JAMAICA PRODUCERS GROUP LIMITED

Annual Report 2022

local roots. **global spirit.**

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12 "JP is a resilient and opportunity driven Group that has grown shareholders earnings 10-fold in the last decade. We intend to work with our partners at Pan Jamaica Group to continue this growth trajectory."

Our Vision

JP's Vision is inspired by our credo,

WE PRODUCE AND WE DELIVER FOR THE WORLD.

We believe in selecting, acquiring and developing a unique portfolio of exceptional Food & Drink and Logistics & Infrastructure global assets for which our team can deploy their special entrepreneurial talents to produce great value – always at world standards – and deliver world class returns for our shareholders.

JAMAICA PRODUCERS GROUP LIMITED

Notice of Meeting

NOTICE IS HEREBY GIVEN that the eighty sixth ANNUAL GENERAL MEETING of JAMAICA PRODUCERS GROUP LIMITED (the "Company") will be held at The Courtyard by Marriott, 1 Park Close, Kingston 5, at 10:00 o'clock in the forenoon of Friday June 16, 2023 to transact the business more particularly set out below, and to consider, and if thought fit, to pass the resolutions as set out below:

ORDINARY BUSINESS

1. To receive and consider the Directors' Report, Auditors' Reports and Audited Financial Statements of the Company and the Group for the year ended December 31, 2022:

   RESOLUTION:

   "THAT the Directors' Report, Auditors' Reports and Audited Financial Statements of the Company and the Group for the year ended December 31, 2022 be and are hereby adopted."

2. To fix the remuneration of the Auditors for 2022 or to determine the manner in which such remuneration is to be fixed:

   RESOLUTION:

   "THAT the remuneration of the Auditors, KPMG, having been fixed by the Directors for 2022, be and is hereby approved."

3. To ratify interim capital distributions and declare them final:

   RESOLUTION:

   "THAT the interim capital distribution of 30¢ per stock unit of record date December 20, 2022 be and is hereby ratified and declared final for 2022."

4. To re-appoint the Auditors:

   RESOLUTION:

   "THAT the Auditors, KPMG, having indicated their willingness to continue in office, be and are hereby re-appointed for the year 2024."

5. **To elect Directors:**

RESOLUTIONS:

a. "THAT Mr. Stephen Facey who retires after having been appointed to the Board since the last Annual General Meeting, be and is hereby elected a Director of the Company."

b. "THAT Dr. Swee Chua who retires after having been appointed to the Board since the last Annual General Meeting, be and is hereby elected a Director of the Company."

c. "THAT Mr. Alan Buckland who retires by rotation, be and is hereby re-elected a Director of the Company."

d. "THAT Mrs. Patricia Francis who retires by rotation, be and is hereby re-elected a Director of the Company."

6. **To fix the remuneration of Directors:**

RESOLUTION:

"THAT the amount of $14,390,000.00 shown in the Accounts for the year ended December 31, 2022 for Non-Executive Directors' fees be and is hereby approved."

7. **To transact any other competent business.**

BY ORDER OF THE BOARD

SIMONE M. PEARSON
Company Secretary

Kingston, Jamaica
April 11, 2023

A member of the Company who is entitled to attend and vote is entitled to appoint one or more proxies to attend and on a poll, to vote in his stead. A proxy need not be a member of the Company. Form of Proxy must be lodged at the Registered Office of the Company not later than forty-eight hours before the meeting. An appropriate Form of Proxy is attached, to which should be affixed adhesive stamps to the value of $100.00.

We Produce + We Deliver FOR THE WORLD

We are Jamaica Producers Group

ROOTED IN AMBITION

JP's story of bold ambition and entrepreneurship began over 90 years ago, when Jamaican banana farmers sought to expand their business beyond local shores, and to take their offerings to the world. So began our global journey of innovation, diversification and strategic partnership.

From our proud local beginnings to our international footprint today, we continue to define ourselves as a Jamaican company which is relentlessly global in its pursuits.

OPERATING SEGMENTS

JP Logistics & Infrastructure

16% INCREASE OVER 2021

We Deliver

$11.9B REVENUE

GEEST LINE
KINGSTON WHARVES LIMITED
JP SHIPPING SERVICES
CAPITAL INFRASTRUCTURE GROUP
Miami Freight and Shipping Company

JP Food & Drink

16% INCREASE OVER 2021

We Produce

$17.0B REVENUE

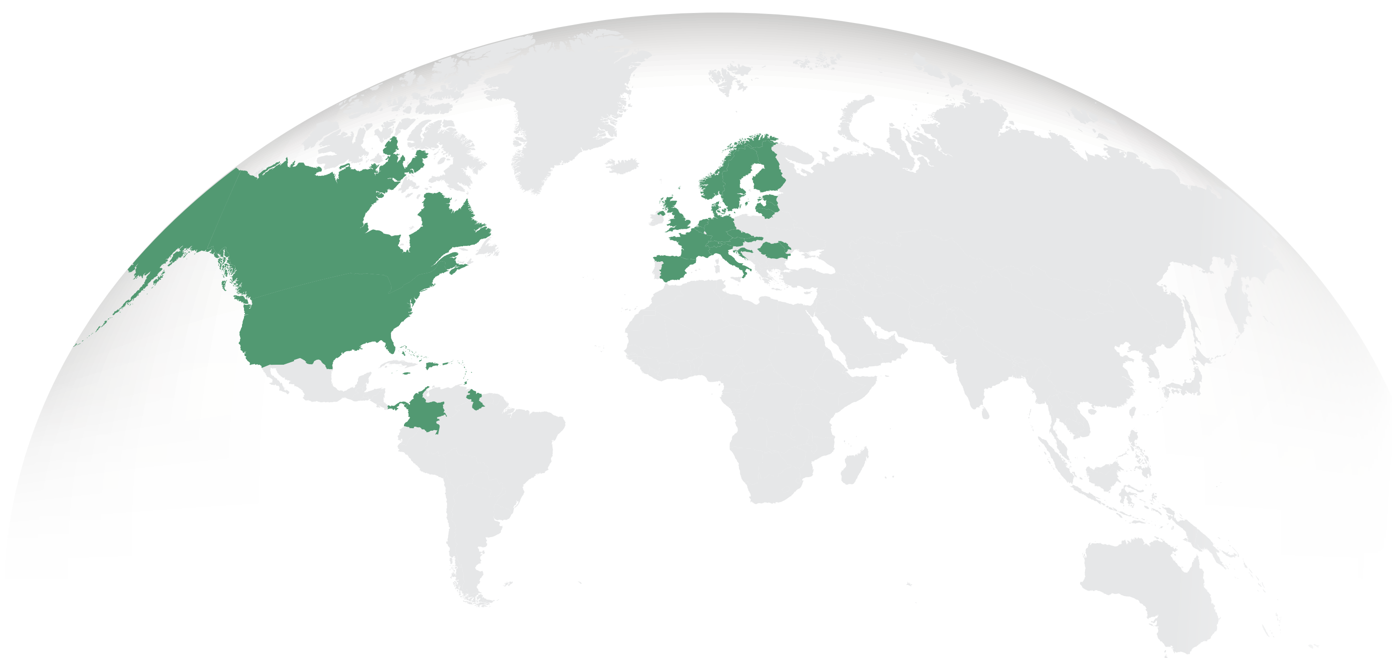
HOOGESTEGER partner in premium freshness
St. Mary's Where good things happen
TORTUGA
Alaska
CoBeverage LAB
JP Snacks CARIBBEAN LTD.

WHERE WE WORK AND SERVE

THE WORLD IS OUR COMMUNITY

THE AMERICAS Jamaica, Dominican Republic, Cayman Islands, Barbados, Bahamas, Dominica, St. Lucia, St. Vincent & the Grenadines, Grenada, Montserrat, Antigua & Barbuda, St. Kitts & Nevis, St. Martin, Turks & Caicos, British Virgin Islands, US Virgin Islands, Trinidad & Tobago, Panama, Guyana, Canada, United States of America, Colombia, Curaçao

EUROPE Netherlands, United Kingdom, Spain, Belgium, Sweden, Norway, Denmark, Finland, Germany, Estonia, Latvia, Lithuania, Czech Republic, Switzerland, Austria, Romania, Croatia, Slovakia, Moldova, Italy, France



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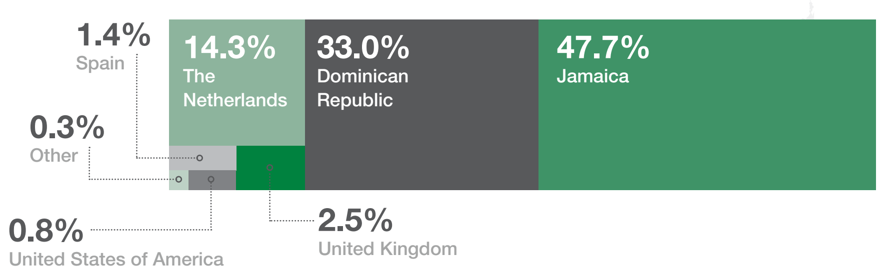
Employees
By Location



Group Financial Highlights

	2022	2021	2020
BALANCE SHEET ("$000")			
Total Assets	47,234,944	45,064,167	40,958,000
Net Current Assets (Working Capital)	10,353,895	10,579,435	8,824,594
Cash and Cash Equivalents	1,214,116	1,282,048	1,127,084
Total Borrowings	(4,038,617)	(3,774,617)	(3,611,190)
JP Stockholders' Equity	19,125,431	17,953,457	16,132,101
PROFIT & LOSS ("$000")			
Gross revenues	29,001,125	25,020,595	20,998,982
Profit/(loss) attributable to parent company stockholders	2,299,346	1,844,791	2,167,593
Distributions Declared	336,643	280,536	224,429
Earnings/(loss) per ordinary stock unit			
Based on stock units in issue	204.91¢	164.40¢	193.17¢
After exclusion of stock held by ESOP	218.65¢	176.12¢	207.11¢
FINANCIAL RATIOS			
Return on Sales	7.9%	7.4%	10.3%
Return on Equity	12.0%	10.3%	13.4%
Return on Total Assets	4.9%	4.1%	5.3%
Debt:Equity Ratio	11.3%	11.0%	11.7%
Current Ratio	2.54:1	2.82:1	2.78:1
Dividend Cover	6.83	6.58	9.66

2019	2018	2017	2016	2015	2014	2013
38,603,888	35,058,947	32,668,537	29,879,878	10,248,205	9,943,446	8,553,150
5,792,649	4,062,426	3,552,242	3,080,008	425,497	196,763	498,850
1,407,847	836,176	885,254	632,914	361,091	322,281	398,920
(4,393,209)	(4,522,981)	(4,776,732)	(4,597,709)	(2,219,740)	(2,150,083)	(1,243,761)
13,836,454	12,110,072	11,260,833	10,418,488	6,399,006	5,863,693	5,697,807

2019	2018	2017	2016	2015	2014	2013
21,464,068	19,611,169	16,156,712	12,075,623	8,689,297	8,786,820	7,702,671
1,204,338	815,621	661,884	3,940,446	792,256	358,220	252,273
168,322	134,657	112,214	134,657	74,810	37,405	37,405
107.32¢	72.68¢	58.98¢	351.15¢	70.60¢	31.92¢	22.48¢
115.22¢	78.09¢	63.61¢	380.14¢	77.17¢	35.01¢	24.71¢

2019	2018	2017	2016	2015	2014	2013
5.6%	4.2%	4.1%	32.5%	9.1%	4.1%	3.3%
8.7%	6.7%	5.9%	37.8%	12.4%	6.1%	4.4%
3.1%	2.3%	2.0%	13.2%	7.7%	3.6%	2.9%
15.9%	18.2%	21.0%	21.7%	33.8%	34.8%	20.6%
2.12:1	1.83:1	1.81:1	1.80:1	1.24:1	1.11:1	1.36:1
7.15	6.06	5.90	29.26	10.59	9.58	6.74

Chairman's Statement

The 2022 performance of Jamaica Producers Group ("JP" or the "Group") was strong. Relative to 2021, JP increased profit attributable to shareholders by 25% to $2.3 billion and benefited from a 16% increase in revenues to $29.0 billion. We increased dividends to shareholders by 20%. In 2022, our Group earned consolidated profit of $4.0 billion.

