoverable amounts of cash-generating units are estimated based on value-in-use. Where the recoverable amounts exceed the carrying amounts, no impairment allowance is made. The recoverable amounts of cash-generating units are measured by estimating their future cash flows and discounting those cash flows using long-term discount rates applicable to the countries in which the businesses operate. Future sustainable cash flows are estimated based on the most recent forecasts, after taking account of past experience. In all cases projected cash flows are estimated over 5 years, followed by a terminal value calculated based on the discount rates and growth rates in the table below. Each unit is regarded as saleable to a third party at a future date at a price sufficient to recover the carrying amount of its goodwill. Key assumptions are set out below:

	2021		2020	
Cash-generating units (CGUs)	Discount rates	Growth rates	Discount rates	Growth rates
Juice manufacturing business	12.4%	2%	12.4%	2%
Other food manufacturing business	15.4%	3%	15.0%	2%
Logistics business	13.7%	2%	13.7%	2%

Sensitivity analysis:

A 1% (2020: 1%) increase or (decrease) in the discount rate and growth rate assumptions used in the impairment assessment for intangible assets would not result in an impairment for the current year and would not have led to any increase in the impairment provision made in 2020.

14. Deferred tax asset/(liability)

The deferred tax asset/(liability) is attributable to the following:

	Deferred tax					
	Asset		Liability		Net	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Property, plant and equipment	9,056	14,011	(1,138,396)	(1,220,554)	(1,129,340)	(1,206,543)
Employee benefits	-	-	(162,879)	(145,666)	(162,879)	(145,666)
Other liabilities	-	-	(8,733)	(6,455)	(8,733)	(6,455)
Other assets	-	-	16,510	58,755	16,510	58,755
	9,056	14,011	(1,293,498)	(1,313,920)	(1,284,442)	(1,299,909)

14. Deferred tax asset/(liability) (continued)

Movement on the net deferred tax liability during the year:

	2021 $'000	2020 $'000
Net deferred tax liability at beginning of year	(1,299,909)	(1,402,875)
Effect of re-measurement of post-employment benefits	(14,365)	77,036
Recognised in taxation credit [note 25(a)(ii)]	28,629	26,232
Translation gain/(loss) in the year	1,203	(302)
	(1,284,442)	(1,299,909)

15. Property, plant and equipment

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Equipment, vehicles and furniture $'000	Work-in-progress $'000	Total $'000
Cost					
December 31, 2019	18,769,696	391,545	6,848,396	604,220	26,613,857
Additions	197,485	10,717	220,416	667,534	1,096,152
Disposals	-	-	(67,965)	-	(67,965)
Transfers	659,370	3,827	41,539	(704,736)	-
Exchange adjustments	334,853	-	497,645	55,386	887,884
December 31, 2020	19,961,404	406,089	7,540,031	622,404	28,529,928
Additions	96,034	10,492	423,396	1,156,038	1,685,960
Disposals	-	-	(8,730)	-	(8,730)
Transfers	415,586	-	832,234	(1,244,635)	3,185
Exchange adjustments	(10,571)	(175)	(5,919)	(6,924)	(23,589)
December 31, 2021	20,462,453	416,406	8,781,012	526,883	30,186,754
Depreciation and impairment					
December 31, 2019	1,705,276	233,597	2,739,020	96,519	4,774,412
Charge for the year	490,569	8,812	600,321	16,748	1,116,450
Eliminated on disposals	-	-	(61,136)	-	(61,136)
Exchange adjustments	117,131	117	254,823	21,467	393,538
December 31, 2020	2,312,976	242,526	3,533,028	134,734	6,223,264
Charge for the year	507,872	9,145	626,401	32,721	1,176,139
Transfers	-	-	1,272	-	1,272
Eliminated on disposals	-	-	(8,741)	-	(8,741)
Exchange adjustments	(7,128)	35	(4,574)	(3,298)	(14,965)
December 31, 2021	2,813,720	251,706	4,147,386	164,157	7,376,969
Net book values					
December 31, 2021	17,648,733	164,700	4,633,626	362,726	22,809,785
December 31, 2020	17,648,428	163,563	4,007,003	487,670	22,306,664
December 31, 2019	17,064,420	157,948	4,109,376	507,701	21,839,445

16. Investment property

	Land $'000	Plant and buildings $'000	Total $'000
Cost at December 31, 2020 and December 31, 2021	269,700	300,300	570,000
Depreciation			
December 31, 2020	-	9,299	9,299
Charge for the year	-	7,918	7,918
December 31, 2021	-	17,217	17,217
Net book values			
December 31, 2021	269,700	283,083	552,783
December 31, 2020	269,700	291,001	560,701

The investment property, which is carried at cost less accumulated depreciation, was valued at $570,000,000 as at October 30, 2019 based on open market value by D.C. Tavares and Finson Realty Limited, independent qualified valuators. The valuation was carried out for determining the fair value at acquisition.

Amounts recognised in profit or loss for investment property:

	2021 $'000	2020 $'000
Rental income	50,329	43,865
Direct operating expenses from property that generated rental income	(7,918)	(7,918)

17. Employee benefit asset and obligations

The group participates in benefit plans for its employees, summarised as follows:

(i) Four defined contribution schemes for qualifying employees in Jamaica and another in the United Kingdom.

(ii) An industry-wide multi-employer defined benefit scheme in the Netherlands. The subsidiary is required to contribute a specified percentage of payroll costs to the scheme to fund the benefits. This percentage may increase or decrease as a result of changes in actuarial valuations. The only obligation of the group with respect to this scheme is to make the specified contributions. Accordingly, it is treated as a defined contribution scheme for the purpose of the group's financial reporting.

(iii) A defined benefit scheme for certain employees of its subsidiary also in the Netherlands. The group has contracted out all legal and constructive commitments of this scheme to an insurance company and is only obliged to make annual specified contributions. Accordingly, this scheme is treated as a defined contribution scheme for the purpose of the group's financial reporting.

(iv) A defined benefit scheme operated by Kingston Wharves Limited ("KW"). KW also provides other retirement benefits giving rise to obligations. The assets of the funded plans are held independently in separate trustee administered funds.

17. Employee benefit asset and obligations (continued)

The effect on the balance sheet, profit for the year and other comprehensive income are as follows:

	2021 $'000	2020 $'000
Balance sheet asset/(obligations) for:		
Pension benefits asset	1,698,874	1,549,850
Other retirement benefits obligation	(396,749)	(384,517)
(Credit)/charge to profit or loss for:		
Pension benefits	(63,461)	(107,322)
Other retirement benefits	57,725	43,098
	(5,736)	(64,224)
(Credit/charge to other comprehensive income on remeasurements for:		
Pension benefits	(80,901)	633,488
Other retirement benefits	(34,020)	(17,204)
	(114,921)	616,284

(a) Defined benefit pension plan

The Kingston Wharves scheme is open to all permanent employees of that subsidiary. Under the scheme, retirement benefits are based on average salary during the three years preceding retirement. The scheme is funded by employee contributions at 5% and employer contributions of 1% of salary, as recommended by independent actuaries. Members may also make voluntary contributions of up to 5% of their earnings.

The assets of the plan are held independently of the group's assets in a separate trustee-administered fund. The plan is valued by independent actuaries annually using the projected unit credit method.

The defined benefit asset recognised in the balance sheet is determined as follows:

	2021 $'000	2020 $'000
Fair value of plan assets	4,037,301	3,730,537
Present value of fund obligations	(2,338,427)	(2,180,687)
Asset in the balance sheet	1,698,874	1,549,850

Movements in the amounts recognised in the balance sheet:

	2021 $'000	2020 $'000
Assets at start of year	1,549,850	2,071,885
Amounts recognised in comprehensive income for the year	144,362	(526,166)
Contributions paid	4,662	4,131
Assets at end of year	1,698,874	1,549,850

17. Employee benefit asset and obligations (continued)

(a) Defined benefit pension plan (continued)

The movement in the fair value of plan asset:

	2021 $'000	2020 $'000
Balance at start of year	3,730,537	4,200,906
Interest income	334,358	312,780
Remeasurements -		
Return on plan assets, excluding amounts included in interest expense	3,292	(722,145)
Members' contributions	42,461	37,933
Employers' contributions	4,662	4,131
Benefits paid	(71,374)	(97,332)
Administrative expenses	(6,635)	(5,736)
Balance at end of year	4,037,301	3,730,537

The movement in the present value of the funded obligations is as follows:

	2021 $'000	2020 $'000
Balance at start of year	2,180,687	2,129,021
Current service cost	85,929	81,788
Interest cost	201,645	161,933
Remeasurements -		
Gain from change in financial assumptions	(77,609)	(88,657)
Members' contributions	19,149	17,279
Benefits paid	(71,374)	(97,332)
Gain on curtailment	-	(23,345)
Balance at end of year	2,338,427	2,180,687

As at the reporting date, the present value of the defined benefit obligation comprised approximately $1,513,705,000 (2020: $1,321,000,000) relating to active employees, $128,138,000 (2020: $119,583,000) relating to deferred members, $691,619,000 (2020: $733,026,000) relating to members in retirement and $4,965,000 (2020: $6,397,000) representing other liabilities.

The amounts recognised in the profit and loss account are as follows:

	2021 $'000	2020 $'000
Current service cost	62,617	61,134
Interest income	(132,713)	(150,847)
Administrative expenses	6,635	5,736
Gain on curtailment	-	(23,345)
Total, included in staff costs	(63,461)	(107,322)

17. Employee benefit asset and obligations (continued)

(a) Defined benefit pension plan (continued)

Plan assets are comprised as follows:

	2021		2020	
	$'000	%	$'000	%
Quoted equity securities	2,041,363	50.6	1,893,780	50.8
Government of Jamaica securities	908,805	22.5	856,006	22.9
Corporate bonds and promissory notes	583,117	14.4	588,357	15.8
Repurchase agreements	295,101	7.3	205,057	5.5
Leases	16,811	0.4	20,136	0.5
Real estate	79,260	2.0	125,485	3.4
Other	112,774	2.8	41,716	1.1
	4,037,231	100.0	3,730,537	100.0

The pension plan's assets include ordinary stock units of Kingston Wharves Limited with a fair value of $387,000,000 (2020: $405,000,000).

Expected contributions to the post-employment plan for the year ending December 31, 2021 are $5,900,000 (2020: $4,700,000).

The significant actuarial assumptions used were as follows:

	2021	2020
Discount rate	8.00%	9.00%
Future salary increases	6.00%	7.00%
Expected pension increase	3.50%	4.50%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on post-employment obligations					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2021	2020	2021	2020	2021	2020
			$'000	$'000	$'000	$'000
Discount rate	0.5%	0.5%	(144,060)	(130,462)	162,839	146,154
Future salary increases	0.5%	0.5%	21,362	18,873	(20,735)	(17,830)
Expected pension increase	0.5%	0.5%	126,923	116,264	(114,593)	(104,364)
Life expectancy	1 year	1 year	39,700	37,606	(39,932)	(37,185)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, as changes in some of the assumptions may be correlated.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

17. Employee benefit asset and obligations (continued)

(b) Other retirement benefits

Kingston Wharves Limited operates both a group health plan and a group life plan. KW covers 100% of the premiums of both plans. However, pensioners under the health plan have the option to pay an additional premium for dependents' coverage.

The method of accounting and the frequency of valuations for these plans are similar to those used for the defined benefit pension scheme. In addition to the assumptions used for the pension scheme, the main actuarial assumption is a long term increase in health costs of 7% (2020: 8%) per year for the insured group health plan. The insured group life plan assumes a salary rate increase of 6% (2020: 7%) per year.