JP LOGISTICS & INFRASTRUCTURE

The JP Logistics & Infrastructure Division (the "L&I Division") accounts for the major share of the Group's net assets and, in turn, its profits. In addition to Kingston Wharves Limited, the Division's largest subsidiary (which operates a multipurpose port and logistics hub), the L&I Division also includes JP Shipping Services Limited (which operates logistics and freight forwarding services between Caribbean ports and the United Kingdom). The results for the L&I Division also reflect the Group's interest in Geest Line Limited, our joint venture shipping line operating between Europe and the Caribbean. Geest Line specialises in the transportation of refrigerated fruit to Europe from Colombia and the Dominican Republic, and the movement of general cargo and vehicles to the Caribbean from Europe and the UK. The L&I Division generated profit before finance cost and taxation of $4.3 billion from revenues of $11.9 billion in 2022. Divisional profits before finance cost and taxation were flat compared to 2021. The shipping and logistics industry is, in general, delivering attractive returns to shareholders under current economic conditions. In line with this, our logistics and infrastructure businesses delivered a strong overall operating performance but faced foreign exchange losses on our US dollar cash holdings. The business has been well served over many years by holding the major share of its cash balances in US dollars and in 2021, foreign exchange gains contributed to the earnings of the Division. However, in 2022, as a result of the appreciation of the Jamaican dollar, the Division experienced a foreign exchange loss. Net of this change, the Division showed improved year-on-year performance.

JP FOOD & DRINK

JP's Food & Drink Division (the "F&D Division") is the largest contributor to the revenues of the Group. The Division earned revenues in 2022 of $17.0 billion, an increase of 16% relative to the prior year. Profits before finance cost and taxation for the Division were $557 million, a 3% decrease relative to the prior year. The slight reduction in earnings is attributable entirely to the revaluation of the Jamaican dollar relative to the euro and the other main currencies in which the businesses within the Division trade. The F&D Division comprises our portfolio of subsidiaries that are engaged in farming, food processing, distribution and retail of food and drink, has production facilities in Europe and the Caribbean, and operates a distribution centre in the United States. Our range of specialty food and drink products includes fresh juices, tropical snacks, fresh fruit, water products and Caribbean rum-based baked goods. A.L. Hoogesteger Fresh Specialist B.V. ("Hoogesteger") is the largest contributor to the revenues and profits of the Division. This business is a market leader in fresh juice in Northern Europe and serves as a co-packer of juice for major supermarket and food service entities in the Netherlands, Belgium, Scandinavia, Switzerland and Italy and operates a joint venture fresh juice manufacturer in Spain.

The businesses within our F&D Division have significant opportunities to grow their trading relationships in general retail and grocery, food service, hospitality and travel retail. Accordingly, the Division delivered positive operating results through organic sales growth and acquisitions, despite a significant spike in raw material commodity prices and weakened consumer confidence arising from high inflation and war in Europe.

> WE ARE ABSOLUTELY CONVINCED THAT THE COMBINED STRENGTH OF THE TWO ENTERPRISES OPERATING AS ONE WILL ENHANCE SHAREHOLDER RETURNS THROUGH FURTHER DIVERSIFICATION AND A STRONGER PLATFORM FOR ORGANIC AND ACQUISITION-LED GROWTH."

OUTLOOK

In November 2022, JP entered into an agreement with PanJam Investment Limited ("PanJam") that will see JP transferring its core operating businesses to PanJam in exchange for a 34.5% interest in PanJam. We are pleased that our shareholders endorsed the agreement and our vision for the future by granting their approval of the proposed arrangement. The transaction is expected to be completed at the beginning of the second quarter of 2023. The combined enterprise will be renamed the Pan Jamaica Group Limited. We are absolutely convinced that the combined strength of the two enterprises operating as one will enhance shareholder returns through further diversification and a stronger platform for organic and acquisition-led growth. In addition to our core businesses in Food & Drink and Logistics & Infrastructure, the new Pan Jamaica Group will hold a substantial Jamaican property portfolio, as well as investments in market leading firms in financial services, hotels and attractions, and business process outsourcing. We have collaborated successfully with PanJam in the past and are very optimistic about the prospects for working together in the future.

I thank our board, management and operating teams for their commitment to our business and our shared values, and our customers and partners for their continued support.

Charles JOHNSTON
Chairman

Management Discussion & Analysis

THE GROUP AND STRATEGY

Jamaica Producers Group Limited ("JP" or the "Group") is a multinational portfolio of businesses with two core areas of focus and accounting segments — Logistics and Infrastructure ("L&I") and Food and Drink("F&D").

JP is a company with a deep history in farming, food processing and agri-business, logistics and shipping. Recognising the experience and resources in this market, the most recent phase of JP's evolution has been to pursue a strategy of selecting, acquiring and developing investments in these areas that can deliver world class returns for our shareholders. Today this business portfolio encompasses investments in multiple geographies, markets and business lines.

Our Group's approach to its investment portfolio is simple. We demand that businesses in our Group must be leaders in their market segment and that our leaders operate the businesses in a practical context that emphasises integrity and responsibility alongside financial rationality and strong returns.

The successful execution of this strategy is, of course, far more complex. We believe it is rooted in an international, dynamic and open-minded perspective to business that empowers our leaders and our teams to bring their entrepreneurial talents to a wide range of business opportunities. When this is combined with the skills and knowledge of our people, the products and services we offer, and the assets and resources we possess, our shareholders' returns should grow.

2022 was a challenging year in many ways. However, we continue to see the positive developments of our strategy which is observed in the continuing growth in our financial results.

BUSINESS PERFORMANCE REVIEW

Like many organisations 2022 opened with many of our businesses still experiencing the tail end of COVID-19 restrictions. Following these COVID-19 restrictions being largely removed, our businesses have also managed labour shortages, supply constraints, a dramatic weakening of the euro and British pound, uncertain customer demand and, above all, inflation levels that have not been seen in recent years. It was in many ways a challenging year.

Despite this the Group grew its shareholder profits. We finalised major capital investment projects, completed a further acquisition and initiated several more major investments that will drive the Group's growth in the future.

Significantly for all our stakeholders, on November 18, 2022 we signed an agreement with PanJam Investments Limited ("PanJam") to transfer our key operating assets to them in consideration for JP taking a 34.5% stake in PanJam. This was subsequently approved by both JP and PanJam shareholders at Extraordinary General Meetings held on December 22, 2022.

This amalgamation of JP and PanJam will see PanJam renamed as the Pan Jamaica Group Limited ("PJG") and PJG will have JP as its largest shareholder. We believe the combination of the two organisations will create a strong and diverse portfolio of international businesses. PJG will have substantial holdings in real estate and infrastructure, specialty food and drink manufacturing, agri-business, financial services and a global services network of interests in hotels and attractions, business process outsourcing, shipping, logistics and port operations.

This amalgamation is expected to be completed during 2023, and therefore, is not included in the financial statements for 2022 nor is it included in this business performance review. The review begins with an overview

JP IS A RESILIENT AND OPPORTUNITY DRIVEN GROUP THAT HAS GROWN SHAREHOLDERS EARNINGS 10-FOLD IN THE LAST DECADE. WE INTEND TO WORK WITH OUR PARTNERS AT PAN JAMAICA GROUP TO CONTINUE THIS GROWTH TRAJECTORY."

of the consolidated position of the Group, and then provides further detail through an analysis of our business segments:

JP Food & Drink ("F&D")

JP's businesses engaged in agriculture, processing and distribution of food and drink.

JP Logistics & Infrastructure ("L&I")

JP's businesses engaged in shipping and logistics, transportation, port operations and other infrastructure investments.

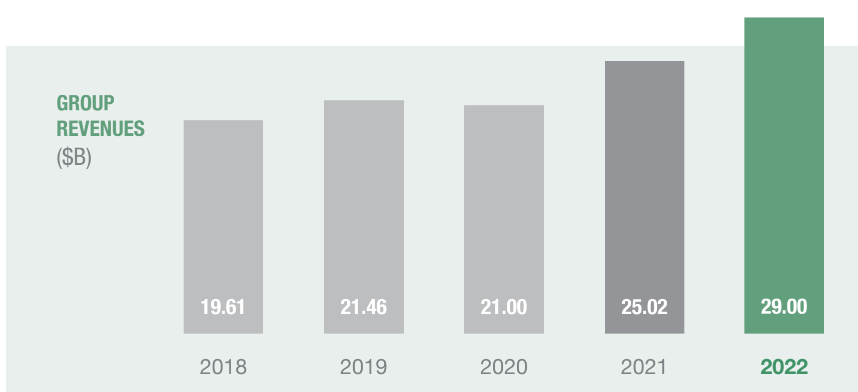
Corporate Services

JP's head office operations responsible for corporate leadership and management, special projects, finance and treasury functions net of investment income.

CONSOLIDATED GROUP

The Group's consolidated revenues for 2022 were $29.0 billion, a 16% increase on 2021. The Group's two operating segments recorded substantial revenue increases with Food and Drink achieving revenues of $17.0 billion, up 16% on 2021, and Logistics and Infrastructure achieving revenues of $11.9 billion, up 16% on 2021.

Overall, $16.7 billion or 58% of the Group's revenues were derived outside of Jamaica. The majority of this, 47%, was in Europe with North America and the non-Jamaican Caribbean attributable for 10% of total revenues. Jamaica remains our single largest market by revenues, with $12.3 billion or 42% of our revenues being derived from that location. This is linked to the connection that many of our investments have with Jamaica, including port and logistics services provided at Kingston Wharves, product sales from JP Snacks, JP Farms and Tortuga, and logistics services provided by JP Shipping to importers and exporters based in Jamaica.



Management Discussion & Analysis

CONTINUED

It is important to note that these consolidated revenues only include subsidiaries of the Group and do not include the revenues of associated companies and joint ventures which aggregate to a further $20.7 billion. All this revenue is derived outside Jamaica meaning that when included in our analysis over 75% of the Group's revenue exposure is outside of Jamaica.

The international dimension of our Group means that a financial review of the enterprise needs to consider variances in foreign exchange rates. Fifty-eight percent of our revenues are generated in companies reporting in our principal overseas currencies, the euro, US dollar and British pound, however, in excess of 95% of the Group's revenues are actually linked to those currencies. During 2022 the average exchange rates of the euro and British pound, used for translation of our income statement transactions, weakened substantially against the Jamaican dollar by 9% for both currencies. This weakening is inconsistent with long term historical trends and based on the inflation targets for Jamaica relative to its trading partners, it is viewed as unlikely to continue. It is worth noting that translating our overseas businesses financial year (FY) 2022 revenues at the FY 2021 average exchange rate -- i.e. looking at like-for-like revenue comparisons -- would increase our Jamaican dollar group revenues by $1.2 billion. Accordingly, the underlying local currency revenue growth of our international businesses was stronger than the Jamaican dollar results show.

It is well documented that 2022 was a year of high inflation with rising input prices affecting almost all areas of the global economy. The Group was impacted significantly by this across its portfolio of businesses. As such, in addition to the growth in sales volumes generated by our businesses, substantial parts of our revenue growth came from adjusting our selling prices to recover higher input costs. Over many years the Group has tactically developed key customer strategic relationships and brands that allow it to pass on some of its increased costs through selling price increases. As such our overall gross profits grew 9% to $7.7 billion. However, operating in competitive markets with an unusually high level of volatility, the Group did not recover its margins fully. Overall gross margins for the Group fell from 28.2% to 26.4%.

The inflationary impact on costs extended to group sales and administrative expenses which grew from $3.5 billion to $4.3 billion. This growth also included the full year impact of normalisation of aspects of our cost base that had been deferred or constrained in 2021 and 2020 as part of our risk management programme in connection with the COVID-19 pandemic. Additionally, it also reflected continued investment in an overhead platform to deliver the growth expectations of the Group. As with all capital or operational investments we will be monitoring the return on these overhead investments closely during the future periods to assess their performance.

The strengthening of the Jamaica dollar, noted above in relation to revenue, also impacted the valuation of our treasury assets. These treasury assets include considerable short-term investments designed to maintain the liquidity necessary to support the business. In line with the international profile and focus of the Group we hold the majority of these investments in major reserve currencies, predominantly the US dollar. A 2% stronger Jamaican dollar against the US dollar, between January 1 and December 31, 2022, contributed to an overall net revaluation loss of $205 million. This, compared to net revaluation of gains of $508 million included in the 2021 income statement, represents an overall $713 million adverse swing relative to the prior year comparative period.

The combined effect of the margin pressures and major adverse foreign exchange variances meant that operating profits decreased by $0.9 billion, or 21%, to $3.5 billion. The adverse foreign exchange losses on our treasury assets can reasonably be expected to be reversed over time in line with our long term historical experience. Moreover, we believe that selling price adjustments made in 2022, along with investments in operating and capital expenditure to facilitate further volume growth, will mean the reduction in operating profit is not permanent.

As a diversified portfolio the Group has created a hedge against the risk of weakness in one area by having opportunities for growth in other areas. In 2022, we saw significant growth in our income from our associates and joint ventures, up from $256 million in 2021 to $1.4 billion in 2022, an increase which more than offset the weaker operating profit. We were especially pleased with the profits achieved by Geest Line Limited, our joint venture shipping line, which was acquired in April 2021. Included in this caption is a one-off accounting gain on acquisition of $503 million. This arose upon the completion of the accounting for the acquisition of

Grupo Alaska, which was acquired by the Group in October 2021, and which in accordance with International Finance Reporting Standards (IFRS) used provisional calculations in the 2021 financial close pending the finalisation during the 12-month period following acquisition.

As a consequence of the strong earnings from our associate and joint ventures, JP's earnings before interest and tax grew by 4% to $4.9 billion.

The Group's financing costs dropped 13% to $224 million. This reflected an overall lower group average interest rate when foreign exchange is included.

Including finance costs, and a tax charge that has moved in line with the Group's operating earnings, JP's total net profit increased by 4% to $4.0 billion.

After accounting for the earnings attributable to non-controlling interests in businesses controlled by the Group, JP shareholders' earnings increased from $1.8 billion to $2.3 billion. This represents a return on opening stockholders' equity of 12.8% and earnings per share of 218.65¢ after exclusion of units held by the Group's Employee Share Ownership Plan.

JP LOGISTICS & INFRASTRUCTURE

JP's Logistics & Infrastructure Division collectively includes the Group's businesses focused on shipping and logistics, transportation and port operations. These businesses are based in Jamaica and the United Kingdom, but sell to customers across the Caribbean, North America and Europe.

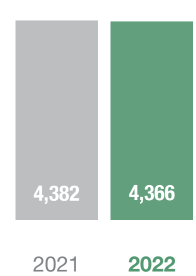
Kingston Wharves Limited is the largest component of the Division, by profits and by assets. The Division also includes JP Shipping Services Limited, the leading consolidated logistics service provider between Europe and the English-speaking Caribbean, and Geest Line Limited, a 50:50 Joint Venture which operates a shipping line between Europe and the Caribbean.

During the year, the Group, through JP Shipping Services Limited, acquired 100% of the shares of Miami Freight & Shipping Company, a Miami based consolidator and freight forwarder specialising in providing logistics services between North America and

L&I SEGMENTAL ANALYSIS

JP L&I REVENUES
($B)

	2022	2021	Change
Revenues ($M)	11,926	10,254	16%
EBIT ($M)	4,366	4,382	-0.4%
Segment assets ($M)	36,705	34,525	6%
Segment liabilities ($M)	(7,496)	(7,144)	5%
Capex ($M)	2,757	1,106	149%
Depreciation ($M)	851	813	5%
EBIT margin	37%	43%	
Asset turnover	0.32	0.30	
EBIT return on net assets	15%	16%	



JP L&I EARNINGS BEFORE INTEREST AND TAX
($M)

Jamaica. This acquisition increases the Group's exposure to this important logistics trade lane. The combined JP Shipping Services Limited and Miami Freight & Shipping Company businesses will operate as JP Logistics Solutions.

The L&I Division reported a 16% increase in revenues which included selling price increases to counter the considerable increase in input costs faced by both Kingston Wharves Limited and JP Logistics Solutions. Earnings before Interest and Tax (EBIT) was generally flat on the prior year. Whilst operating earnings at Kingston Wharves Limited increased year-on-year the business incurred a foreign exchange loss on revaluation of treasury assets compared to a significant gain in 2021. Offsetting this was a substantial increase in the earnings of Geest Line. As a 50:50 joint venture, Geest Line is accounted for under the equity method of accounting where our share of the net profits are brought into a single line of the income statement of the Group rather than accounting for the income and expenses of the business on a line by line basis.

The Division has a total book asset value of $36.7 billion, an increase of 6%. This represents the majority of the Group's asset values as logistics and port terminal operations tend to be capital intensive. Capital investment continued, mainly at Kingston Wharves Limited, with the Division spending $2.8 billion on ongoing capacity expansion projects.

The following is a summary of the key activities, financial results and macro-economic exposure of the principal operating subsidiaries within the JP L&I Division:

KINGSTON WHARVES LIMITED ("KW")

KW is one of the Caribbean's leading multi-purpose port terminals. It is located in Newport West, Kingston, and operates as two divisions. KW's Terminal Operations Division operates a 1,655 metre continuous quay that provides nine deep-water berths for roll-on/roll-off, lift-on/lift-off, general break bulk, containerised cargo and bulk cargo vessels. KW's Logistics Services Division operates a range of warehousing and third party logistics services, cold storage and marine security operations.

KW's revenues increased by 9% to $9.5 billion. 2022 volumes increased substantially, particularly in the transhipment area of the business. This volume growth supported the business in covering inflationary cost pressures, which were particularly high in the area of fuel and maintenance costs.

As previously noted, the adverse movement in foreign exchange valuations on the treasury assets of Kingston Wharves was significant. This adverse swing resulted in a decrease in net profits of 16% or $502 million, moving from $3.2 billion in 2021 to $2.7 billion in 2022. Excluding foreign exchange gains or losses, net profit before taxes would have increased 1.6% relative to the prior year.

Over many years KW has made significant investments in its capital infrastructure to grow capacity to be able to fulfil customer demand and improve its customer service levels. 2022 continued this programme with the mobilisation of two major projects that will collectively total US$50 million once complete. The redevelopment of Berth 7 will expand the terminal's ability to service multiple larger vessels at the same time and thus expand our berthing capacity considerably. The development of 12,077 square metres of cold storage and ambient warehousing at Ashenheim Road will allow the business to expand its offering of on-port and near-port logistics services.

JP LOGISTICS SOLUTIONS ("JPLS")

JP Shipping Services has been a leading UK-based full-service Caribbean-focused logistics enterprise for many years. In early 2022 JP Shipping Services acquired Miami Freight & Shipping, a Miami based consolidator and freight forwarder serving North America and the Caribbean.

Together the businesses are now known as JP Logistics Solutions and serve a wide range of customers — including private individuals shipping personal effects and international corporations shipping commercial cargo — with customised logistics services.

Both the UK and US operations of JPLS saw strong volume growth in 2022, despite significant increases in shipping rates. The UK operation grew container volume handled by 25% whilst the US operation grew container volume handled by 14%. For the UK business this contributed to a 19% increase in operating profits compared to 2021.

We were pleased with the progress of the integration of the Miami operations into JPLS during the year. The Group has invested in the operating framework of the Miami business in order to provide capacity for growth, and the financial performance was in line with first year expectations.

JPLS's growth has come from combining its improved consolidation facilities with expert staff members who can work closely with customers to deliver reliable, consistent and fairly priced logistics services to existing and new customers. Despite the volatility of the worldwide shipping industry, we believe the investments undertaken in 2022 will continue to generate business growth.

GEEST LINE LIMITED ("GEEST LINE")

Geest Line is a shipping line operating services linking the Caribbean and Europe. The business is a 50:50 joint venture between JP and Sealines Holdings N.V., a member of the Seatrade group of companies. These shareholders jointly acquired the business in April 2021, however, it is a business with a long history, having operated for over 60 years.

From its head office in Portsmouth, UK, Geest Line operates 5 vessels on a weekly service linking the UK, the Netherlands, the Eastern Caribbean, Colombia and the Dominican Republic, transporting bananas, mangoes, avocados, plantains and other tropical produce from the Caribbean to Europe, and taking general cargo in return on the westbound voyage.

2022 was a truly standout year in Geest Line's recent history. Providing a high-quality specialised refrigerated service in a dedicated market meant that the business was excellently placed to benefit from the significant increase in shipping rates from early 2022. Volumes were also very strong, particularly on the westbound legs which operated at or near capacity throughout the year. As a result the business saw revenues increase by 63%, and profits by more than 300%.

Worldwide shipping rates tend to be highly variable and to react quickly to changes in consumer demand or available shipping capacity. Geest Line experienced strong revenues in 2022 as a result of strong consumer demand and global supply chain challenges. The year was also marked by exceptional increases in fuel and other shipping costs. The outlook for shipping rates may weaken in the future as new capacity enters the market and as worldwide consumer demand stabilises. This may be partially offset by reduced fuel costs and other shipping costs. Geest Line expects to confront these challenges by maintaining its focus on markets and ports where it has a unique opportunity to offer specialty shipping services, by customising its services and communication to its core customer base of fruit exporters and shippers to the Caribbean islands, and by managing its cost base.

JP FOOD & DRINK

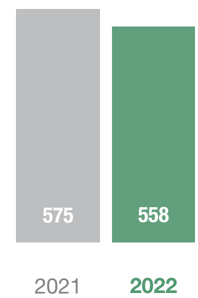
JP's Food & Drink Division is a portfolio of businesses that are engaged in farming, food processing, marketing, distribution and/or retail of food and drink with operational sites in Jamaica, the Netherlands, the United States, the Dominican Republic, the Cayman Islands and Barbados.

The businesses in this portfolio supply a range of specialty food and drink products, both under our JP brands and co-packing on behalf of others. These products include fresh juices, water, ice, tropical snacks, fresh fruit, frozen ready-to-eat products and Caribbean rum and rum-based bakery and confectionary items to customers located in a wide range of countries across Europe, the Caribbean and North America.

F&D SEGMENTAL ANALYSIS

JP F&D REVENUES
($B)

	2022	2021	Change
Revenues ($M)	17,045	14,739	16%
EBIT ($M)	558	575	-3%
Segment assets ($M)	9,071	8,575	6%
Segment liabilities ($M)	(3,011)	(3,081)	-2%
Capex ($M)	515	578	-11%
Depreciation ($M)	621	644	-4%
EBIT margin	3%	4%	
Asset turnover	1.88	1.72	
EBIT return on net assets	9%	10%	



JP F&D EARNINGS BEFORE INTEREST AND TAX
($M)

In 2021, JP acquired interests in two additional businesses to add to this portfolio. In September 2021, the Group acquired a 50% interest in CoBeverage Lab S.L., a Spanish fresh juice manufacturer, and in October 2021, the Group acquired a 50% interest in Grupo Frontera that in turn owns a multi-site ice and water manufacturing and distribution business in the Dominican Republic.

Both CoBeverage Lab and Grupo Frontera are accounted for under the equity method of accounting. During the year Grupo Frontera finalised the acquisition accounting of Grupo Alaska and recorded a gain on acquisition of $503 million. This bargain gain is not recognised in the Food & Drink segment as it relates to an acquisition activity and, in keeping with our accounting policy, it has been classified in the Corporate segment.

The F&D Division recorded strong revenue growth and saw improved earnings in local currencies. A weaker euro, particularly, impacted the consolidated financial earnings of the segment when reported in Jamaica dollars. Using like-for-like exchange rates the F&D segment would have recorded a 7% increase in earnings year-on-year instead of an 11% decrease.

The following is a summary of the key activities, financial results, and macro-economic exposure of the principal operating subsidiaries within the JP F&D Division:

A.L. HOOGESTEGER FRESH SPECIALIST B.V. ("HOOGESTEGER") AND COBEVERAGE LAB S.L. ("COBEVERAGE")

Hoogesteger is the largest business in the Division by revenues, earnings and net assets. The business operates from a base near Amsterdam, the Netherlands and is one of the largest producers of ultra-fresh fruit and vegetable juices in Europe.

CoBeverage, which was started in 2017 and in which JP acquired a 50% stake in 2021, operates in the same market as Hoogesteger but in a geographically different area, being based in Barcelona, Spain. CoBeverage provides the Group with a platform to develop our juice business and product offerings in Southern Europe.

2022 was a solid year of volume growth at Hoogesteger. Volumes increased by 11% to a new record level, and this helped push revenues, in local currency, up 23% for the year. Unfortunately, the business faced unprecedented increases in input costs. The average raw material cost per litre, a key metric of the business, reached record levels, as did the average packaging cost per litre. Both Hoogesteger and CoBeverage source raw materials – fruit and vegetables – from around the world in a competitive process and input costs were impacted heavily by higher growing costs and higher logistics costs.