The amounts recognised in the balance sheet were determined as follows:

	2021 $'000	2020 $'000
Liability at start of year	384,517	370,149
Amounts recognised in comprehensive income for the year	23,705	25,894
Benefits paid	(11,473)	(11,526)
Liability at end of year	396,749	384,517

Movement in the present value of the defined benefit obligation:

	2021 $'000	2020 $'000
Balance at start of year	384,517	370,149
Current service cost	21,683	21,182
Interest cost	36,042	28,664
Gain on curtailment	-	(6,748)
Included in staff costs in statement of profit or loss	57,725	43,098
Remeasurements -		
Loss/(gain) from change in financial assumptions,		
being total included in other comprehensive income	2,440	(17,204)
Experience gains	(36,460)	-
Benefits paid	(11,473)	(11,526)
Balance at end of year	396,749	384,517

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on post-employment obligations					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2021	2020	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Life						
Discount rate	0.5%	0.5%	(1,723)	(2,036)	2,015	2,096
Future salary increases	0.5%	0.5%	488	605	(490)	(612)
Medical						
Discount rate	0.5%	0.5%	(27,749)	(25,982)	31,747	39,274
Future medical cost rate	0.5%	0.5%	31,747	39,274	(27,749)	(25,982)

17. Retirement benefit asset and obligations (continued)

(c) Risks associated with pension plans and other post-employment plans

Through its defined benefit pension plans and post-employment medical plans, the subsidiary is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to Government of Jamaica bond yields. If plan assets underperform this yield, this will create a deficit.

However, the subsidiary believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of the long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in Government of Jamaica bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.

Inflation risk

Higher inflation will lead to higher liabilities. The majority of the plan's assets are unaffected by fixed interest bonds, meaning that an increase in inflation will reduce the surplus or create a deficit.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant, where inflationary increases result in higher sensitivity to changes in life expectancy.

The weighted average duration of the defined benefit obligation for the pension scheme is 15 years.

The weighted average duration of the defined benefit obligation for post-employment medical and life insurance benefits is 17 years and 12 years respectively.

18. Share capital

Authorised:
1,500,000,000 ordinary shares at no par value.

	2021	2020
	$'000	$'000
Stated capital:		
Issued and fully paid -1,122,144,036 (2020: 1,122,144,036) ordinary stock units at no par value	112,214	112,214

The company's stated capital does not include share premium, which is retained in capital reserves (note 19) in accordance with Section 39 (7) of the Jamaican Companies Act.

19. Reserves

	2021 $'000	2020 $'000
Capital:		
Share premium (note 18)	135,087	135,087
Reserve for own shares [see (i) below]	(64)	(50,276)
Fair value reserve	(62,983)	(25,176)
Other [see (ii) below]	4,492,620	4,685,139
	4,564,660	4,744,774
Revenue:		
Retained profits	13,276,583	11,275,112
	17,841,243	16,019,886

(i) Reserve for own shares is included in these financial statements by consolidation of the company's Employee's Share Ownership Plan ("ESOP"), which is regarded as a structured entity and is required to be consolidated under IFRS 10. The reserve comprises the cost of the company's shares held by the group through the ESOP, less net gains on shares sold.

The consolidated financial statements include the group's share of profits or loss of the ESOP based on management accounts for the year ended December 31, 2021. The results of operation of this entity are immaterial to the group's financial statements.

The number of stock units held by the ESOP at December 31, 2021 was 72,447,330 (2020: 75,278,888). Based on the bid price, less a 15% discount normally allowed to staff, the value of those stock units at December 31, 2021 was $1,446,520,000 (2020: $1,343,728,000). The fair value of these stock units is not recognised in the group's reserve for own shares until sold.

(ii) Other capital reserves comprise gains on disposal of property, plant and equipment and investments up to December 31, 2021, unrealised exchange gains and unclaimed distributions to stockholders (note 27).

(iii) Losses in a subsidiary, in excess of the non-controlling interest in the equity of the subsidiary, were included in the group's results prior to 2010. Should the subsidiary subsequently report profits, such profits would be included in the group results, until the non-controlling interest's share of losses, previously absorbed by the group, has been recovered.

20. Loans and borrowings

	2021 $'000	2020 $'000
Syndicated third party and bank loans	3,363,937	3,124,081
Finance leases	226,676	318,595
Other related party	187,970	173,224
	3,778,583	3,615,900
Less: Transaction costs		
Brought forward from prior year	(4,710)	(11,778)
Incurred in the year	-	(5,206)
Amortised in interest expense for the year	744	12,274
	(3,966)	(4,710)
Total carrying value of long-term loans	3,774,617	3,611,190
Less: current portion	(833,250)	(712,762)
Total non-current value of long-term loans	2,941,367	2,898,428

20. Loans and borrowings (continued)

The terms and conditions of outstanding loans are as follows:

	Currency	Nominal interest rate	Year of maturity	2021 Face value $'000	2021 Carrying value $'000	2020 Face value $'000	2020 Carrying value $'000
Secured bank loan (i)	JMD	5.35%	2027	1,105,000	1,105,000	1,235,000	1,235,000
Secured bank loan	GBP	2.92%	2030	39,243	39,243	43,965	43,965
Secured bank loan	JMD	6.50%	2027	142,483	142,483	158,621	158,621
Secured bank loan	JMD	6.75%	2021	-	-	12,000	12,000
Secured bank loan	JMD	4.10%	2024	101,037	101,037	140,148	140,148
Secured bank loan	JMD	4.16%	2023	98,214	98,214	176,786	176,786
Secured bank loan	JMD	5.00%	2023	177,375	177,375	241,879	241,879
Secured bank loan (ii)	JMD	5.00%	2023	855,000	855,000	1,107,000	1,107,000
Secured bank loan (iii)	JMD	5.00%	2028	723,214	723,214	-	-
Secured bank loan (iv)	JMD	5.50%	2025	88,889	88,889	-	-
Secured revolving loan facility	USD	5.50%	2022	30,550	30,550	-	-
Secured loan (vi)	JMD	8.00%	2024	-	-	5,750	5,750
Other unsecured loan	JMD	nil	n/a	2,932	2,932	2,932	2,932
Finance lease	EUR	3.50%	2022	11,745	11,745	27,670	27,670
Finance lease	EUR	2.27%	2025	125,167	125,167	165,966	165,966
Finance lease	EUR	2.35%	2025	89,764	89,764	124,959	124,959
Other related party (v)	USD	3.00%	2025	187,970	187,970	173,224	173,224
				3,778,583	3,778,583	3,615,900	3,615,900

(i) This loan, originally for $1,300,000,000, incurs interest at the fixed rate or 5.35% and is secured by shares in Kingston Wharves Limited. It is repayable over seven years by 21 bi-annual instalments of $65,000,000 with a final payment of $455,000,000 in 2027.

(ii) The total facility, originally $1,800,000,000, was used to finance capital expenditure and had a two-year moratorium on principal payments during the draw-down period and was thereafter repayable in 20 instalments, ending in 2023, of $63,000,000, with a final payment of $540,000,000.

(iii) During the year Kingston Wharves Limited obtained a loan for $750,000,000 that was used to finance the acquisition of infrastructure. The loan is repayable over seven years in quarterly instalments with an initial six-month moratorium on principal. The interest rate is fixed at 5%.

(iv) This represents an unsecured loan of $100,000,000 obtained by Kingston Wharves Limited to refinance debt and provide working capital support. The loan is repayable over five years and the interest rate is fixed at 5.5%.

(v) The loan of $187,970,000 is due to a company that holds 30% of the equity in JP Snacks Caribbean Limited, a subsidiary. The loan, which is denominated in US dollars, is repayable in 2025.

(vi) During the year the group repaid a loan of $5,750,000 that was not due until 2024. There were no penalties associated with early repayment.

21. Leases

(i) As a lessee

The group leases property and equipment. The leases typically run for 3 to 10 years, with options to renew. Some leases may have options for periodic adjustments to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices. Previously, these leases were classified as operating leases under IAS 17. The group has elected not to recognise right-of-use assets and lease liabilities for leases that are short- term and/or leases of low-value items.

Information about leases for which the group is a lessee is presented below.

(a) Right-of-use assets

	Leasehold land and buildings $'000	Equipment and vehicles $'000	Total $'000
Balance at January 1, 2020	704,340	35,667	740,007
Additions	6,527	12,971	19,498
Disposals, net	(4,883)	(6,228)	(11,111)
Amortisation charge for the year	(145,977)	(19,478)	(165,455)
Exchange adjustments	47,566	5,799	53,365
Balance at December 31, 2020	607,573	28,731	636,304
Additions	68,443	23,017	91,460
Amortisation charge for the year	(154,382)	(15,167)	(169,549)
Exchange adjustments	24,512	(314)	24,198
Balance at December 31, 2021	546,146	36,267	582,413

(b) Lease liabilities

Maturity analysis – contractual undiscounted cash flows:

	2021 $'000	2020 $'000
Less than one year	236,502	196,533
One to five years	389,837	400,785
More than five years	255,020	245,323
	881,359	842,641
Less: future interest	(285,712)	(181,585)
Total discounted lease liabilities	595,647	661,056
Less: current portion	(158,957)	(184,088)
Non-current portion	436,690	476,968

21. Leases (continued)

(i) As a lessee (continued)

(c) Amounts recognised in profit or loss

	2021 $'000	2020 $'000
Interest on lease liabilities (note 24)	12,900	21,150
Expenses relating to short-term leases	8,500	8,997

(d) Amounts recognised in the statement of cash flows

	2021 $'000	2020 $'000
Total cash outflow for leases	182,018	150,786

(e) Extension options

Some property leases contain extension options exercisable by the group up to one year before the end of the non-cancellable contract period. Where deemed appropriate, the group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the group and not by the lessors. The group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The group has estimated that potential future lease payments, should it exercise extension options in these leases, would result in an increase in lease liability of $55,129,000 (2020: $113,080,000).

(ii) As a lessor

a) Operating lease

The group leases out property. The group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the group during 2021 was $258,293,000 (2020: $217,637,000).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2021 $'000	2020 $'000
Less than one year	251,372	235,851
One to five years	23,326	112,554
Total	274,698	348,405

22. Gross operating revenue

Gross operating revenue comprises the gross sales of goods and services of the group and commission earned by the group on consignment sales. This is shown after deducting returns, rebates and discounts, consumption taxes and eliminating sales within the group.

The following table shows disaggregation of contract revenue by primary markets, major products and services and timing of recognition:

	2021	2020
	$'000	$'000
Primary Geographic Market		
Europe	11,930,013	9,679,513
Caribbean and North America	13,090,582	11,319,469
	25,020,595	20,998,982
Major Products and Services		
Food and drinks	14,738,827	12,713,286
Terminal and logistics services	10,254,245	8,282,808
Other	27,523	2,888
	25,020,595	20,998,982

All the group's performance obligations are satisfied at the point in time that the group transfers control of goods or services to its customers.