Hoogesteger has worked hard to develop strategic relationships that allow it to share in the benefit and risk of cost price movements with its largest and most strategic customers. As such Hoogesteger was able to pass on some cost increases through higher selling prices. The fact that demand grew whilst selling prices also grew demonstrates a clear resilience of the market for a business that is focused on delivering high quality, highly innovative fresh products and presents continued growth opportunities for the Group.

We continue to be satisfied with the progress of CoBeverage, which delivered on its acquisition expectations in 2022. It was also able to achieve volume growth and pass along cost price increases to maintain margins in a very challenging and competitive trading environment.

Our combined juice businesses enter 2023 in a European macro-economic environment characterised by double digit inflation and likely pressure to consumer confidence connected to the war in Ukraine, wage demands and general labour unrest. As such it is important to continue to focus on improving efficiencies. During the year Hoogesteger and CoBeverage invested in new equipment that will improve the efficiency of our manufacturing processes and mitigate some of the upward inflationary pressure. Further investment in 2023 will continue to target operating efficiency as the Group and the management team continue to work hard to ensure continuing growth in profitability.

TORTUGA INTERNATIONAL HOLDINGS LIMITED (“TORTUGA”)

Tortuga is the brand owner, marketer and manufacturer of the Caribbean’s leading food souvenir product, the Tortuga Rum Cake, alongside other Tortuga branded food and drink lines including spirit based cakes and rum.

The COVID-19 pandemic impacted Tortuga’s business model more than any of the Group’s other businesses because Tortuga’s core travel retail market faced temporary closure. With some key markets such as Cayman only reopening fully to tourists in the first half of 2022, the 2022 financial year continued to be one of recovery for Tortuga in many of its Caribbean travel retail markets.

As such it is particularly pleasing to note that after two years of challenging trading, Tortuga regained the revenue and earnings levels that it had experienced in 2019, the last full pre-pandemic year. The significant development throughout the pandemic period of developing sales opportunities in traditionally weaker sales channels, especially e-commerce and grocery, has largely been maintained and complements the recovery growth in travel retail.

Tortuga’s operational bases are currently a manufacturing facility in Jamaica and a distribution facility in Miami. With the recovery of the travel market, the Cayman factory, which suspended operations during the COVID-19 restrictions, began a refit at the end of 2022. It shall reopen in the first half of 2023 and will be integrated fully with a new visitor facility, The Tortuga Rum Cake Experience.

JP SNACKS CARIBBEAN LIMITED (“JP SNACKS”)

JP Snacks is a leading Caribbean producer, marketer and seller of ready-to-eat tropical snack products and ready-to-cook frozen tropical products under the “JP St. Mary’s” and

"Carles" brands. It has also developed a range of strategic relationships in co-packing for other third-party brands and retailers in English and Spanish language markets across the Caribbean and internationally.

JP Snacks 2022 financial performance was a contrasting picture. The business saw an over 150% growth in its revenues in Spanish language markets, particularly in the Dominican Republic, however, at the same time experienced severe price increases on many of its direct costs with some key inputs more than doubling in cost. The business operates in a highly competitive market and was not able to fully recover all input costs and thus experienced significant margin compression that affected its net profitability.

JP Snacks continues to develop its commercial partnerships, both branded and co-packing, with considerable diversification of the geographic reach of its customers across North America, Latin America, the Caribbean and the UK. A stabilisation of input costs in 2023 is expected which, along with selling price increases, will aid in the recovery of margins. At the same time the business continues to invest in new capacity and efficiency capital projects that should come on line in 2023.

GRUPO FRONTERA LIMITED ("GRUPO FRONTERA")

Grupo Frontera, a joint venture holding company in which JP has a 50% stake, is the owner of Grupo Alaska S.A. ("Grupo Alaska"), an ice and water distribution business in the Dominican Republic. Grupo Alaska operates two manufacturing and distribution bases, one in Santo Domingo and one in the tourism destination of Bavaro.

Grupo Alaska was acquired in October 2021 and represented a strategic opportunity for JP to expand our food and drink sales in the Caribbean's largest island economy. The first full year of trading under new ownership was largely in accordance with our investment plans. The business was severely underinvested prior to being acquired by Grupo Frontera and as such 2022 was a year of investing and restructuring the business to be able to deliver long term growth plans. The overall business recorded a small net operating loss, as expected, and before the previously noted one-time gain on acquisition. It generally achieved its cash generation targets and is in a strong place heading into the next stage of development in 2023.

JP TROPICAL FOODS LIMITED (OPERATING AS "JP FARMS")

JP Farms is the operator of a 200 hectare (500 acre) farm in the parish of St. Mary focused on the cultivation of bananas, pineapples, coconuts and plantains. It also operates a commercial and ripening centre in Kingston.

JP Farms continues to operate under a long-term recovery plan after suffering years of losses that required support from the parent company. Weather and disease are inherent risks in agriculture and have challenged the business in various forms over recent history. After a very strong start in 2022, exceeding all expectations following the impact of Tropical Storm Grace in late 2021, the farm was challenged in the second half of 2022 by softer consumer demand and managing changes in agricultural processes due to unavailability of certain imported inputs.

The business significantly reduced its operating losses compared to 2021 but remains some way off its targets. As a result, whilst we continued to drive improvement in our farm returns we continue also to look at ways to improve the general returns on our land assets in St. Mary and developing new non-farming opportunities to improve shareholder returns.

FINANCIAL POSITION REVIEW

Total equity attributable to JP's shareholders, which represents the book value of JP's shareholders' funds in the Group Balance Sheet at 31 December 2022, increased by 7% from $18.0 billion to $19.1 billion. This is net of exchange losses on revaluing our overseas subsidiaries of $407 million and distributions to shareholders of $316 million. At 31 December 2022, JP's net worth represents a book value of $18.17 per stock unit after exclusion of those held by the Group's Employee Share Ownership Plan.

As with the Group's performance review, the Group's financial position review needs to recognise its international diversity. The Group has significant assets and liabilities invested in multiple countries and denominated in multiple currencies, including the three major reserve currencies — euro, US dollar and British pound. As with the income statement, and going against historical trends, in 2022 the Group was impacted by an overall depreciation of these against the Jamaican dollar. For a balance sheet review the relevant change is measured by the difference in the closing rate of exchange at 31 December 2021 and the closing rate at 31 December 2022. Using these rates, the Jamaican dollar appreciated by 2% against the US dollar, by 8% against the euro and by 15% against the British pound.

The Group's total assets on December 31, 2022 had a book value of $47.2 billion, an increase of 5% over the prior year. Current assets, which are those assets that are realisable in less than one year, were $17.1 billion or 36% of book value, and included cash and short-term liquid investments of $12.1 billion, broadly in line with the prior year.

JP manages its liquidity position to deliver the highest shareholder returns. This requires us to balance our resources to maintain our capital expenditure programme, our debt service commitments and distributions to shareholders whilst at all times ensuring that we have sufficient cash resources or access to financing to realise opportunities quickly.

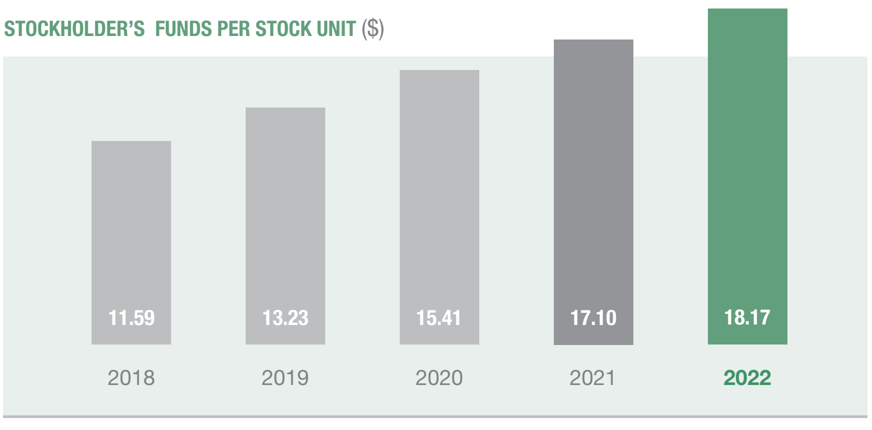
As part of ensuring efficient use of liquidity we closely monitor our non-cash related working capital (inventory, receivables and payables). At times of growth this will often be a cash outflow of the business as we seek to finance inventory and receivables. In 2022 this was largely the case as we saw the impact of higher operating volumes, and higher input costs and selling prices causing increases in all three captions. Most notable was a 23% increase in inventory which also represented a decision by management to hold longer volumes of inputs in order to mitigate inflationary increases and to realise greater economies of scale. We will continue to monitor the cost/benefit of these decisions throughout 2023.

Despite a 10% growth in accounts receivable, we are generally happy with the condition of our trade credit as this grew substantially less than the 16% revenue increase. Our aggregate bad debt situation improved, with overall credit loss provisions dropping by 22%, and the Group's trade receivable days (a key measure of our consolidated receivable position) at 31 December 2022 was 35.3, an improvement from 36.3 at 31 December 2021.

The non-current assets of the Group grew by 5% to $30.1 billion. The largest component of this is $23.4 billion of property, plant and equipment that the Group's businesses collectively own and use to deliver their services and products. During the year the Group invested over $3.3 billion in expanding this asset base. Notable expansions of capacity were at Kingston Wharves with the ongoing Berth 7 redevelopment and the development of further logistics warehousing facilities, and at Hoogesteger with investment in increasing the capacity of our High Pressure Processing ("HPP") system and our juice extraction capacity. Our portfolio of businesses continue to invest in their asset bases in order to deliver their volume growth targets, with significant investment in information systems being a common theme.

As with previous years, it is important for readers of the financial statements to note that JP does not have a policy of revaluation of its land and buildings and maintains them at their historical acquisition cost. Substantial assets

STOCKHOLDER'S FUNDS PER STOCK UNIT ($)



Management Discussion & Analysis

CONTINUED

of the Group, particularly our land holdings, were acquired a long time ago and are carried at the historic asset value. Furthermore, in accordance with accounting standards, the Group's investments in subsidiaries are carried at the book value of their component assets and liabilities and are not marked up to any market pricing. As an example, at 31 December 2022 JP's investment in Kingston Wharves had a net book value for JP Shareholders of $12.3 billion (Note 11 to the Group Financial Statements), but its market value on the Jamaica Stock Exchange was 65% higher than this.

The Group's total non-current asset levels were adversely impacted by a $1.1 billion reduction in the valuation of the employee benefit asset. This asset, carried at Kingston Wharves, represents the net accounting surplus of the fair value of the assets carried by the KW Defined Benefit Pension Scheme over the fair value of the liabilities of that Pension Scheme. It is subject to an annual valuation performed by an independent qualified actuary in accordance with International Financial Reporting Standards, specifically IAS 19 "Employee Benefits". Despite the underlying net surplus of the scheme increasing by 21% to $2.1 billion at 31 December 2022 compared to the prior year, showing that the plan continues to be in excellent health, a substantial increase in the discount rate used in the valuation methodology contributed to the implementation of a cap on the Group's recognition of this (the "asset ceiling"). This asset ceiling limits the Group's recognition of this surplus to $559 million, substantially below the $1.7 billion recognised in 2021. The discount rate used is largely a function of the interest rate environment which ws exceptionally high in 2022. As the macroeconomic situation steadies in future years, we would expect this discount rate to reduce and some of this adjustment to unwind.

WE CONTINUE TO BELIEVE THAT CONSISTENCY IN THE GROWTH IN THE DISTRIBUTION LEVEL TO OUR SHAREHOLDERS IS A KEY COMPONENT OF DELIVERING IMPROVED SHAREHOLDER RETURNS."

Total non-current liabilities at $4.6 billion were 9% lower at 31 December 2022 than the prior year. The Group's overall long-term debt is consistent with the prior year and stands at $2.9 billion. The Group has continued to repay debt in accordance with agreed payment terms and the Group's overall current and non-current debt now stands at $4.0 billion, an increase of 7% on the prior year position as the Group continues to balance the funding of its capital expenditure and acquisition programme between internal cash resources and debt.

As a growing portfolio we seek to utilise debt to support our expansion and leverage our assets to enhance shareholder returns. During the year the Group, through Kingston Wharves, entered in a new term facility support capital investment of $3.8 billion, of which $1 billion had been drawn down by the year end. In a context of increasing central bank interest rates, we will continue to monitor our debt levels and particularly the assuming of additional debt. With a largely fixed interest borrowing portfolio we believe the Group has been well protected against increases in interest rates experienced in 2022.

Despite the moderate increase in debt, the Group's leverage maintained its level at 11%, excluding IFRS16 lease liabilities. We maintain close relationships with various financing partners at both a business level and a corporate group level. We believe, in addition to our cash resources, these relationships and the relatively low leverage give us adequate resources to seize opportunities as they arise.

CAPITAL DISTRIBUTIONS

JP's 2022 distributions to shareholders totalled 30¢, a 20% increase on the level of 2021, continuing a trend of increasing the distribution every year.

We continue to believe that consistency in the growth in the distribution level to our shareholders is a key component of delivering improved shareholder returns. Our distribution policy is designed to balance the needs of the company for capital to finance its growth with the importance of providing strong annual distributions to shareholders.

THE OUTLOOK

The next phase of JP's history begins in 2023 with the amalgamation of our operations into Pan Jamaica Group. We expect this transaction to legally complete in early Q2 2023 and the business to finalise its integration activities in fairly short order.

Pan Jamaica Group will be a business of significant scale. Aggregated total assets at 31 December exceed $113 billion, net worth exceeded $69 billion and net profits were $8.8 billion. It is a group with investments in a portfolio of both established businesses and growth businesses, with wide ranging international platforms and with a significant financial base. Above all it is a group with opportunities in abundance.

The JP portfolio of businesses that is transitioning to Pan Jamaica Group will face challenges in 2023. Rapid inflation is beginning to place pressure on consumer demand in all markets — but investment in strategic customer relationships and efficiency projects should mitigate some of this risk. Interest rate increases will impact investment decisions on large capital projects, but we are long term investors and will take a long term view. Continuing tight labour markets make it harder to completely staff our teams, but we are resourceful and will find innovative solutions.

The portfolio includes many new investment projects already underway. Capital Infrastructure Group ("CIG"), a company formed in 2022 and managed by a joint venture between JP and Eppley Limited, is cultivating a range of infrastructure investments that should bear fruit in 2023. These include, with its partner Vinci Construction Grands Projets, a public private partnership with the National Water Commission for a US$77 million water treatment plant that was signed in November 2022 and should reach financial close in the first half of 2023.

JP thus transfers a portfolio in a strong position, but importantly retains considerable assets. In addition to its major shareholding in Pan Jamaica Group, one of the largest groups in the Caribbean, JP will have significant land and property assets including including 1,416 hectares (3,500 acres) of land in St. Mary, and prime real estate in both Kingston and in the United Kingdom and will have a pool of liquid short-term investments.

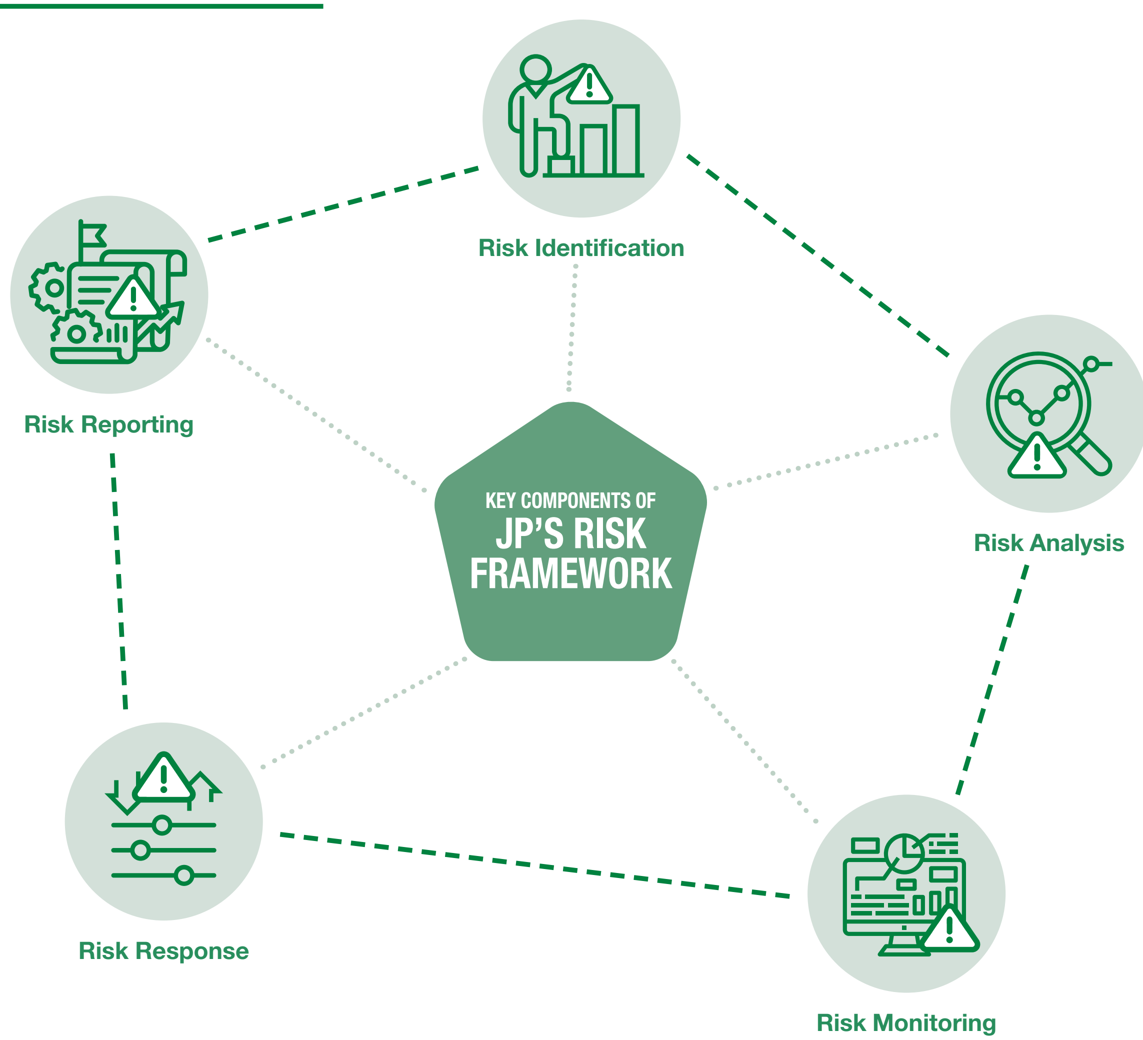
Given the changing nature of the Group and the projects and businesses that are being transferred, over the forthcoming period it is in the best interest of JP's shareholders that we focus on working with the management of Pan Jamaica Group in the role as its largest shareholder, to support the growth ambitions and realisation of opportunities for that entity. This whilst JP's management will seek ways to improve the returns on its property portfolio and ensure high returns on its short-term investment portfolio.

JP is a resilient and opportunity driven Group that has grown shareholder earnings 10-fold in the last decade. We intend to work with our partners at Pan Jamaica Group to continue this growth trajectory.

Managing Risk

The exposure to risk is an inevitable component of doing business. Jamaica Producers Group is a multi-national multi-industry group and as such we view the management and mitigation of risk as critical to protecting our stakeholders' returns and to ensuring the success of our strategic plans. Effective risk management is achieved when the management of risk is part of the day-to-day business processes, so we believe it is vital to have a risk framework embedded at all levels of the Group.

During the year the Board adopted a new Risk Policy to further integrate the JP risk mitigation framework into all our businesses. The Risk Policy refreshed JP's established risk framework and is based on the following five key components: risk identification, risk analysis, risk response, risk monitoring and risk reporting.



JP's Board bears the ultimate responsibility for the Group's risk management processes. Led by our Chairman, Charles Johnston, and including a majority of non-executive directors, this forum establishes the core risk management framework. The Board operates with four sub-committees: an Audit Committee, a Compensation and Human Resources Committee, an Executive Committee and a Corporate Governance Committee. The Board of Directors and its committees meet regularly throughout the year and are continually apprised of all aspects of the Group's financial and non-financial performance, business issues and risks, prospective developments and opportunities, and any other matters as may be required.

The Board of Directors establishes the terms of reference of the Audit Committee. As a key element of these terms the Board has tasked the Audit Committee with the responsibility of monitoring the adequacy and effectiveness of the Group's system of risk management and internal control. The Audit Committee, which meets at least four times per year, fulfills its responsibilities by comprehensive reviews of the Group's quarterly risk reports. The committee also engages in detailed inquiries of management and internal and external auditors about significant exposures or risks and steps taken to mitigate these.

The Board of Directors and the Committees believe that regular opportunities to meet the management teams of the subsidiary operations and also to visit the operations, in person, are essential in order to effectively perform the risk management process. During 2022 this approach continued with many of our JPG Directors visiting all of our principal operational locations. These visits were generally specified to coincide with the relevant JPG subsidiary board meeting.

The subsidiary board structure was established by the JPG Board to both comply with subsidiary level best practice corporate governance as well as to provide direct support from and feedback to the JPG Board. As an international holding company this structure allows the JPG Board to benefit from industry or geographically relevant experts as subsidiary board directors. Subsidiary boards meet as required but at least three times per year with one to two of these meetings occurring at the location of the subsidiary.

The first line of defence in risk management at JP is our management team. The Group's management is accountable to the Board for designing, implementing and monitoring the control environment to ensure effective mitigation of business risks and ensuring that this control environment becomes part of the day-to-day operations.

The second level of defence is provided through an effective internal audit function. JP's internal audit function reports directly to the Audit Committee of the Group, or where applicable, the Audit Committee of Board of subsidiary companies.

As with the use of industry or geographically relevant experts on our subsidiary boards, JP has also used a tailored process for the internal audit function. The L&I Division, through Kingston Wharves, has a full time Internal Audit Manager working in the business. The F&D Division has appointed two independent external consultants, one in Europe and one in the Caribbean, to perform internal audit roles. Where necessary, we also call upon other external consultants to support these individuals.

The common approach between these is the use of three processes to support management's risk framework. Firstly, focused audits are reported to the Audit Committee quarterly. These focused audits are based on an annual risk assessment to create an annual audit programme that is approved by the Audit Committee of the Group. This assessment balances the risk likelihood and significance of specific areas of a business to ensure that areas of higher risk are addressed more frequently, but that no area is left unaudited for an excessive period. Secondly, also on a quarterly basis, the internal audit team performs a business-wide desktop review. This review uses the assessment of key metrics and the follow-up on previous audit points combined with general business understanding to give the management and the Audit Committee a guide to potential or actual changes in risk categorisations. Finally, from time to time, specific issues will arise which require a rapid response to investigation or audit. These are infrequent but serious matters that the internal audit team will work with management to address.

The Group categorises risk into two areas: operational and financial.

Managing Risk
CONTINUED

OPERATIONAL RISKS

These are risks inherent in our business operations:

1 Natural Disasters and the continuity of supply of products and services

All our operations are heavily centred on infrastructure, manufacturing and farming facilities. As a result, major events which affect these facilities will have a significant impact on the ability of the businesses to serve our customers.

The Group's risk management policies are based on strong resilience plans, both internal and third party, and ensuring that cost effective, comprehensive insurance policies are in place. Our resilience plans are documented in formal Business Continuity Management frameworks which, where possible, are externally benchmarked.

2 Security and Safety

The safety and security of all our stakeholders is a central responsibility of the Group and breaches in both our internal operations and our external security environment represent a significant risk.

To mitigate these risks all our key sites have dedicated management responsible for ensuring compliance with laws and regulations and who, with the support of the relevant board, continuously challenge the business to operate at the forefront of country or industry health and safety best practice. This approach also extends to security risks where we regularly engage with local stakeholder communities to ensure that we are being proactive in minimising potential security risks.

3 Commodity Prices

As experienced profoundly in 2022, our businesses are influenced by commodity price inflation. This occurs both directly in the form of higher raw material input prices for our food businesses, or indirectly through fuel price movements impacting our logistics operations and our food distribution costs.

To mitigate this, we seek to share this risk with other parties in the range of the vertical supply chain. For example, JP continues to seek to enter into either long-term customer contracts that cover fluctuations in raw material prices or medium-term supply contracts that fix the input prices. As this is not always possible, to minimise risk our teams manage the purchases of commodities by continually monitoring market prices and ensuring multiple supply sources to provide flexibility.

4 Reputational Risk

JP and its associated brands and subsidiaries operate with significant reputational assets, either in the form of a direct consumer brand or in the form of business-to-business brands that derive from a perception of service and quality.

We highly value our brands, so management ensures that staff members are constantly aware of the quality levels, service and customer experience we seek to deliver. All our business units have established measurement criteria for monitoring this, as well as training programmes to manage the development of our team members in this area.