23. Selling, administration and other expenses

	2021	2020
	$'000	$'000
Selling, administration and other expenses:		
Advertising, promotion and selling costs	284,982	293,774
Auditors' remuneration	82,322	80,278
Bad debt, net	(20,195)	70,197
Bank charges and merchant fees	94,289	73,135
Depreciation and amortisation	184,834	237,485
Directors' emoluments:		
Fees	13,270	14,198
For management	178,443	151,659
Donations	12,130	35,763
Insurance	114,343	117,027
IT and communication	276,891	225,843
Legal, professional and consultancy	181,986	131,003
Office and general costs	50,662	49,247
Other property related costs	179,225	164,889
Property rental	4,326	2,648
Staff costs	1,452,084	1,215,825
Transport and automobile	27,991	29,443
Travel	51,397	42,302
Utilities	141,845	126,668
Other	142,475	198,709
Total selling, administration and other operating expenses	3,453,300	3,260,093

23. Disclosure of expenses (continued)

The group defines cost of revenue as the total cost of manufacturing and delivering a product or service to customers. Selling, administration and other operating expenses are the total costs incurred that are not directly tied to the manufacture or delivery of a product or service to customers.

24. Financial income and expenses

	2021 $'000	2020 $'000
Finance income:		
Interest income on financial assets	244,784	184,947
Interest income on bank deposits, loans and receivables	91,270	61,051
Dividend income on FVOCI financial assets	1,639	3,288
Foreign exchange gains	508,175	272,519
	845,868	521,805
Finance expenses:		
Interest expense on financial liabilities measured at amortised cost	(202,083)	(254,300)
Interest expense on right of use lease liabilities note 21[i(c)]	(12,900)	(21,150)
Foreign exchange losses on financial liabilities	(42,388)	(17,950)
	(257,371)	(293,400)
Net financial income	588,497	228,405

25. Taxation

(a) The taxation charge is based on the group's results for the year, as adjusted for tax purposes, and comprises:

	2021 $'000	2020 $'000
(i) Current tax charge:		
Jamaican corporation tax	511,302	411,858
United Kingdom corporation tax	16,557	9,754
Netherlands corporation tax	175,810	73,129
Other corporation tax	-	8,501
Tax on associated companies	(19,076)	1,040
	684,593	504,282
(ii) Deferred taxation (note 14):		
Origination and reversal of temporary differences	(28,629)	(26,232)
Total taxation charge in group profit and loss account	655,964	478,050

25. Taxation

(b) Reconciliation of tax expense

The effective tax rate for 2021 was 14.7% (2020: 11.3%), compared to the statutory tax rate of the company of 25% (2020: 25%). The actual charge differs from the "expected" tax charge for the year as follows:

	2021 $'000	2020 $'000
Profit before taxation	4,475,616	4,215,463
Computed "expected" tax charge at 25% (2020: 25%)	1,118,904	1,053,865
Taxation difference between profit for financial statements and tax reporting purposes on:		
Effect of non-standard tax rates and tax rates of foreign jurisdictions	(411,928)	(395,901)
Unrelieved tax losses less tax relief utilised	33,875	101,605
Gain on disposal of property, plant and equipment and investments	-	(290,161)
Other related capital adjustments and disallowed expenses	(84,887)	8,642
Actual tax charge	655,964	478,050

(c) As at December 31, 2021, the company and certain subsidiaries had taxation losses, subject to agreement by the Commissioner General, Tax Administration Jamaica, of approximately $3,605,354,000 (2020: $3,607,918,000) available for relief against future taxable profits. Of this amount, $570,819,000 (2020: $570,819,000) is available for offset against specific income such as farming profits. As of January 1, 2014, tax losses may be carried forward indefinitely; however, the amount that can be utilised is restricted to 50% of chargeable income (before prior year losses) in any one year. A deferred tax asset of $901,339,000 (2020: $901,980,000) in respect of taxation losses of certain companies has not been recognised by the group, as management considers its realisation within the foreseeable future to be uncertain.

26. Profit per ordinary stock unit

The profit per ordinary stock unit is calculated by dividing the profit for the year attributable to stockholders of $1,844,791,000 (2020: $2,167,593,000), by a weighted average number of ordinary stock units held during the year, as follows:

Weighted average number of ordinary stock units:

	2021	2020
Issued ordinary stock units at January 1	1,122,144,036	1,122,144,036
Effect of own shares held by ESOP during the year	(74,681,546)	(75,560,504)
Weighted average number of ordinary stock units in issue during the year	1,047,462,490	1,046,583,532
Profit per ordinary stock unit in issue	164.40¢	193.17¢
Profit per ordinary stock unit excluding ESOP holdings	176.12¢	207.11¢

27. Distributions to stockholders of parent

	2021 $'000	2020 $'000
Capital distributions:		
First interim -25¢ (2020: 20¢) per stock unit gross	280,536	224,429
Distributions to ESOP [note 19(i)]	(18,112)	(15,056)
	262,424	209,373
Unclaimed distributions written back to capital reserves [note 19(ii)]	(10,052)	(6,842)
	252,372	202,531

28. Commitments for expenditure

As at December 31, 2021, capital expenditure authorised and committed amounted to approximately $4,334,228,000 (2020: $81,334,000). At the reporting date the group has sufficient cash resources to fulfil these commitments.

29. Related parties

Entities subject to the same ultimate control or significant influence as the company are considered to be related. Persons who exercise control or significant influence over the company, including principal owners of the company, its key management and members of the immediate families of key management of the company or its parent company, are also considered to be related parties.

(a) Identity of related parties

The group has related party relationships with its directors, officers and senior executives of subsidiaries. The company's executive directors, officers and the senior executives of subsidiaries are collectively referred to as "key management personnel".

(b) Transactions with directors and other key management personnel

Directors and officers of the company, their immediate relatives and entities over which they have significant influence hold 32.0% (2020: 31.9%) of the voting shares of the company.

In addition to their salaries, the group contributes to various post-employment benefit plans on behalf of key management personnel.

The compensation of key management personnel based in Jamaica and overseas is as follows:

	2021 $'000	2020 $'000
Short-term employment and other benefits	539,460	461,972
Payroll taxes – employer contributions	39,465	36,740
Post-employment benefits	30,712	24,782
Total remuneration	609,637	523,494

JAMAICA PRODUCERS GROUP LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2021

29. Related parties (continued)

(c) Transactions with other related parties, directors and key management personnel in other capacities

Category and nature of relationship	Nature of transactions	Transactions in year 2021 $'000	Transactions in year 2020 $'000	(Payable)/receivable at end of year 2021 $'000	(Payable)/receivable at end of year 2020 $'000	Terms and conditions *
Transactions with joint ventures and associates						
50% joint venture	Purchases by the group	250,648	-	(25,016)	-	1,2,3
50% joint venture	Management services income to the group	25,664	-	26,104	-	1,2,3
Transactions with key management personnel or entities under their control and/or significant influence:						
i) Company under their control	Insurance premiums charged to group	16,199	15,403	-	-	1,2,3
ii) Company under their control	Management services charged to group	36,630	14,177	(3,819)	(3,519)	2,3,4
iii) Company under their control	Shipping agency services charged to group	7,423	6,443	-	-	1,2,3
iv) Company under their control	Charges paid on behalf of the group	(8,340)	(7,240)	-	-	1,2,3
v) Company under their control	Collections from third parties on behalf of the group	(45,612)	(39,593)	20,418	18,343	1,2,3
vi) Company under their control	Sales by the group	(79,695)	(57,507)	6,750	9,459	2,3,4

*The number in each row represents the terms and conditions that are applicable to the stated transactions and their meanings are as follows:

1. Credit of up to 30 days
2. Unsecured
3. Settlement in cash
4. Credit over 30 days

30. Segment reporting

Segment information is presented in respect of the group's strategic business segments. The identification of business segments is based on the group's management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

The group uses profit or loss before finance cost and taxation to measure performance and allocate resources. The group's business is organised into three business segments:

(a) JP Food & Drink - This comprises businesses that are engaged in agriculture, processing, distribution and/or retail of food and drink.

(b) JP Logistics & Infrastructure – This comprises businesses that are engaged in logistics, transportation, port operations and related industries.

(c) Corporate Services – This comprises interest and investment income, net of the cost of corporate functions not directly charged to business units.

JAMAICA PRODUCERS GROUP LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2021

30. Segment reporting (continued)

The group uses profit or loss before finance cost and taxation to measure performance and allocate resources. The group's business is organised into three business segments (continued):

	JP Food & Drink		JP Logistics & Infrastructure		Corporate Services		Total	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Gross revenue	14,747,409	12,719,236	10,254,245	8,282,808	137,040	86,647	25,138,694	21,088,691
Inter- segment revenue	(8,582)	(5,949)	-	-	(109,517)	(83,759)	(118,099)	(89,708)
Revenue from external customers	14,738,827	12,713,287	10,254,245	8,282,808	27,523	2,888	25,020,595	20,998,983
Interest income	-	-	244,784	184,947	91,270	61,051	336,054	245,998
Segment profit/(loss)	575,392	101,017	4,382,137	2,934,213	(224,542)	1,473,634	4,732,987	4,508,863
Finance cost							(257,371)	(293,400)
Profit before taxation							4,475,616	4,215,463
Taxation charge							(655,964)	(478,050)
Non-controlling interest							(1,974,861)	(1,569,820)
Profit attributable to equity holders of the parent							1,844,791	2,167,593
Segment assets	8,574,875	7,726,395	34,525,096	30,757,651	1,964,196	2,473,955	45,064,167	40,958,000
Segment liabilities	(3,080,544)	(2,888,224)	(7,143,593)	(6,559,515)	(667,568)	(578,400)	(10,891,705)	(10,025,603)
Capital expenditure	577,949	447,039	1,105,773	647,055	2,238	2,058	1,685,960	1,096,152
Depreciation, amortisation and impairment	644,012	735,257	812,929	797,266	13,321	13,249	1,470,262	1,545,772

The revenues and earnings on subsidiaries and associates acquired or disposed of during the year are included up to or as of the date of acquisition or disposal.

Segment information below represents segment revenue based on the country receiving the benefit of our products/services and segment assets based on the country in which the owner is registered.

	Revenues		Non-current assets	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Jamaica	10,568,948	9,192,119	23,203,087	22,613,117
Netherlands	8,522,790	6,751,783	3,171,787	3,250,209
United Kingdom	594,344	343,251	898,807	378,123
United States of America	1,462,614	1,372,057	17,108	15,766
Other Caribbean countries	972,613	727,224	1,367,990	923,884
Other European countries	2,812,879	2,584,480	2,552	-
Other countries	86,407	28,068	-	-
	25,020,595	20,998,982	28,661,331	27,181,099

Revenues from one customer of the JP Food and Drink segment represents approximately $7,753,000 (2020: $6,207,000,000) or 31.0% (2020: 29.6%) of the group's total revenues.

31. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of an enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents, short-term investments, securities purchased under resale agreements, accounts receivable and investments. Financial liabilities include bank overdrafts, credit facilities and short-term loans, accounts payable, lease liabilities and long-term loans.

(a) Fair value of financial instruments

Fair value amounts represent estimates of the arm's length consideration for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties who are under no compulsion to act. Fair value is best evidenced by a quoted market price, if one exists.

The fair value of cash and cash equivalents, short-term investments, securities purchased under resale agreements, accounts receivable, credit facilities and short-term loans and accounts payable are assumed to approximate their carrying values due to their relatively short-term nature. Fair value of quoted investments is the market value. This method falls within the level 1 fair value hierarchy and is defined as quoted prices (unadjusted) in an active market for identical assets. Fair value of unquoted equity falls within level 2 hierarchy and is defined as fair value measurements that are derived from inputs other than quoted prices that are observable for the asset or liability either directly (that is as prices) or indirectly, (that is, derived from prices). The fair value of long term receivable disclosed in note 12, is assumed to approximate cost, less allowance for impairment.