FINANCIAL RISKS

These risks arise from both our operating business units and from our substantial financial asset base. The most significant risks are:

1 Currency Risk

JPs asset base and revenues are derived in multiple currency environments which expose the Group to substantial gains and losses on foreign exchange, primarily the euro, US dollar and British pound.

At a business unit level we seek, as far as possible, to naturally hedge our risk through the choice of transactional currency. However, this does not eliminate translational currency risks that occur at a consolidated group level and which, in periods of Jamaican dollar appreciation, will cause a decline in the Jamaican book values of non-Jamaican assets, as was experienced in 2022. Where JP does have holdings of foreign currency, we do not enter into speculative currency transactions but maintain a balanced treasury asset pool based on future expected currency requirements in the Group and ensure that we have agreed concentration limits in place. The Group's investment policy is reviewed and approved by the Audit Committee and the Board of Directors. In line with previous years, JP did not seek to enter into any foreign currency derivative or hedging instruments in 2022.

2 Credit Risk

This represents the risk of failure by a third party in settling an outstanding debt to JP.

Each business unit is charged with managing credit risk according to the environment in which it operates by formally assessing trading relationships, in conjunction with financial information, and setting limits on the amount of exposure placed on that relationship. The Group has established credit policies and has implemented warning and reporting tools to allow for oversight and escalation of issues when they arise.

3 Interest Rate Risk

This represents the risk to the value or cash flows of a financial instrument from fluctuations in interest rates.

JP has a relatively low level of debt at the end of 2022 which primarily has fixed interest rates or capped variable rates to mitigate risk of future interest rate increases. We manage currency against the functional currency of the subsidiary that uses the external funding to create a natural currency hedge on cashflows required to fulfil interest and principal repayments. The interest rate on our interest-bearing assets is fixed, however, we manage the balance between risk and rewards by monitoring the maturity profile of these assets

Directors' Report

The Directors present this report, the Chairman's Statement and the Audited Financial Statements of the Company and the Group for the year 2022 to the 86th Annual General Meeting.

FINANCIAL RESULTS

For the year ended December 31, 2022, the Group earned consolidated revenues of $29 billion, an increase of 16% over the 2021 result. Net profit attributable to shareholders for 2021 was $2.3 billion, an increase of 25% over the prior year.

Details of these results, along with a comparison of the previous year's performance and the state of affairs of the Company are set out in the Management Discussion and Analysis and the Financial Statements which are included as part of this Annual Report.

CAPITAL DISTRIBUTION

An interim capital distribution of 25 cents per ordinary stock unit totalling $281 million was paid to stockholders on January 20, 2022 for the financial year ended December 31, 2021.

An interim capital distribution of 30 cents per ordinary stock unit totalling $337 million was paid to stockholders on January 19, 2023 for the financial year ended December 31, 2022.

No final capital distribution is recommended in respect of 2022.

AUDITORS

The Auditors, KPMG, Chartered Accountants, 6 Duke Street, Kingston, Jamaica have expressed their willingness to continue in office.

DIRECTORS

Your Directors who served diligently during the year are:-

- **Mr. Charles H. Johnston**
  Chairman
- **Mr. Jeffrey McG. Hall**
  Group Managing Director
- **Mr. Alan Buckland**
- **Mrs. Patricia R. Francis**
- **Mrs. Sanya M. Goffe**
- **Dr. the Hon. Marshall McG. Hall**
- **Mrs. Dahlia E. Kelly**
- **Mrs. Kathleen A. J. Moss**
- **Mr. Grantley St. J. Stephenson**
- **Prof. Alvin G. Wint**

Mrs. Patricia Francis and Mr. Alan Buckland retire by rotation and being eligible, offer themselves for re-election in accordance with the Articles of Incorporation.

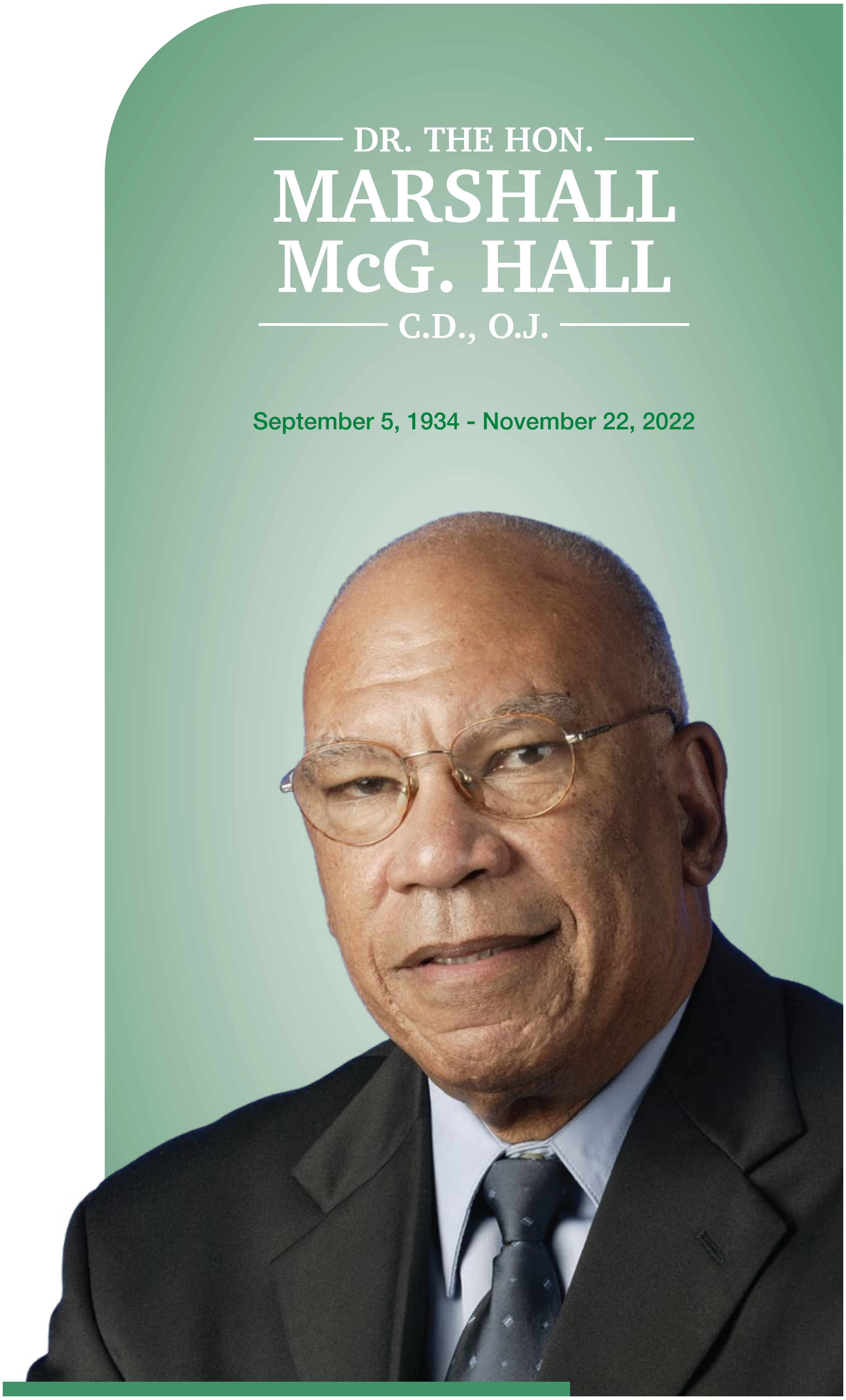
With profound sadness, we announced the passing of our beloved Director and former Managing Director, Dr. the Hon. Marshall Hall on November 22, 2022. Dr. Hall made a huge impact on our business and our people. We are grateful for his tremendous contribution, and we will honour his legacy.

On behalf of the Board of Directors,

C. H. Johnston
Chairman

April 11, 2023

Memoriam



Dr. the Honourable Marshall McGowan Hall, C.D., O.J. passed away on November 22, 2022.

Dr. Hall served as a Director of JP for over 40 years and as Group Managing Director for 27 years. During his executive leadership of Jamaica Producers, he was credited with leading a shift to large-scale modern banana production in Jamaica and supporting this company's development of a best-in-class industrial-scale UK distribution platform for fresh fruit. These initiatives sustained the Jamaican banana industry and served as a major contributor to national employment and export foreign exchange earnings. He also championed the international trade fight for access for bananas grown across the African, Caribbean and Pacific ("ACP") countries into the European Union and was seen as a global leader in this arena. His international lobby kept the ACP banana trade alive for many years, despite the huge efforts of the large multinational fruit companies to remove us from the scene.

His executive leadership was critical to the rise of the modern Jamaica Producers Group. His wisdom, humour and warmth will be missed. On behalf of the board, employees and shareholders of JP, we again express our condolences to Marshall's family.

Board of Directors

Our Directors are committed to the highest standards of corporate governance, accountability and transparency in achieving the Board's primary objective of creating value for JP's shareholders.

Charles Johnston

CD, BSc (Econ.), DSc (Hon.)

Tenure: 47 years

Mr. Johnston is the Executive Chairman of Jamaica Fruit and Shipping Company Ltd. and its subsidiaries. He joined the Board of Jamaica Producers Group in 1975 and became Chairman in 1986. He chairs the Board's Executive and the Compensation & Human Resources Committees and serves on the Audit and Corporate Governance Committees, as well as on the boards of JP's subsidiary and associated companies. Mr. Johnston is the Chairman of Geest Line Ltd., Seaboard Freight & Shipping Jamaica Ltd., Miami Freight & Shipping Company, Lennox Portland Ltd. and Jamaican Patties Ltd. He is a director of Kingston Wharves Ltd., the Jamaica Public Service Company Ltd., SAJE Logistics Infrastructure Ltd., German Ship Repair Jamaica Ltd., and Kingston Logistics Centre Ltd. He is the Immediate Past President of the Shipping Association of Jamaica. In 2006, he was conferred with the Order of Distinction, Commander Class. In 2008 he was inducted into the Hall of Fame of the Private Sector Organisation of Jamaica, in 2017 he was awarded a Jamaica Observer Lifetime Achievement Award and in 2018 he was conferred a Doctor of Science degree in International Shipping *honoris causa* from the Caribbean Maritime University. Mr. Johnston is a graduate of the Wharton School of Finance & Commerce at the University of Pennsylvania.

Jeffrey Hall

CD, BA, MPP, JD

Tenure: 18 years

Mr. Hall was appointed Group Managing Director of Jamaica Producers Group in 2007 after joining the Board in 2004 and the Group in 2002. He serves on the JP Board's Audit, Executive and Corporate Governance Committees. Mr. Hall is Chairman of Kingston Wharves Ltd., Blue Power Group Ltd. and Lumber Depot Ltd. He is a director of Geest Line Ltd., SAJE Logistics Infrastructure Ltd. and Eppley Caribbean Property Fund Ltd. Mr. Hall has previously served as Chairman of Scotia Group Jamaica Limited and as Director of the Bank of Jamaica and the Jamaica Stock Exchange and as a Vice President of the Private Sector Organization of Jamaica. In 2022, Mr. Hall was awarded the Order of Distinction in the rank of Commander by the Government of Jamaica. He received his Bachelor of Arts degree in Economics from Washington University, his Masters in Public Policy from Harvard University and his Juris Doctorate from Harvard Law School.

Alan Buckland

BA, FCA

Tenure: 4 years

Mr. Buckland has served as the Group Finance Director of Jamaica Producers Group since 2010, and he was appointed to the Board of Directors in 2018. He sits on the board of Geest Line Ltd. as well as on the boards of various associate and subsidiary companies of the JP Group. Mr. Buckland is a Fellow of the Institute of Chartered Accountants of England and Wales and is a graduate of the University of Exeter.

Patricia Francis

CD, BSc

Tenure: 9 years

Mrs. Francis is Chair of the Government of Jamaica Trade Facilitation Task Force and is a former Assist Secretary General and Executive Director of the International Trade Centre. She joined the board of Jamaica Producers Group in 2013, and also serves on the boards of the IESE Graduate Business School, B & D Trawling Ltd., Portland JSX and Whiteshield Partners, Strategy & Public Policy Advisory and was Special Advisor to UN Women's Executive Director from 2018-2020. Mrs. Francis also volunteers with the Rosetown Foundation for the Built Environment and Alligator Head Foundation. She was awarded the Commander of the Order of Civil Merit by the Government of Spain in 2006 and the Order of Distinction in the Class of Commander by the Government of Jamaica in 2015. Mrs. Francis is a graduate of the University of Miami.

Sanya Goffe

LLB (Hons.), LEC

Tenure: 7 years

Mrs. Goffe is a partner at Hart Muirhead Fatta, Attorneys-at-Law. She was appointed to the board of Jamaica Producers Group in 2015 and is the Chair of the Board's Corporate Governance Committee. Mrs. Goffe is an Eisenhower Fellow (2020) and sits on the boards of NCB Financial Group Ltd., National Commercial Bank Jamaica Ltd., the National Insurance Fund and RevUp Caribbean Limited. She is also Chair of Stratus Alternative Funds SCC and President of the Pension Industry Association of Jamaica. She is a member of the Jamaica Bar Association and serves on its Intellectual Property Law, Commercial Law and Publications Committees, is a member of the UK Association of Pension Lawyers and the International Pension and Employee Benefits Lawyers Association. She is also co-founder of the Adult Learning Centres of Jamaica. Mrs. Goffe is a graduate of the University of the West Indies and the Norman Manley Law School.

Board of Directors
CONTINUED

Dr. the Hon. Marshall Hall
OJ, CD, PhD

Tenure: 43 years

Dr. Hall passed away on the 22nd of November 2022. He was the Group Managing Director from 1979 until his retirement in June 2007. He served on the Board's Audit, Compensation & Human Resources, and Executive Committees. He was a director of Kingston Wharves Ltd. and served as a board member on several of JP Group's subsidiaries. Dr. Hall was conferred with the Order of Jamaica in 2010 and in 2005 was inducted into the Hall of Fame of the Private Sector Organisation of Jamaica. He received a BSc from Columbia University and a PhD from the University of Wisconsin.

Dahlia Kelly
BSc

Tenure: 33 years

Mrs. Kelly is the former Managing Director of Patsy Kelly and Associates, an Executive Placement Service. She was appointed to the board of directors of Jamaica Producers Group in 1988 and serves on the Board's Executive, Audit and Corporate Governance Committees, in addition to being a board member of the JP Tropical Group subsidiary. Mrs. Kelly serves on the board of the Urban Development Corporation and the St. Mary Education Trust, and is a trustee of the Sydney A. Phillips Scholarship Trust. She is a graduate of the University of the West Indies.

Kathleen Moss
BSc, MBA, CBV

Tenure: 23 years

Mrs. Moss is a Management Consultant and Chartered Business Valuator with Sierra Associates an independent advisory and business valuation firm that she established in 1993. She joined the board of Jamaica Producers Group in 1999, is a member of the Executive and the Compensation & Human Resources Committees and chairs the Audit Committee. Mrs. Moss is the Chair of JN Bank Ltd., and is a director of Kingston Wharves Ltd., PanJam Investment Ltd., The Jamaica National Group, The JN Financial Group Ltd., JN General Insurance Ltd. and Assurance Brokers Jamaica Ltd. She is a trustee of the Violence Prevention Alliance. Mrs. Moss is a member of the Canadian Institute of Chartered Business and is a graduate of the University of the West Indies and McGill University.

Grantley Stephenson

CD, JP, Dip. Mgnt Studies (Shipping), MBA, DSc (Hon.) Tenure: 7 years

Mr. Stephenson is the Vice-Chairman and former Managing Director of Kingston Wharves Ltd. and is the former Honorary Consul General for the Kingdom of Norway. He joined the Board of Jamaica Producers Group in 2015. He is a director of the Security Administrators Ltd., the Shipping Association of Jamaica, ADVANTUM, Assessment Recoveries Ltd. and is a fellow of the Jamaica Institute of Management. He was conferred with the Order of Distinction, Commander Class in 2007. In 2013 he was awarded the Royal Norwegian Order of Merit and in 2017 he was conferred a Doctor of Science degree *honoris causa* in Port Management by the Caribbean Maritime University. He holds a MBA from the University of the West Indies and is a graduate of the University of Technology and the University of Plymouth.

Prof. the Hon. Alvin Wint

OJ, CD, BSc, MBA, DBA

Tenure: 24 years

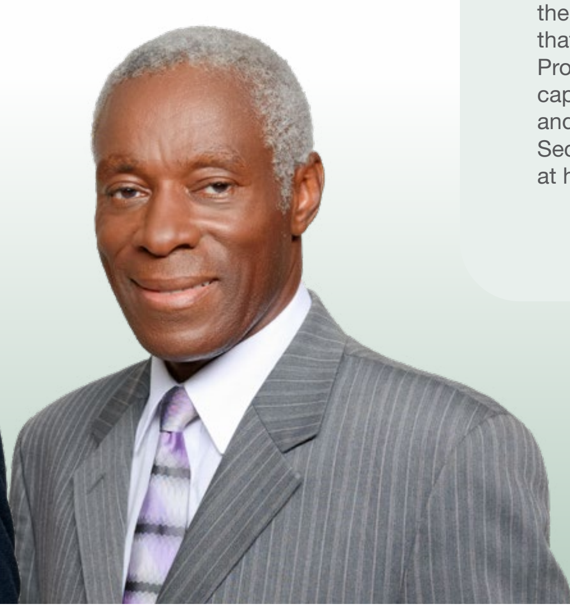
Prof. Wint is Emeritus Professor of International Business at the University of the West Indies. He joined the Board of Jamaica Producers Group in 1998 and is a member of the Group's Audit Committee. He serves as the Lead Independent Director of NCB Financial Group Ltd. and is Chairman of the Audit Committee. He also serves as Chairman of the HEART/NSTA Trust and the Office of Utilities Regulation, as a director of the Caribbean Policy Research Institute and as a member of the National Partnership Council and the National Competitiveness Council. He was conferred with the Order of Jamaica in 2022 and with the Order of Distinction in the Class of Commander in 2015. He has received many professional awards including the UWI Vice Chancellor's Award for Excellence. Prof. Wint holds a BSc from the University of the West Indies, an MBA from Northeastern University and a Doctorate in International Business from Harvard University.

Aubrey Ffrench

(Hon. Director

since September 2007)

Mr. Ffrench joined the staff of Jamaica Producers Group in 1961 and was appointed a member of the Board in 1990. Prior to that, he served Jamaica Producers Group in the capacity of Manager and then as Company Secretary for over 33 years at his retirement in 1994.



Leadership...the JP Way

LEADERSHIP.
OPENNESS. REALITY.

At JP our leadership team is aligned to a shared set of values and goals which we call the JP Way. Through the JP Way we value and recruit highly ambitious leaders for our businesses, who are involved in every detail of the businesses they run, uphold our ethical standards and are committed to openness and realism in their leadership style.

SENIOR OFFICERS AND BUSINESS LEADERS

JAMAICA PRODUCERS GROUP LIMITED

Jeffrey Hall	Chief Executive Officer
Alan Buckland	Group Finance Director
Simone Pearson	Corporate Secretary/ Group General Counsel

GROUP AND CORPORATE SERVICES

Antoinette Livingston	Portfolio Finance Director
David Martin	Director of Business Development
Amilca Thame	Performance Manager
Maya Walrond	Chief Commercial Officer
V. Andrew Whyte	Group Treasurer
Taneka Whyte-Groves	Corporate Financial Controller

BUSINESS UNITS

A.L. HOOGESTEGER FRESH SPECIALIST

Edo Abels	Managing Director
Marco Zohlandt	Deputy Managing Director & Financial Controller

COBEVERAGE LAB

Artur Marti	Director
Cristina Etero	Head of Administration

TORTUGA INTERNATIONAL

Marcus Simmonds	Managing Director
Camille Lawson	Finance Business Partner

JP SNACKS CARIBBEAN

Benjamin Valdez	General Manager
Frank Cesar	Finance Business Partner

JP FARMS

Mario Figueroa	General Manager
Peta-Gaye Yorke	Finance Business Partner

GRUPO ALASKA

Enrique Noboa	Chief Executive Officer
Crismel Grullon	Financial Controller

KINGSTON WHARVES

Mark Williams	Chief Executive Officer
Clover Moodie	Chief Financial Officer

GEEST LINE

Peter Dixon	Managing Director
Chris Roberts	Finance Director

JP SHIPPING SERVICES

Gary Phillips	General Manager
John Davies	Financial Controller

MIAMI FREIGHT & SHIPPING

Juliana Keene	General Manager
Michelle Hines-Clarke	Financial Controller

Corporate Governance

JP is committed to good governance. We have held true to this commitment since our inception, over 90 years ago. This commitment means that we will continue to strengthen the ways in which we can best demonstrate to our stakeholders that they can rely on us to be open, fair and transparent in everything that we do.

We believe in the regular re-assessment of our governance systems and policies in line with best practices. As a group, we believe this continuous improvement will allow us to deliver greater returns to our shareholders.

In 2022 we continued to build on the achievements of 2021. Under the leadership of the Corporate Governance Committee of the Board, we introduced three new key governance policies at the Group level: the Data Protection Policy, the Risk Policy and the Business Continuity Policy.

In 2022 we are pleased to have maintained a score of "A" in respect of the Jamaica Stock Exchange's Corporate Governance Index for the 2021/2022 period. With the full cooperation and commitment of our Board and management team we intend to further improve on our high standards of governance in the coming years.

OUR BOARD

JP's Board of Directors represents the interests of our shareholders in JP and its subsidiaries in maintaining and growing a successful business by optimising long-term shareholders' financial returns and adhering to best practices in corporate governance. JP's Corporate Governance Policy sets out details of the functions of the Board and provides guidance for our Directors in the discharge of their responsibilities.

EXPERTISE

Our directors offer a diversity of skills and expert knowledge and a combination of years of experience and fresh perspectives in the exercise of the Board's responsibilities. Through a continuous assessment of the segments and industries in which our diverse and global Group operates, led by the Compensation and Human Resources Committee of the Board, we have identified critical areas of skill and expertise which we require on our Board, and which help to inform our director recruitment and selection process. During 2022 these critical areas were all fulfilled by our current complement of directors.

DIVERSITY

We believe in the benefit of maintaining diversity on our Board in respect of skills and expertise, years of experience, gender and age. We also aim to maintain an optimal combination of executive, non-executive and independent directors. "Independence" is defined in our Corporate Governance Policy and considers various factors including employment by or business relationships with the Company, family relationships with other Board members or senior officers of the Company, and employment of directors at any other company where any of JP's directors or senior officers serve in a board capacity. Independence of our directors is assessed on an ongoing basis.

BOARD EXPERTISE

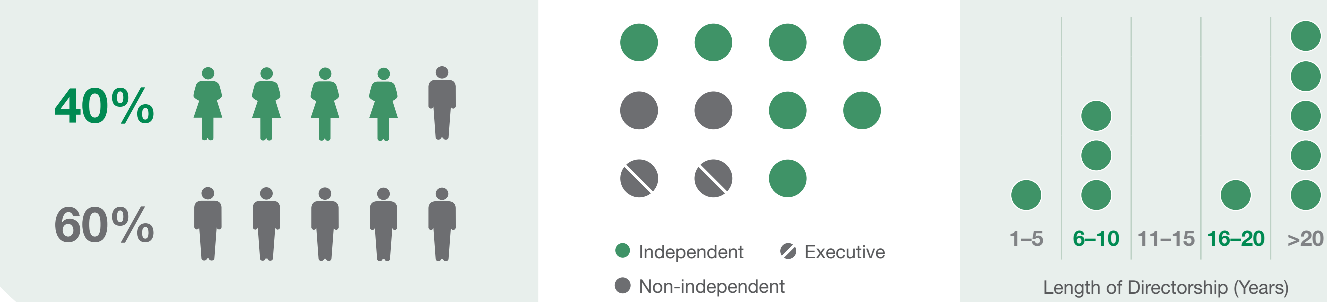
	Strategy & Business Leadership	Finance & Accounting	Legal/ Public Policy	Governance & Risk Management	Human Resources	Shipping & Logistics	Food Production & Manufacturing
Charles Johnston	●	●	○	●	●	●	●
Jeffrey Hall	●	●	●	●	●	●	●
Alan Buckland	●	●	○	●	○	●	●
Patricia Francis	●	○	●	●	○	●	○
Sanya Goffe	●	○	●	●	○	○	○
Marshall Hall	●	●	○	●	●	●	●
Dahlia Kelly	●	○	○	●	●	○	○
Kathleen Moss	●	●	○	●	●	○	○
Grantley Stephenson	●	○	○	●	●	●	○
Alvin Wint	●	●	●	●	○	○	○

BOARD DIVERSITY

Gender

Director Independence

Tenure



MEETINGS AND ATTENDANCE

The Board has six regularly scheduled meetings each year and participates in a focused 2-day strategic retreat to review and approve the Group's proposed budget and strategic plans for the coming year. Special Board meetings are also convened to address matters which require immediate attention.