The fair value for long-term loans is assumed to approximate carrying value, as no discount on settlement is anticipated.

(b) Financial instrument risks

The group has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk including interest rate risk, currency risk and price risk. Information about the group's exposure to each of the above risks and the group's objectives, policies and processes for measuring and managing risk is detailed below.

The Board of Directors has overall responsibility for the establishment and oversight of the group's risk management framework.

The risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. Management's standards and procedures aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

31. Financial instruments (continued)

(b) Financial instrument risks (continued)

(i) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents, financial investments, securities purchased under resale agreements and accounts receivable.

The maximum exposure to credit risk at the reporting date is equal to the carrying value.

The group manages this risk as follows:

- Cash and cash equivalents and short-term investments

  The group maintains cash resources with reputable financial institutions. The credit risk is considered to be low. The allowance for expected credit loss is immaterial.

- Securities purchased under resale agreements

  The group holds collateral for securities purchased under resale agreements. The allowance for expected credit loss is immaterial.

- Accounts receivable

  The group has a credit policy in place to minimise exposure to credit risk inherent in trade accounts receivable. Credit evaluations are performed on all customers requiring credit. Credit terms are negotiated based on a mix of terms acceptable to both parties. The group provides credit up to 60 days, dependent on other pricing arrangements that may be beneficial to the relationship. A continuing relationship with customers is dependent upon adherence to the credit terms.

  Allowances are determined upon origination of the trade accounts receivable based on a model that calculates the expected credit loss ("ECL") of the trade accounts receivable and are reviewed over the lifetime of the trade receivables.

  The group estimates ECL on trade receivables using a provision matrix based on historical credit loss experience as well as the credit risk and expected developments for each group of customers. The following tables provide information about the ECL for trade receivables as at the reporting date.

2021				
Age categories	Weighted average loss rate	Gross carrying amount	ECL allowance	Credit impaired
		$'000	$'000	$'000
Current (not past due)	0.31%	1,588,202	1,000	No
Past due 0 – 30 days	0.62%	693,016	2,102	No
Past due 31- 120 days	13.54%	177,108	15,460	Yes
Past due 121 days - 1 year	66.88%	69,407	17,831	Yes
More than 1 year	100.00%	74,335	74,335	Yes
		2,602,068	110,728	

31. Financial instruments (continued)

(b) Financial instrument risks (continued)

(i) Credit risk (continued)

- Accounts receivable (continued)

	2020			
Age categories	Weighted average loss rate	Gross carrying amount	ECL allowance	Credit impaired
		$'000	$'000	$'000
Current (not past due)	0.12%	1,563,242	709	No
Past due 0 - 30 days	0.25%	389,534	693	No
Past due 31- 120 days	17.21%	248,896	33,985	Yes
Past due 121 days - 1 year	83.96%	106,255	85,566	Yes
More than 1 year	100.00%	59,633	59,633	Yes
		2,367,560	180,586	

Staff and other receivables are subject to credit terms consistent with staff guidelines and other factors, including Jamaican GCT, and the Netherlands and U.K. VAT. These guidelines include the provision of collateral as security for credit extended.

- Non-current investments

The loan to the purchaser of former subsidiaries, net of impairment allowance, is considered to be adequately secured. The estimated allowance for any further impairment is considered immaterial.

(ii) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the group's income or the fair value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on assets.

The group manages this risk by conducting research and monitoring the price movement of securities on the local and international markets.

There were no changes in the group's approach to managing market risk during the year.

31. Financial instruments (continued)

(b) Financial instrument risks (continued)

(ii) Market risk (continued)

Currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The group is exposed to foreign currency risk on transactions that are denominated in currencies other than the Jamaican dollar. The main currencies giving rise to this risk are the euro ("EUR"), United States dollar ("USD") and pound sterling ("GBP").

The group manages this risk by matching foreign currency assets with liabilities as far as possible. Interest on borrowings is denominated in currencies that match the cash inflows generated by the underlying operations in which the borrowings are invested. This provides an economic hedge and no derivatives are entered into.

There were no changes in the group's approach to managing foreign currency risk during the year.

The net foreign currency assets/(liabilities) at year-end were as follows:

	2021			2020		
	USD	GBP	EUR	USD	GBP	EUR
	$'000	£'000	€'000	$'000	£'000	€'000
Financial assets						
Cash and cash equivalents	1,687	626	2,737	1,488	683	2,813
Short term investments	2,724	-	-	56	-	-
Securities purchased under resale agreements	49,781	-	-	39,294	-	-
Accounts receivable	6,508	1,178	8,717	6,110	981	8,072
Investments	285	-	-	285	-	-
Financial liabilities						
Accounts payable	(2,398)	(1,176)	(10,001)	(1,997)	(1,146)	(9,480)
Loans and borrowings	(1,198)	(189)	(1,351)	(1,231)	(235)	(1,869)
Lease liabilities	(1,060)	(992)	(571)	(1,590)	(1,110)	(801)
Financial instruments position	56,329	(553)	(469)	42,415	(827)	(1,265)
Other assets	14,429	3,541	20,860	12,525	3,036	20,757
Other liabilities	(75)	(44)	(119)	(9)	(54)	-
Balance sheet position	70,683	2,944	20,272	54,931	2,155	19,492

31. Financial instruments (continued)

(b) Financial instrument risks (continued)

(ii) Market risk (continued)

Currency risk (continued)

Other assets/liabilities represent balances denominated in the respective foreign currencies that are expected to be realised or settled in those currencies.

Foreign currency sensitivity analysis

The following tables detail the group's sensitivity to an 8% strengthening or 2% weakening (2020: 6% strengthening and 4% weakening) of the relevant currencies against the Jamaican Dollar and the resultant net exchange gains/(losses) based on net foreign currency assets/(liabilities) at year-end. These percentages represent management's assessment of the reasonably possible change in foreign currency rates.

This analysis assumes that all other variables, in particular interest rates, remain constant and is performed on the same basis as the previous year.

Effect of an 8% (2020: 6%) depreciation of the Jamaican dollar:

	2021		2020	
	Equity	Profit	Equity	Profit
	$'000	$'000	$'000	$'000
USD	168,397	695,200	109,806	353,870
GBP	49,042	-	24,165	-
EUR	272,173	-	199,353	-

Effect of a 2% (2020: 4%) appreciation of the Jamaican dollar:

	2021		2020	
	Equity	Profit	Equity	Profit
	$'000	$'000	$'000	$'000
USD	(42,066)	(173,665)	(73,219)	(235,962)
GBP	(12,250)	-	(16,111)	-
EUR	(67,990)	-	(132,983)	-

Buying exchange rates used at year-end:

	2021	2020
USD1 to J$	152.75	140.77
GBP1 to J$	208.11	186.97
EUR1 to J$	167.78	170.46

Interest rate risk

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

The group contracts material financial liabilities at fixed interest rates. Credit facilities are subject to interest rates which may be varied with appropriate notice by the lender.

31. Financial instruments (continued)

(b) Financial instrument risks (continued)

(ii) Market risk (continued)

Interest rate risk (continued)

At the reporting date the interest rate profile of the group's interest-bearing financial instruments was:

	2021 $'000	2020 $'000
Fixed rate instruments:		
Financial assets	11,247,084	9,328,841
Financial liabilities	(3,853,376)	(3,731,484)
	7,393,708	5,597,357
Variable rate instruments:		
Financial liabilities	(486,090)	(540,762)

There were no changes in the group's approach to managing interest rate risk during the year.

Other price risk

Other price risk is the risk that the value of certain financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment or its issuer or all factors affecting instruments traded in the market generally. As the group's financial equity investments are carried at fair value through other comprehensive income, all changes in market conditions would affect other comprehensive income ("OCI").

The group's exposure to price risk is represented by the total carrying value of equity investments of $17,869,000 (2020: $14,122,000).

Sensitivity to movements in equity prices

Sensitivity is measured by computing the impact on shareholders' equity of a reasonably probable change in equity prices.

The group's equity investments are listed locally on the Jamaica Stock Exchange. A 5% (2020: 10%) increase in stock prices at the reporting date would have increased total comprehensive income by $893,450 (2020: $1,412,200); an equal decrease would have decreased total comprehensive income by an equal amount.

Cash flow sensitivity analysis for variable rate instruments

An increase of 300 (2020: 100) basis points "(bps)" or a decrease of 50 (2020: 100) bps in interest rates at the reporting date would have (decreased)/increased profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. This analysis is performed on the same basis for the previous year.

31. Financial instruments (continued)

(b) Financial instrument risks (continued)

(ii) Market risk (continued)

Cash flow sensitivity analysis for variable rate instruments (continued)

	2021		2020	
	300 bps increase	50 bps decrease	100 bps increase	100 bps decrease
	$'000	$'000	$'000	$'000
Variable rate instruments	(14,583)	2,430	(5,408)	5,408

(iii) Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the group will not be able to meet its financial obligations as they fall due and/or encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed facilities.

Management of the group aims at maintaining flexibility in funding by ensuring that sufficient cash resources are held or placed in short-term marketable instruments to meet financial obligations when they fall due.

There were no changes in the group's approach to liquidity risk management during the year.

The tables below show the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the group can be required to pay. The analysis also assumes that all other variables, in particular interest and exchange rates, remain constant.

	2021				
	Weighted average interest rate	Carrying amount	Contractual cash flows	0-1 year	1-5 years
	%	$'000	$'000	$'000	$'000
Bank loans	5.12%	3,363,937	3,893,871	919,304	2,974,567
Other related party loans	3.00%	187,970	204,887	5,639	199,248
Accounts payable		4,547,419	4,547,419	4,547,419	-
		8,099,326	8,646,177	5,472,362	3,173,815

31. Financial instruments (continued)

(b) Financial instrument risks (continued)

(iii) Liquidity risk (continued)

	2020				
	Weighted average interest rate	Carrying amount	Contractual cash flows	0-1 year	1-5 years
	%	$'000	$'000	$'000	$'000
Bank loans	5.32%	3,124,081	3,669,995	791,091	2,878,904
Other related party loans	3.00%	173,224	188,814	5,197	183,617
Accounts payable		3,919,412	3,919,412	3,919,412	-
		7,216,717	7,778,221	4,715,700	3,062,521

(iv) Capital management

There were no changes in the group's approach to capital management during the year. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the group defines as total stockholders' equity, excluding non-controlling interest. The level of dividends to ordinary stockholders is also monitored in accordance with the group's stated dividend policy.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. Neither the company nor any of its subsidiaries is subject to externally imposed capital requirements.

32. Subsidiaries, associates and joint venture companies

The company has the following subsidiaries, associates and joint venture companies. Inactive subsidiaries are excluded.

	% equity held		Principal place of business
	2021	2020	
SUBSIDIARY COMPANIES			
JP Tropical Group Limited	100	100	Jamaica
Agualta Vale Limited	100	100	Jamaica
Agri Services Limited	100	100	Jamaica
Eastern Banana Estates Limited	100	100	Jamaica
St. Mary Banana Estates Limited	100	100	Jamaica
JP Tropical Foods Limited	100	100	Jamaica

32. Subsidiaries, associates and joint venture companies (continued)

	% equity held		Principal place
	2021	2020	of business
SUBSIDIARY COMPANIES (CONTINUED)			
JP Snacks Caribbean Limited	70	70	Cayman Islands
Antillean Foods, Inc.	100	100	Cayman Islands
Jamaica Producers Shipping Company Limited	60	60	Jamaica
Kingston Wharves Limited	42	42	Jamaica
Harbour Cold Stores Limited	100	100	Jamaica
Security Administrators Limited	67	67	Jamaica
Western Storage Limited	100	100	Jamaica
Western Terminals Limited	100	100	Jamaica
Newport Stevedoring Services Limited	100	100	Jamaica
KW Logistics Limited	100	100	Jamaica
KW Warehousing Services Limited	100	100	Jamaica
Four Rivers Mining Company Limited	100	100	Jamaica
JP International Group Limited	100	100	Cayman Islands
Cooperatief JP Foods U.A.	100	100	The Netherlands
A.L. Hoogesteger Fresh Specialist B.V.	100	100	The Netherlands
JP Shipping Services Limited	100	100	England and Wales
Tortuga International Holdings Company Limited	62	62	St. Lucia
Tortuga (Barbados) Limited	100	100	Barbados
Tortuga Imports, Inc.	100	100	U.S.A.
Tortuga Caribbean Rum Cake Jamaica Limited	100	100	Jamaica
Tortuga Caribbean Limited	100	100	Jamaica
ASSOCIATE COMPANIES AND JOINT VENTURES			
Tortuga Cayman Limited	40	40	Cayman Islands
Geest Line Limited	50	-	United Kingdom
Co Beverage Lab S.L.	50	-	Spain
Grupo Frontera Limited	50	-	St. Lucia
Grupo Alaska S.A	100	-	Dominican Republic

JAMAICA PRODUCERS GROUP LIMITED

AUDITED COMPANY FINANCIAL STATEMENTS

52 Weeks Ended December 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Unit Holders of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Jamaica Producers Group Limited ("the company"), set out on pages 8 to 39, which comprise the separate balance sheet as at December 31, 2021, the separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements give a true and fair view of the unconsolidated financial position of the company as at December 31, 2021, and of its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants including International Independence Standards ("the IESBA Code"), 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Audit of the Separate Financial Statements (continued)

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, is of most significance in our audit of the financial statements of the current period. The matter below was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Impairment of investment in subsidiaries

Key Audit Matter	*How the matter was addressed in our audit*
The carrying value of the company's investments in subsidiaries may not be recoverable due to changes in the business and economic environment in which specific subsidiaries operate. These factors create inherent uncertainty in forecasting and require significant judgement in estimating and discounting future cash flows that support the assessment of recoverability.	In this area our audit procedures included: 1) Evaluating whether there were indicators of impairment of the investments, considering the economic environment and business performance of each subsidiary. 2) Where applicable, testing the reasonableness of the company's forecasts and discounted cash flow calculations, including: • Comparing the company's assumptions to externally derived data as well as our own assessments of key inputs, such as projected economic growth, competition, cost inflation and discount rates.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Audit of the Separate Financial Statements (continued)

Key Audit Matter (continued)

Impairment of investment in subsidiaries (continued)

Key Audit Matter	*How the matter was addressed in our audit*
The carrying value of the company's investments in subsidiaries may not be recoverable due to changes in the business and economic environment in which specific subsidiaries operate. These factors create inherent uncertainty in forecasting and require significant judgement in estimating and discounting future cash flows that support the assessment of recoverability.	2) (continued) • Comparing the sum of the discounted cash flows to the carrying value of investments in subsidiaries. 3) Assessing the adequacy of the company's disclosures in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information in the company's annual report for the year ended December 31, 2021 but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Audit of the Separate Financial Statements (continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee, that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description, which is located at pages 6 to 7, forms part of our auditors' report.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

The engagement partner on the audit resulting in this independent auditors' report is Nigel Chambers.

KPMG

Kingston, Jamaica

March 1, 2022

Appendix to the Independent Auditors' report

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 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 company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Appendix to the Independent Auditors' report (continued)

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

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

JAMAICA PRODUCERS GROUP LIMITED

Company Balance Sheet
Year ended December 31, 2021

	Notes	2021 $'000	2020 $'000
CURRENT ASSETS			
Cash and cash equivalents	4	23,957	15,620
Short term investments	3(d),5	416,110	1,084,143
Securities purchased under resale agreements	3(e)	1,242,023	1,087,056
Accounts receivable	6	24,396	46,525
Taxation recoverable		20,899	6,679
Total current assets		1,727,385	2,240,023
CURRENT LIABILITIES			
Accounts payable	7	817,047	682,999
Current portion of loans and borrowings	14	130,000	130,000
Current portion of lease liabilities	11(b)	5,974	5,795
Total current liabilities		953,021	818,794
WORKING CAPITAL SURPLUS		774,364	1,421,229
NON-CURRENT ASSETS			
Interest in subsidiaries, associates and joint ventures	8	3,894,690	3,624,711
Investments	9	17,870	18,929
Property, plant and equipment	10	80,521	87,579
Right-of-use assets	11(a)	64,419	68,445
Total non-current assets		4,057,500	3,799,664
Total assets less current liabilities		4,831,864	5,220,893
EQUITY			
Share capital	12	112,214	112,214
Reserves	13	3,686,716	3,950,089
Total equity attributable to stockholders		3,798,930	4,062,303
NON-CURRENT LIABILITIES			
Loans and borrowings	14	971,034	1,100,290
Lease liabilities	11(b)	61,900	58,300
Total equity and non-current liabilities		4,831,864	5,220,893

The financial statements on pages 8 to 39 were approved by the Board of Directors on March 1, 2022 and signed on its behalf by:

____________________________ Chairman
C. H. Johnston

____________________________ Managing Director
J. Hall

The accompanying notes form an integral part of the financial statements.

JAMAICA PRODUCERS GROUP LIMITED

Company Statement of Profit or Loss and Other Comprehensive Income
Year ended December 31, 2021

	Notes	2021 $'000	2020 $'000
Gross operating revenue:			
Management fees - subsidiaries	15	41,095	36,846
- other	15	26,030	-
Interest income - subsidiaries		19,658	5,427
- other		87,107	56,293
Dividends	16	360,598	329,468
Rent - subsidiaries	15	22,488	21,321
- other	15	499	1,838
		557,475	451,193
Administration and other operating expenses	17	(414,184)	(378,313)
Profit from operations		143,291	72,880
Net gain from fluctuation in exchange rates	16	153,091	98,644
Gain on disposal of investments and property, plant and equipment		-	424,232
Debt forgiveness		1,626	-
Increase in impairment allowance on loans and receivables - subsidiaries	8	(167,598)	(10,865)
Profit before finance cost and taxation		130,410	584,891
Finance cost - interest	16	(122,218)	(112,745)
Profit before taxation		8,192	472,146
Taxation	18	(22)	(191)
Profit for the year		8,170	471,955
Other comprehensive loss:			
Items that will not be reclassified to profit or loss:			
Depreciation in fair value through other comprehensive income ("FVOCI") investments		(1,059)	(7,988)
Total comprehensive income for the year		7,111	463,967

The accompanying notes form an integral part of the financial statements.

JAMAICA PRODUCERS GROUP LIMITED

Company Statement of Changes in Equity
Year ended December 31, 2021

	Share capital $'000 (note 12)	Share premium $'000 (note 13)	Capital reserves $'000 (note 13)	Fair value reserves $'000 (note 13)	Retained profits $'000	Total equity $'000
Balances at December 31, 2019	112,214	135,087	1,005,101	6,970	2,556,551	3,815,923
Total comprehensive income for 2020:						
Profit for the year	-	-	-	-	471,955	471,955
Other comprehensive income:						
Items that will not be reclassified to profit or loss						
Depreciation of investments at fair value through other comprehensive income	-	-	-	(7,988)	-	(7,988)
Total comprehensive (loss) /income for the year	-	-	-	(7,988)	471,955	463,967
Other reserve movements:						
Reclassification of capital gains to capital reserves	-	-	1,029,214	-	(1,029,214)	-
Transactions with stockholders						
Capital distributions (note 19)	-	-	(224,429)	-	-	(224,429)
Unclaimed distributions to stockholders written back (note 19)	-	-	6,842	-	-	6,842
Balances at December 31, 2020	112,214	135,087	1,816,728	(1,018)	1,999,292	4,062,303
Total comprehensive income for 2021:						
Profit for the year	-	-	-	-	8,170	8,170
Other comprehensive income:						
Items that will not be reclassified to profit or loss						
Depreciation in investments at fair value through other comprehensive income	-	-	-	(1,059)	-	(1,059)
Total comprehensive (loss)/income for the year	-	-	-	(1,059)	8,170	7,111
Transactions with owners of the company						
Capital distributions (note 19)	-	-	(280,536)	-	-	(280,536)
Unclaimed distributions to stockholders written back (note 19)	-	-	10,052	-	-	10,052
Balances at December 31, 2021	112,214	135,087	1,546,244	(2,077)	2,007,462	3,798,930

The accompanying notes form an integral part of the financial statements.

JAMAICA PRODUCERS GROUP LIMITED

Company Statement of Cash Flows
Year ended December 31, 2021

	Notes	2021 $'000	2020 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		8,170	471,955
Adjustments for:			
Depreciation – plant, property and equipment	10	9,296	9,222
Amortisation – right-of-use assets	11	4,026	4,026
Net unrealised exchange gains		(153,854)	(98,653)
Gain on disposal of property, plant and equipment and investments		-	(424,232)
Debt forgiveness		(1,626)	-
Increase in provision for diminution in value of interest in subsidiaries	8	167,598	10,865
Expected credit loss charge on trade receivables	17	2,348	1,213
Amortisation of bond issuance costs	14	744	12,274
Interest income	16	(106,765)	(61,720)
Interest expense	16	122,218	112,745
Current taxation charge	18	22	191
		52,177	37,886
Decrease/(increase) in current assets:			
Accounts receivable		2,593	(10,711)
Taxation recoverable		(14,220)	3,771
Increase/(decrease) in current liabilities:			
Accounts payable		44,109	51,588
Unclaimed dividends		44,428	36,272
Taxation paid		(22)	(191)
Net cash provided by operating activities		129,065	118,615
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Short term investments		684,015	(874,709)
Securities purchased under resale agreements		(71,917)	(916,213)
Additions to property, plant and equipment	10	(2,238)	(2,058)
Interest received		116,762	34,942
Interests in subsidiary and associate companies		(403,646)	1,442,880
Proceeds from disposal of investments and property, plant and equipment		-	467,303
Net cash provided by investment activities		322,976	152,145
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution to stockholders	19	(224,429)	(168,322)
Interest paid		(67,224)	(95,645)
Lease payments		(5,551)	(6,251)
Loans and borrowings		(130,000)	(70,206)
Net cash used by financing activities		(427,204)	(340,424)
Net increase/(decrease) in cash and cash equivalents		24,837	(69,664)
Effect of foreign exchange movement		(16,500)	(3,287)
Cash and cash equivalents at beginning of year		15,620	88,571
Cash and cash equivalents at end of year		23,957	15,620

The accompanying notes form an integral part of the financial statements.

1. The company

Jamaica Producers Group Limited ("the company") is incorporated and domiciled in Jamaica. The company's registered office is located at 4 Fourth Avenue, Newport West, Kingston 13.

Its principal activities are the provision of administration services to its subsidiaries and associates (note 23) and the holding of investments.

On October 16, 2021, the company completed an investment in Grupo Frontera Limited ("GFL"), a joint venture holding company. The investment was made by subscription of shares and through a long term loan. The company owns 50% of the issued shares of GFL. On the same date, a subsidiary of GFL, Grupo Alaska SA, acquired the assets of an ice and bottled water producer and distributor in the Dominican Republic. (see note 8).

During the prior year, as part of the group's divestment of 22.1% of the issued share capital of SAJE Logistics Infrastructure Limited ("SAJE"), the company sold all its shares in SAJE to P.S.C. Limited, a subsidiary, for consideration of $462,471,000.

2. Statement of compliance and basis of preparation

(a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations issued by the International Accounting Standards Board ("IASB") and comply with the provisions of the Jamaican Companies Act.

Certain new, revised and amended standards and interpretations came into effect during the current financial year. The company has assessed them and has adopted those which are relevant to its financial statements but their adoption did not result in any material changes to amounts recognised or disclosed in these financial statements.

At the date of authorisation of the financial statements, certain new and amended standards have been issued which are not yet effective and which the company has not early adopted. The company has assessed the relevance of all such new standards and amendments with respect to its operations and has determined that the following may be relevant:

- Amendments to IAS 37 *Provision*, *Contingent Liabilities and Contingent Assets* is effective for annual periods beginning on or after January 1, 2022 and clarifies those costs that comprise the costs of fulfilling the contract.

  The amendments clarify that the "costs of fulfilling a contract" comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. This clarification will require entities that apply the "incremental cost" approach to recognise bigger and potentially more provisions. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.

  The company is assessing the impact that the amendment will have on its financial statements.

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance: (continued)

Standards issued but not yet effective (continued)

- Annual Improvements to IFRS Standards 2018-2020 cycle contain amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS *9 Financial Instruments,* IFRS 16 *Leases*, IAS 41 *Agriculture*, and are effective for annual periods beginning on or after January 1, 2022.

  (i) IFRS 9 *Financial Instruments* amendment clarifies that – for the purpose of performing the "10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

  (ii) IFRS 16 *Leases* amendment removes the illustration of payments from the lessor relating to leasehold improvements.

  The company does not expect the amendment to have a significant impact on its financial statements.

- Amendments to IAS 1 *Presentation of Financial Statements,* will apply retrospectively for annual reporting periods beginning on or after January 1, 2023. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

  Under existing IAS 1 requirements, entities classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Instead of the requirement for a right of deferral to be unconditional, the standard requires that a right to defer settlement must have substance and exist at the reporting date. An entity classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting date. It has also been clarified that a right to defer exists only if the entity is in compliance with conditions specified in the loan agreement at the reporting date, even if the lender does not test compliance until a later date.

  The company is assessing the impact that the amendment will have on its financial statements.

- Amendments to IAS 1 *Presentation of Financial Statements* are effective for annual periods beginning on or after January 1, 2023 and may be applied earlier. The amendments help companies provide useful accounting policy disclosures.

  The key amendments to IAS 1 include:

  - requiring companies to disclose their *material* accounting policies rather than their *significant* accounting policies;

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance: (continued)

Standards issued but not yet effective (continued)

- Amendments to IAS 1 *Presentation of Financial Statements* (continued)

  The key amendments to IAS 1 include (continued):

  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

  The amendments are consistent with the refined definition of material:

  "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

  The company is assessing the impact that the amendment will have on its financial statements.

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* are effective for periods beginning on or after January 1, 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

  The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

  Developing an accounting estimate includes both:

  - selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 *Financial Instruments*: and
  - choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

  The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

  The company is assessing the impact that the amendment will have on its financial statements.

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance: (continued)

Standards issued but not yet effective (continued)

- Amendments to IAS 12 *Income Taxes* are effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted. The amendments clarify how companies should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions.

  The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

  For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If a company previously accounted for deferred tax on leases and decommissioning liabilities under the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability.

  For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

  The company is assessing the impact that the amendment will have on its financial statements.

(b) Basis of preparation:

These separate financial statements are intended to show the affairs of the company as a stand-alone business. They are not intended to, and do not, show the consolidated financial position, results of operations and cash flows of the company and its subsidiaries. The company's interests in subsidiaries [note 23] are measured at cost, less allowance for diminution in value [note 3(i)]. Unless otherwise indicated, references to "financial statements" herein are to the unconsolidated financial statements.

The financial statements are prepared on the historical cost basis, except for fair value through other comprehensive income "(FVOCI)" investments, which are measured at fair value. The financial statements are presented in Jamaican Dollars (J$), which is the functional currency of the company.

(c) Use of estimates and judgment:

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of, and disclosures relating to assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from those estimates.

2. Statement of compliance and basis of preparation (continued)

(c) Use of estimates and judgment (continued):

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.

Judgement made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year is discussed below:

Impairment of investment in subsidiaries

Impairment of investment in subsidiaries is dependent upon management's internal assessment of future cash flows from subsidiaries. That internal assessment determines the recoverable value of subsidiaries. The estimate of the amount recoverable from future operations of the company's subsidiaries are sensitive to the discount rates and expected cashflows and weighted average cost of capital used.

3. Significant accounting policies

The company has consistently applied the accounting policies as set out in note 3 to all periods presented in these financial statements.

(a) Foreign currencies:

Except for investments in foreign subsidiaries, foreign currency balances at the reporting date are translated at the buying rates of exchange ruling at that date [note 22(b)(ii)]. Investments in foreign subsidiaries are carried at historical rates of exchange.

Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions. Gains and losses arising from fluctuations in exchange rates are included in profit or loss.

(b) Financial instruments – classification, recognition and de-recognition, and measurement:

Financial instruments carried on the statement of financial position include cash and cash equivalents, accounts receivable, securities purchased under resale agreement, short-term investments, equity investments, accounts payable, loans and borrowing and lease liabilities.

Financial assets

Initial recognition and measurement

Financial assets that are not designated as at fair value through profit or loss and: a) are held within a business model whose objective is to hold assets to collect contractual cash flows, and b) have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified as "Held to collect" and measured at amortised cost.

3. Significant accounting policies (continued)

(b) Financial instruments – classification, recognition and de-recognition, and measurement (continued):

Initial recognition and measurement (continued)

Amortised cost represents the net present value ("NPV") of the consideration receivable or payable as of the transaction date. This classification of financial assets comprises the following captions:

- Cash and cash equivalents;
- Accounts receivable;
- Securities purchased under resale agreements; and
- Short-term investments.

Due to their short-term nature, the company initially recognises these assets at the original invoiced or transaction amount less expected credit losses.

Equity instruments

On initial recognition of an equity instrument, the company elects to irrevocably designate an equity investment at fair value through other comprehensive income("OCI"). Subsequent changes in the investment at fair value are recorded in OCI.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described in the particular recognition methods disclosed in their individual policy notes.

Impairment of financial assets

Impairment losses of financial assets, including receivables, are recognised using the expected credit loss model for the entire lifetime of such financial assets on initial recognition, and at each subsequent reporting period, even in the absence of a credit event or if a loss has not yet been incurred, considering past events and current conditions, as well as reasonable and supportable forecasts affecting collectability.

Derecognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired, or the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs. The company's financial liabilities, which include accounts payable, are recognised initially at fair value.

3. Significant accounting policies (continued)

(b) Financial instruments – classification, recognition and de-recognition, and measurement (continued):

Financial liabilities (continued)

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described in the particular recognition methods disclosed in their individual policy notes.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(c) Cash and cash equivalents:

Cash comprises cash in hand and demand and call deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments, rather than for investment or other purposes.

(d) Short-term investments:

Short-term investments comprise fixed deposits with banks, money market securities and debt instruments at amortised cost due within one year. They are acquired for their earnings potential and for balancing the company's risks on its investment portfolio. Their nature, liquidity and risk are similar to those of cash and cash equivalents.

(e) Securities purchased under resale agreements:

Securities purchased under resale agreements ("reverse repos") are short-term transactions in which the company makes funds available to other parties and in turn receives securities which it agrees to resell on a specified date at a specified price.

Reverse repos are accounted for as short-term collateralised lending.

The difference between the sale and repurchase consideration is recognised on the accrual basis over the period of the transaction and is included in interest income.

(f) Accounts receivable

Trade and other receivables are measured at amortised cost, less impairment losses.

3. Significant accounting policies (continued)

(g) Accounts payable and provisions

Trade and other payables, including provisions, are measured at amortised cost. A provision is recognised when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(h) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of an asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs related to the acquisition or construction of qualifying assets are recognised as part of the cost of those qualifying assets.

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

(ii) Depreciation

Property, plant and equipment, with the exception of freehold land, on which no depreciation is provided, are depreciated on the straight-line basis at annual rates estimated to write-off the assets over their expected useful lives. Depreciation methods, useful lives and residual values are reassessed at each reporting date.

The depreciation rates are as follows:

Leasehold land and buildings	5%
Freehold buildings	5%
Furniture and equipment	10%
Motor vehicles	20%
Computer software and equipment	33⅓%

3. Significant accounting policies (continued)

(i) Impairment

The company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

At each reporting date, the loss allowance on trade receivables is always measured at an amount equal to the lifetime expected credit losses. The loss allowance for other financial assets is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The company uses judgement when considering the following factors that affect the determination of impairment:

Macroeconomic Factors, Forward Looking Information and Multiple Scenarios

The company applies an unbiased and probability weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions. Macroeconomic factors and forward-looking information are incorporated into the measurement of ECL as well as the determination of whether there has been a significant increase in credit risk since origination.

Measurement of ECLs at each reporting date reflects reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. The company uses three scenarios that are probability weighted to determine ECL.

For accounts receivable, the company applies the simplified approach to providing for expected credit losses, which allows the use of a provision matrix. The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward-looking information.

(j) Leases

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company uses the definition of a lease in IFRS 16.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

3. Significant accounting policies (continued)

(j) Leases (continued)

(i) As a lessee (continued)

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the company by the end of the lease term or the cost of the right-of-use asset reflects that the company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. The right-of-use asset is reduced by impairment losses, if any, and periodically adjusted for remeasurements of the lease liability.

The lease liability is initially measured at the present value of the scheduled lease payments at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

The company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option, or if there is a revised in-substance fixed lease payment.

3. Significant accounting policies (continued)

(j) Leases (continued):

(i) As a lessee (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The company recognises the lease payments associated with these leases as an expense on the straight-line basis over the lease term.

(ii) As a lessor

When the company acts as a lessor, it makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

(k) Employee benefits:

Employee benefits are all forms of consideration given by the company in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, NIS contributions, annual leave, and non-monetary benefits such as medical care and housing; post-employment benefits such as pensions; and other long-term employee benefits such as termination benefits.

Employee benefits that are earned as a result of past or current service are recognised in the following manner:

- short-term employee benefits are recognised as a liability, net of payments made, and charged as expense.
- the expected cost of vacation leave that accumulates is recognised when the employee becomes entitled to the leave.
- post-employment benefits are pensions provided through a defined contribution pension plan in which the company participates. The company's contributions to the plan are charged to profit or loss in the period in which they are due.

3. Significant accounting policies (continued)

(l) Revenue:

Performance obligations and revenue recognition policies:

Revenue is measured based on the consideration specified in a contract with a customer. The company recognises revenue over time as the service is provided.

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows:

Performance obligations and revenue recognition policies:

Type of revenue	Nature and timing of satisfaction of performance obligations, including significant payment terms.	Revenue recognition under IFRS 15
Rental income	The company rents land and buildings to tenants. Rental income is based on market rates and charged monthly according to an agreement.	Recognised over time as the services are provided.
Management fees	The company provides services to its subsidiaries. Fees are based on the provision of comparable services in the market and are charged on a monthly basis.	Recognised over time as the services are provided.
Dividend income	. The company earns dividends from subsidiaries and associated companies and equity investments.	Recognised at the point in time that the company's right to receive payment is established.

(m) Finance costs:

Finance costs represent interest payable on borrowings together with amortised transaction costs and are recognised in profit or loss using the effective interest method.

(n) Interest income:

Interest income is recognised in profit or loss as it accrues, taking into account the effective interest on the asset.

3. Significant accounting policies (continued)

(o) Taxation:

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income, in which case it is also recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(p) Loans payable:

Loans payable are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, loans are measured at amortised cost using the effective interest method.

(q) Subsidiaries and associated companies:

Interests in subsidiaries and associated companies are measured at cost, less allowance for impairment.

4. Cash and cash equivalents

This comprises cash and deposit balances with maturities of ninety (90) days or less.

5. Short term investments

This comprises fixed deposits bearing interest of 3% annually.

6. Accounts receivable

	2021 $'000	2020 $'000
Staff receivables	778	4,768
Prepayment	6,218	7,402
Other receivables and prepayments	31,774	45,600
	38,770	57,770
Less: Allowance for impairment	(14,374)	(11,245)
	24,396	46,525

6. Accounts receivable (continued)

The movement in the allowance for impairment in respect of accounts receivable during the year is as follows:

	2021 $'000	2020 $'000
Balance at January 1	11,245	9,237
Impairment losses recognised	8,948	1,213
Impairment losses written back	(6,600)	-
Exchange loss	781	795
Balance at end of year	14,374	11,245

7. Accounts payable

	2021 $'000	2020 $'000
Dividends payable	280,536	224,429
Loan from ESOP	231,524	171,363
Loan from Trusts	122,738	87,973
Accrued staff costs	110,645	121,135
Accrued expenses	33,579	38,533
Interest payable	14,767	16,618
Trade payables	4,553	4,029
Unclaimed dividends	9,663	10,052
Other	9,042	8,867
	817,047	682,999

8. Interest in subsidiaries, associates and joint ventures

	2021 $'000	2020 $'000
Subsidiary companies:		
Shares, at cost	4,151,890	4,129,526
Loan accounts receivable	351,407	563,642
Current accounts receivable	2,677,421	2,077,957
Less: Impairment allowance	(790,555)	(458,369)
Loan accounts payable	(2,672,702)	(2,630,120)
Current accounts payable	(114,855)	(57,925)
Interest in subsidiaries	3,602,606	3,624,711
Joint ventures:		
Shares	36,942	-
Loan	255,142	-
Interest in subsidiaries, associates and joint ventures	3,894,690	3,624,711

Shares held in a subsidiary are pledged as security against a term loan (note 14).

During the year the company acquired a 50% shareholding in Grupo Frontera Limited (GFL) through subscription of shares. At the same time the company provided a long-term loan to GFL.

The loan bears 2.5% interest per annum. The loan plus any outstanding interest is repayable on or before October 31, 2031.

JAMAICA PRODUCERS GROUP LIMITED

Notes to the Financial Statements (Continued)
Year December 31, 2021

8. Interest in subsidiary and joint ventures (continued)

The recoverable amount of the company's investment in each subsidiary is reviewed annually for impairment. The impairment review at the end of the year resulted in an increase in the impairment allowance of $167,598,000 (2020: $10,865,000). Additionally, during 2020, as part of the acquisition of the interests of a non-controlling interest in the receivables of a non-trading subsidiary, the company acquired a receivable with the same subsidiary totalling $164,588,000 for consideration of $1. The company has assessed the receivable as fully impaired and immediately increased the total impairment allowance by $164,588,000.

9. Investments

This comprises quoted equity investments measured at fair value through other comprehensive income.

10. Property, plant and equipment

	Work -in-progress $'000	Freehold land and buildings $'000	Leasehold land and buildings $'000	Equipment, vehicles and furniture $'000	Total $'000
Cost					
December 31, 2019	125	74,034	39,569	129,215	242,943
Additions	-	-	-	2,058	2,058
Disposals	-	(1)	-	-	(1)
December 31, 2020	125	74,033	39,569	131,273	245,000
Additions	-	-	-	2,238	2,238
Disposals	-	-	-	(280)	(280)
December 31, 2021	125	74,033	39,569	133,231	246,958
Depreciation					
December 31, 2019	-	26,441	13,305	108,453	148,199
Charge for the year	-	2,019	1,272	5,931	9,222
December 31, 2020	-	28,460	14,577	114,384	157,421
Charge for the year	-	2,161	1,272	5,863	9,296
Eliminated on disposal	-	-	-	(280)	(280)
December 31, 2021	-	30,621	15,849	119,967	166,437
Net book values					
December 31, 2021	125	43,412	23,720	13,264	80,521
December 31, 2020	125	45,573	24,992	16,889	87,579
December 31, 2019	125	47,593	26,264	20,762	94,744

11. Leases

(a) Right-of-use assets

	Leasehold land and buildings
	$'000
Balance at January 1, 2020	72,471
Depreciation charge for the year	(4,026)
Balance at December 31, 2020	68,445
Depreciation charge for the year	(4,026)
Balance at December 31, 2021	64,419

(b) Lease liabilities

	2021	2020
	$'000	$'000
Maturity analysis - contractual cash flows:		
Less than one year	7,830	6,801
One to five years	41,530	35,471
More than five years	95,140	90,029
Total contractual cash flows	144,500	132,301
Less: future interest	(76,626)	(68,206)
	67,874	64,095
Less: current portion	(5,974)	(5,795)
Non-current	61,900	58,300
Amounts recognised in profit or loss		
Interest on lease liabilities	(1,249)	494
Amounts recognised in the statement of cash flows		
Total cash outflow for leases	7,465	6,251

(c) Real estate leases

The company leases land and buildings for its office space. The leases of office space typically run for a period of 10 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases provide for additional rent payments that are based on changes in local price indices in the period. Some also require the company to make payments that relate to the property taxes levied on the lessor and insurance payments made by the lessor. These amounts are generally determined annually.

11. Leases (continued)

(d) As the Lessor

Leases relate to property owned by the company that is leased to its subsidiaries with lease terms of between 2 to 5 years, with options to extend for a further 1 to 5 years. The lessees do not have the option to purchase the property at the expiry of the lease period.

The company earned property rental income of $22,987,000 (2020: $23,159,000) under operating leases. Direct operating expenses arising on leased property in the period was $1,338,328 (2020: $1,060,000).

Commitments for income under non-cancellable operating leases at year-end are as follows:

	2021 $'000	2020 $'000
Within one year	9,434	18,381
In the second to fifth year inclusive	29,759	37,734
	39,193	56,115

12. Share capital

Authorised:
1,500,000,000 ordinary shares at no par value.

Stated capital, comprises 1,122,144,036 issued and fully paid stock units.

The company's stated capital does not include share premium which is retained in capital reserves (note 13) in accordance with Section 39 (7) of the Companies Act.

13. Reserves

	2021 $'000	2020 $'000
Capital:		
Share premium (note 12)	135,087	135,087
Other	1,546,244	1,816,728
Fair value reserve	(2,077)	(1,018)
	1,679,254	1,950,797
Revenue:		
Retained profits	2,007,462	1,999,292
	3,686,716	3,950,089

Other capital reserves comprise gains on disposal of property, plant and equipment and investments up to December 31, 2021, unrealised exchange gains and unclaimed dividends to stockholders (note 19).

The company declared a capital distribution of $0.25 (2020: $0.20) per share unit effective December 20, 2021 (note 19).

JAMAICA PRODUCERS GROUP LIMITED

Notes to the Financial Statements (Continued)
Year December 31, 2021

14. Loans and borrowings

	2021 $'000	2020 $'000
Term loan	1,105,000	1,235,000
Less borrowing cost:		
Balance at start of the year	(4,710)	(11,778)
Incurred during the year	-	(5,206)
Amortised for the year	744	12,274
	(3,966)	(4,710)
Total carrying value of long-term loan	1,101,034	1,230,290
Less: current portion long term loan	(130,000)	(130,000)
	971,034	1,100,290

A term loan of $1,300,000,000 was entered into on March 30, 2020 with The Bank of Nova Scotia Jamaica Limited. It is secured by shares in Kingston Wharves Limited and is repayable by April 2027 with principal repayable in 13 semi-annual payments of $65,000,000 and a final payment of $455,000,000 in April 2027. Interest accrues at a rate of 5.35% p.a.

15. Gross operating revenue

Gross operating revenue comprises management fees earned by the company for services rendered to its subsidiaries and joint ventures.

The following table shows a disaggregation of contract revenue by primary markets, major products and services and timing of recognition:

	2021 $'000	2020 $'000
Primary Geographic Market		
Europe	40,669	12,756
Caribbean	49,443	47,249
	90,112	60,005
Major Service		
Corporate services	67,125	36,846
Property rental	22,987	23,159
	90,112	60,005
Timing of recognition		
Services transferred over time	90,112	60,005

16. Financial income and expenses

	2021 $'000	2020 $'000
Finance income:		
Interest income on bank deposits, loans and receivables	106,765	61,720
Dividend income	360,598	329,468
Net foreign exchange gain	153,091	98,644
	620,454	489,832
Finance costs:		
Interest expense on financial liabilities measured at amortised cost	(120,969)	(112,251)
Interest expense – lease liability [note 11(b)]	(1,249)	(494)
	(122,218)	(112,745)
Net finance income	498,236	377,087

17. Administrative and other operating expenses

	2021 $'000	2020 $'000
Administrative and other expenses:		
Advertising & promotion	2,751	1,530
Audit – current year	16,870	15,671
prior year	-	1,865
Bad debt	2,348	1,213
Bank charges	4,873	754
Depreciation – property, plant and equipment	9,296	9,222
Depreciation – right-of-use assets	4,026	4,026
Director's emoluments – fees	11,340	12,268
Donations	5,281	17,670
Insurance	2,536	2,041
IT & Communications	6,306	4,799
Legal & professional	35,387	36,562
Office costs	1,015	504
Other property costs, maintenance, security, cleaning	7,332	7,400
Staff costs	258,594	223,693
Transport, automobile and associated costs	4,532	2,869
Travel	23,447	9,303
Utilities	2,525	1,968
Other	15,725	24,955
Total administrative and other operating expenses	414,184	378,313

18. Taxation

(a) The taxation charge is based on the company's results for the year, as adjusted for tax purposes and comprises:

	2021 $'000	2020 $'000
Current tax expense:		
Withholding tax at source on dividend	22	191

(b) Reconciliation of actual taxation charge:

The effective tax rate for 2021 was 0.27% (2020: 0.04%) compared to a statutory rate of 25% (2020: 25%). The actual tax charge differs from the "expected" tax charge for the year as follows:

	2021 $'000	2020 $'000
Profit before taxation	8,192	472,146
Computed "expected" tax charge at 25%	2,048	118,037
Taxation difference between profit for financial statements and tax reporting purposes on:		
Gain on sale of investment and property, plant and equipment	-	(103,606)
Foreign currency gain on capital items	(42,420)	(21,164)
Capital adjustments		-
Disallowed income and expenses, depreciation and other items	40,394	6,924
Actual tax charge recognised in the profit and loss account	22	191

(c) At December 31, 2021, taxation losses subject to agreement by the Commissioner General, Tax Administration Jamaica, available for relief against future taxable profits amounted to approximately $1,614,079,640 (2020: $1,579,744,749). As of January 1, 2014, tax losses may be carried forward indefinitely; however, the amount that can be utilised is restricted to 50% of chargeable income (before prior year losses) in any one year.

A deferred tax asset of $403,519,910 (2020: $394,936,619) has not been recognised as management considers its realisation within the foreseeable future to be uncertain.

19. Capital distributions

	2021 $'000	2020 $'000
Capital distributions:		
First interim - $0.25¢ (2020: $0.20¢) per stock unit - gross	280,536	224,429
Unclaimed capital distributions written back to capital reserves (note 13)	(10,052)	(6,842)
	270,484	217,587

20. Contingent liabilities

The company has given a commitment to one of its subsidiaries of its intention to provide financial support as necessary for its operations for the foreseeable future. That subsidiary has a net shareholders' surplus of $65 million at December 31, 2021 (2020: surplus of $167 million).

21. Related parties

(a) Identity of related parties:

The company has related party relationships with its directors and officers. The company's executive directors and officers are collectively referred to as "key management personnel".

(b) Transactions with directors and other key management personnel:

Directors and officers of the company, their immediate relatives and entities over which they have significant influence control 32.0% (2020: 31.9%) of the voting shares of the company. In addition to their salaries, the company contributes to post-employment benefit plans on behalf of key management personnel.

	2021 $'000	2020 $'000
Short-term employment and other benefits	164,407	143,016
Post-employment benefits	12,582	8,874
Total remuneration, included in directors' emoluments And staff costs, where applicable (note 17)	176,989	151,890

(c) Transactions with other related parties, directors and key management personnel in other capacities:

Category and nature of relationship	Nature of transactions	Transactions in year (income)/expense 2021	Transactions in year (income)/expense 2020	(Payable)/receivable at end of year 2021	(Payable)/receivable at end of year 2020	Terms and conditions *
Associate	Dividend income	-	1,274	-	-	3
50% Joint venture	Management Fee	26,014	-	-	-	2,3
Transactions with directors and key management personnel or entities under their control and/or significant influence:						
Company under their control	Insurance premiums charged to company by broker	2,705	2,297	-	-	1.2,3

* The number in each row represents the terms and conditions that are applicable to the stated transactions and their meanings are as follows:

1. Credit of up to 30 days
2. Unsecured
3. Settlement in cash
4. Credit over 30 days

22. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents, short-term investments, securities purchased under resale agreements, accounts receivable and investments. Financial liabilities include long-term loans and accounts payable and lease liabilities.

(a) Fair value of financial instruments:

Fair value amounts represent estimates of the arm's length consideration for which an asset could be exchanged or a liability settled between knowledgeable, willing parties who are under no compulsion to act. Fair value is best evidenced by a quoted market price, if one exists.

The fair value of cash and cash equivalents, securities purchased under resale agreements, short-term investments, accounts receivable and accounts payable are assumed to approximate their carrying values due to their relatively short-term nature. The fair value of long-term loans is assumed to approximate the carrying value as the interest rate reflects the market rate. Fair value of quoted investments is the market value. This method falls within the level 1 fair value hierarchy and is defined as quoted prices (unadjusted) in an active market for identical assets. The fair values of other investments are assumed to be cost, less allowance for impairment.

The company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk including interest rate risk, currency risk and price risk. Information about the company's exposure to each of the above risks, and the company's objectives, policies and processes for measuring and managing risk are detailed below.

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework.

The risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. Management standards and procedures aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(i) Credit risk

Credit risk is the risk of financial loss to the company if a counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from amounts due from customers, securities purchased under resale agreements, other investments and cash and cash equivalents.

The maximum exposure to credit risk at the reporting date is equal to its carrying value.

The company manages this risk as follows:

- Cash and cash equivalents and short-term investments

  The company maintains cash resources and short-term deposits with reputable financial institutions. The credit risk is considered to be low.

  No allowance for impairment is deemed necessary.

22. Financial instruments (continued)

(a) Financial instrument risks (continued):

(i) Credit risk (continued)

The company manages this risk as follows (continued):

- Securities purchased under resale agreements

  Assigned collateral, with a fair value of $1,344,281,000 (2020: $1,298,117,000) was held for securities purchased under resale agreements [note 3(e)].

  The allowance for impairment is immaterial.

- Accounts receivable

  The company has a credit policy in place to minimize exposure to credit risk inherent in trade accounts receivable. Credit terms are negotiated based on a mix of terms acceptable to both parties.

  Allowances are determined upon origination of the trade accounts receivable based on a model that calculates the expected credit loss ("ECL") of the trade accounts receivable over their lifetime.

  The company estimates expected credit losses ("ECL") on trade receivables using a provision matrix based on historical credit loss experience as well as the credit risk and expected developments for each group of customers.

  The company has one trade receivable whose balance at December 31, 2021 was credit impaired and 100% provision was recorded.

  Staff and other receivables are subject to credit terms consistent with staff guidelines and other factors. These guidelines include the provision of collateral as security for credit extended.

(ii) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return on assets.

The company manages this risk by conducting research and monitoring the price movement of securities on the local and international markets.

There were no changes in the company's approach to managing market risk during the year.

22. Financial instruments (continued)

(b) Financial instrument risks (continued):

(ii) Market risk (continued)

Currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The company is exposed to foreign currency risk on transactions that are denominated in currencies other than the Jamaican dollar. The main currencies giving rise to this risk are the Pound Sterling ("GBP"), Euro ("EUR") and United States dollar ("USD").

The company manages this risk by matching foreign currency assets with liabilities as far as possible. Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying operations in which the borrowings are invested. This provides an economic hedge and no derivatives are entered into.

There were no changes in the company's approach to managing foreign currency risk during the year.

There were no material foreign currency financial assets or liabilities at year-end.

Foreign currency sensitivity analysis

The following table details the company's sensitivity to a 8% strengthening or 2% weakening of the relevant currencies against the Jamaica dollar and the resultant net exchange gains or losses based on the net foreign currency assets or liabilities at year-end.

These percentages represent management's assessment of the reasonably possible change in foreign currency rates.

This analysis assumes that all other variables, in particular interest rates, remain constant. This analysis is performed on the same basis as in the previous year.

(i) 8% (2020: 6%) Depreciation of JMD

	Effect on profit	
	2021	2020
USD	197,263	97,273
GBP	1,585	5,576
EUR	14,107	20,582

(ii) 2% (2020: 4%) Appreciation of JMD

	Effect on profit	
	2021	2020
USD	49,315	68,849
GBP	396	3,717
EUR	3,527	13,721

22. Financial instruments (continued)

(b) Financial instrument risks (continued):

(ii) Market risk (continued)

Currency risk (continued)

Foreign currency sensitivity analysis (continued)

(i) (continued)

Buying exchange rates at:

	December 31	
	2021	2020
USD 1 to JMD 1	152.75	140.77
GBP 1 to JMD 1	208.11	186.97
EUR 1 to JMD 1	167.78	170.46

Interest rate risk

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

Bank loans and overdrafts are subject to interest rates which may be varied with appropriate notice from the lender.

At the reporting date the interest rate profile of the company's interest-bearing financial instruments was:

	2021	2020
	$'000	$'000
Fixed-rate instruments		
Financial liabilities	1,105,000	1,235,000

There were no changes in the company's approach to managing interest rate risk during the year.

Other price risk

Other price risk is the risk that the value of certain financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment or its issuer, or all factors affecting instruments traded in the market generally. As the company's financial equity investments, are carried at fair value with fair value changes recognised in the revaluation reserve, all changes in market conditions would affect other comprehensive income ("OCI").

The company's exposure to price risk is represented by the total carrying value of equity investments of $17,870,000 (2020: $18,929,000).

Sensitivity to movements in equity prices

Sensitivity is measured by computing the impact on shareholders' equity of a reasonably probable change in equity prices.

22. Financial instruments (continued)

(b) Financial instrument risks (continued):

(ii) Market risk (continued)

Other price risk (continued)

Sensitivity to movements in equity prices (continued)

The company's equity investments are listed locally on the Jamaica Stock Exchange. A 5% (2020: 10% increase in stock prices at the reporting date would have increased other comprehensive income by $893,500 (2020: $1,892,900); an equal decrease would have decreased other comprehensive income by an equal amount.

(iii) Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the company will not be able to meet its financial obligations as they fall due and/or encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed facilities.

The management of the company aims at maintaining flexibility in funding by ensuring that sufficient cash resources are held or placed in short-term marketable instruments to meet financial obligations when they fall due.

There were no changes in the company's approach to liquidity risk management during the year.

The following tables show the undiscounted cash flows of non-derivative financial liabilities, excluding lease liabilities, based on the earliest date on which the company can be required to pay. The analysis also assumes that all other variables, in particular interest and exchange rates, remain constant.

	Weighted average interest rate %	Carrying amount $'000	Contractual cash flows $'000	0-1 year $'000	1-5 years $'000	Over 5 years $'000
		2021				
Term Loan	5.35	1,105,000	1,334,525	187,374	1,147,151	-
		2020				
Term Loan	5.35	1,235,000	1,528,808	194,283	707,833	626,692

22. Financial instruments (continued)

(c) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the company defines as total shareholders' equity. The level of dividends to ordinary shareholders is also monitored in accordance with the company's stated dividend policy.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the company's approach to capital management during the year.

Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

23. Subsidiaries and associates and joint venture companies

The company has investments in the following subsidiaries and associates. The results of these companies are not included in these financial statements [see note 2(b)]. Subsidiaries of subsidiaries are indented under their respective parent in the list below. Inactive subsidiaries are excluded.

	% equity held		Place of
	2021	2020	business
SUBSIDIARY COMPANIES			
JP Tropical Group Limited	100	100	Jamaica
Agualta Vale Limited	100	100	Jamaica
Agri Services Limited	100	100	Jamaica
Eastern Banana Estates Limited	100	100	Jamaica
St. Mary Banana Estates Limited	100	100	Jamaica
JP Tropical Foods Limited	100	100	Jamaica
JP Snacks Caribbean Limited	70	70	Cayman Islands
Antillean Foods, Inc.	100	100	Cayman Islands
Jamaica Producers Shipping Company Limited	60	60	Jamaica
Kingston Wharves Limited	42	42	Jamaica
Harbour Cold Stores Limited	100	100	Jamaica
Security Administrators Limited	67	67	Jamaica
Western Storage	100	100	Jamaica
Western Terminals Limited	100	100	Jamaica

23. Subsidiaries and associates and joint venture companies (continued)

	% equity held		Place of
	2021	2020	business
Newport Stevedoring Services Limited	100	100	Jamaica
KW Logistics Limited	100	100	Jamaica
KW Warehousing Services Limited	100	100	Jamaica
Four Rivers Mining Company Limited	100	100	Jamaica
JP International Group Limited	100	100	Cayman Islands
Coöperatief JP Foods U.A.	100	100	The Netherlands
A.L.Hoogesteger Fresh Specialist B.V.	100	100	The Netherlands
JP Shipping Services Limited	100	100	England and Wales
JP Fresh Limited	100	100	England and Wales
Tortuga International Holdings Limited	62	62	St. Lucia
Tortuga (Barbados) Limited	100	100	Barbados
Tortuga Imports, Inc.	100	100	U.S.A
Tortuga Caribbean Rum Cake Jamaica Limited	100	100	Jamaica
Tortuga Caribbean Limited	100	100	Jamaica
ASSOCIATES AND JOINT VENTURES			
Tortuga Cayman Limited	40	40	Cayman Islands
Geest Line Limited	50	-	United Kingdom
Co Beverage Lab S.L.	50	-	Spain
Grupo Frontera Limited	50	-	St Lucia
Grupo Alaska S.A.	100	-	Dominican Republic