Our Annual General Meeting ("AGM") was in June of 2022. For the first time in two years, we were pleased to welcome our valued shareholders to the meeting in person. Our AGM is the primary forum for the Board and the management of JP to directly interact with our shareholders, with the aim of gaining a deeper understanding of their views and concerns about the performance of the Group. Minutes of AGMs are available for viewing on the company's website.

Corporate Governance
CONTINUED

During 2022, our Board committed a great deal of time and expertise in assessing the proposed amalgamation of the businesses of JP with PanJam Investment Limited (the "Amalgamation"). During 2022 the Board of JP met a total of 12 times. We also convened a special committee of the Board referred to as the "Project Priceless Transaction Committee" to do a deep analysis of the proposed amalgamation. The Group held an Extraordinary General Meeting ("EGM") on December 2, 2022 for our shareholders to vote on the Amalgamation. This EGM was well-attended by JP's shareholders, who decided in favour of the Amalgamation.

We owe our Board a huge debt of gratitude for their steadfast dedication during 2022.

The table below provides details on the attendance of directors at meetings convened during the year.

DIRECTORS' ATTENDANCE

	Annual General Meeting	Extraordinary Board Meeting	Board Meetings	Audit Committee Meetings	Compensation and Human Resources Committee Meetings	Executive Committee Meetings	Corporate Governance Committee Meetings	Project Priceless Transaction Committee
Number of Meetings for the year	1	1	12	4	1	0	1	3
Charles Johnston	1	1	12	4	1	0	0	3
Jeffrey Hall	1	1	12			0	1	3
Alan Buckland	1	1	12					
Patricia Francis	1	1	12					3
Sanya Goffe	1	1	11				1	
Marshall Hall[1]	1	0	8	1	1	0		2
Dahlia Kelly	1	1	12	4		0	1	
Kathleen Moss	1	1	12	4	1	0		3
Grantley Stephenson	1	1	12					
Alvin Wint	1	1	12	4				

[1] Dr Marshall Hall passed away on November 22, 2022

BOARD COMMITEES

AUDIT COMMITTEE

Members	**Mrs. Kathleen Moss CHAIR** **Dr. the Hon. Marshall Hall • Mr. Charles Johnston • Mrs. Dahlia Kelly • Prof. Alvin Wint**
Composition	The Audit Committee is appointed by the Board and comprises at least three (3) members who should be Non-Executive Directors, the majority of whom should be identified by the Board as independent. Under the Terms of Reference of this Committee, the Board Chairman cannot be appointed Chairman of the Audit Committee. The Audit Committee currently comprises five Non-Executive Directors of whom four are independent.
Functions	• **Monitors the adequacy and effectiveness of JP Group's systems of risk management and internal control;** • **Reviews JP Group's annual and interim financial statements and related accounting policies and assumptions and any accompanying reports or related policies and statements;** • **Monitors and reviews the effectiveness of JP Group's internal audit function;** • **Monitors and reviews the external auditor 's independence, objectivity and effectiveness;** • **Develops and implements policy on the engagement of the external auditor to supply non-audit services;** • **Reviews and approves related party transactions.**
2022 Highlights	In 2022 the Audit Committee reviewed and approved the quarterly unaudited financial statements of the Group and the annual audited financial statements of the Group, with an emphasis on the accounting treatment for the Group's recent acquisitions. The Committee reviewed and approved the internal audit plan for the year 2022 and continued to review a menu of risk assessment areas for the Group's growing number of businesses. The Committee further oversaw the implementation of the Group Risk Management Policy.

COMPENSATION AND HUMAN RESOURCES COMMITTEE ("CHRC")

Members	Mr. Charles Johnston CHAIR Dr. the Hon. Marshall Hall • Mrs. Kathleen Moss
Composition	The CHRC is appointed by the Board and comprises not less than two (2) and up to four (4) Directors, excluding Executive directors. The CHRC currently comprises three Non-Executive Directors of the Board.
Functions	• **Nominates potential candidates and evaluates the suitability of those candidates for future Board membership;** • **Proposes potential candidates to the Board for approval;** • **Conducts an annual review of the remuneration policies for Executive Directors and Senior Officers of JP Group as well as material employee benefits and compensation plans and programmes;** • **Reviews the JP Group's senior level organisational structure and management succession plan at least annually.**
2022 Highlights	In 2022 the CHRC reviewed and approved the annual remuneration policy of the Group for Executive Directors and Senior Officers. The Committee continued to assess the structure of the Group's corporate team in line with the Group's strategic goals. The Committee reviewed the mechanisms for succession planning in the Group's businesses and in relation to the Board of Directors. An annual review of the composition of the Board was conducted to ensure that all required competencies were fulfilled by the current complement of Directors.

EXECUTIVE COMMITTEE

Members	**Mr. Charles Johnston** CHAIR **Mr. Jeffrey Hall • Dr. the Hon. Marshall Hall • Mrs. Dahlia Kelly • Mrs. Kathleen Moss**
Composition	The Executive Committee is appointed by the Board and comprises not more than six (6) Directors. The current complement of this Committee is 5 Directors.
Functions	**The Executive Committee is responsible for carrying out, at short notice, a review of critical business decisions for which Executive Management is required or has elected to obtain the support, advice and/or approval of the Board.**
2022 Highlights	In 2022 no meetings of the Executive Committee were held.

CORPORATE GOVERNANCE ("CG") COMMITTEE

Members	Mrs. Sanya Goffe CHAIR Mr. Jeffrey Hall • Mr. Charles Johnston • Mrs. Dahlia Kelly
Composition	The CG Committee is appointed by the Board and comprises no more than five (5) members and no fewer than three (3) members, a majority of whom shall be non-executive, independent members of the Board. The current complement of the CG Committee is 4 directors, 3 of whom are non-executive, independent directors.
Functions	• Addresses corporate governance issues; • Reviews the corporate governance practices and policies of the Company and ensures that they are up to date and in compliance with the Board's Corporate Governance Policy, the law and best practices; • Oversees the development and implementation of a Board induction process for new directors and a programme of continuing director development, as needed; • Establishes and facilitates an effective process for the annual evaluation of Board members, committees, committee chairs and the Chairman of the Board and to make recommendations to the Board arising from the results of the annual evaluation processes as appropriate; • Reviews other corporate governance matters when necessary or required by the Board.
2022 Highlights	In 2022 the CG Committee continued to steer the Group towards achieving best practices in governance standards. The Committee oversaw the implementation of the Group's Data Protection Policy and a Business Continuity Policy, and the revision and update of the Corporate Governance Policy. The Committee considered various regulatory developments, specifically the Data Protection Act, and Environmental and Social Governance, and will continue to work with management to ensure adherence to regulatory requirements in these areas. Finally, the Committee was instrumental in managing the action list emanating from the external board evaluation process conducted at the end of 2021 to ensure that all actions were fulfilled during the year.

CONNECTING BOARD AND MANAGEMENT

We believe that our Group is better served by Directors who are familiar with our team and have the opportunity to understand our team members' perspective on the business. We continue to seek ways to encourage and facilitate opportunities for our directors and our team to interact.

BOARD TRAINING AND DEVELOPMENT

JP's directors are expected to be knowledgeable and informed about the businesses of the Group, the industries in which they operate and best practices in corporate governance. We are committed to investing in training for our directors and the directors of our subsidiary boards, on areas which impact our range of businesses and the diverse environments in which they operate. These areas are re-assessed on an annual basis as we believe in tailoring training to support our directors in respect of the specific issues affecting the Group.

During 2022, our Board and Management teams received training on the recently introduced Data Protection Act.

BOARD PERFORMANCE EVALUATION

The performance of our Board is evaluated annually as part of the continuous development of the Board's working methods and efficiency. The results of the 2022 evaluation process indicated satisfaction with most areas of the Board's performance and identified a few areas for consideration which will be addressed during 2023.

Stockholdings

STOCKHOLDINGS OF DIRECTORS AND OFFICERS December 31, 2022	Personal Stockholdings	Stockholdings in which Director/ Officer has a controlling interest	Total
Directors			
Mr. A. Buckland	2,051,996	-	**2,051,996**
Mrs. P. R. Francis	-	-	**-**
Mrs. S. M. Goffe	-	-	**-**
Mr. J. McG. Hall	30,199,687	-	**30,199,687**
Mr. C. H. Johnston	3,916,684	101,240,579	**105,157,263**
Mrs. D. E. Kelly	1,269,198		**1,269,198**
Mrs. K.A.J. Moss	15,249,428	22,361,040	**37,610,468**
Mr. G. St.J. Stephenson	-	-	**-**
Prof. A.G. Wint	49,368	-	**49,368**
Officers			
Mr. D. Martin	575,188	-	**575,188**
Ms. S. M. Pearson	28,453	-	-
Trustees			
Jamaica Producers Group Limited ESOP	72,447,330	-	**72,447,330**

LIST OF TOP TEN STOCKHOLDERS

December 31, 2022

	Units
McGowan Properties Limited	112,178,507
Lennox Portland Ltd. et al	105,157,263
Sagicor Pooled Equity Fund	104,686,413
Shareholder Services Trust J.P.	86,223,100
Shareholder Services Trust J.B.P.A.	86,110,460
Trustees - Jamaica Producers Group Limited ESOP	69,708,801
National Insurance Fund	54,166,633
David and Kathleen Moss	37,610,468
Jeffrey McGowan Hall	30,199,687
JMMB Pension Fund	13,416,244

What We Value

OUR PEOPLE

We are global employers. Our team spans nine countries in seventeen locations and consists of more than 2,000 people.

Our ability to deliver outstanding results for our stakeholders starts with our capable, committed team members in all our businesses. Our people are our most valued resource. We seek to always ensure that our team is treated fairly and with dignity, compassion, respect and consideration for their goals and aspirations.

We owe our people a tremendous debt of gratitude for their dedication and commitment throughout 2022 and into 2023.

Once again, we thank our team for delivering the strong 2022 results of our business, under challenging conditions. Thank you. Gracias. Dank Je. Diolch. Gràcies.

OUR COMMUNITY

The stakeholders to which JP owes the greatest duty, are our shareholders, our team, our partners, our customers, our suppliers and their families.

This is our community. Our commitment to our community is built on the principles of citizenship, fair play, integrity, transparency, accountability and sustainability.

RESPONSIBLE CITIZENSHIP

JP is Jamaican owned, however, since our inception, we have been willing to do business in any part of the world in which we are able to operate in line with our principles. Today, we are a multinational group and we see ourselves as citizens of Jamaica and, also, citizens of the many countries in which we operate.

For JP, corporate citizenship means that we feel entitled to our fair share of the common good, but we also feel duty bound to share our unique capabilities and our special resources with others.

OUR CORPORATE SOCIAL RESPONSIBILITY POLICY

In accordance with JP's Corporate Social Responsibility Policy ("CSR"), we give in line with an annual plan that identifies the resources that we are able to share with our community and that brings transparency, discipline and inclusiveness to the process of setting our priorities for action. We prioritise causes that involve children, health and wellness, the environment and education because we believe that these causes are most fundamental to the sustainability of our community.

#UnlockingPotential

In keeping with our CSR Policy, we remain committed to providing educational opportunities for Jamaican students, and particularly those in St. Mary. Our registered charity, the St. Mary Education Trust ("SMET"), that administers the Sydney A. Phillips Scholarships and the Ernest Johnston Memorial Bursary, had a strong inaugural year culminating in eight scholarships: four new Sydney A. Phillips scholars, one new Ernest Johnston Memorial Bursary recipient, three continuing Sydney A. Phillips scholars and one continuing Ernest Johnston Memorial Bursay recipient. Through SMET, we believe that we can make a meaningful contribution to providing educational opportunities, mainly in a parish which has contributed so much to our Group and to our shareholders. We look forward to using this platform to expand the number and value of scholarships available to students in the coming years.

ETHICS AND INTEGRITY

At JP, we are simply good people with whom to do business. Since our inception, almost a century ago, we have been committed to operating in accordance with straightforward principles of fair dealing.

We conduct business in an open, honest and ethical manner. We engage our stakeholders, partners, customers, suppliers and team members with a sense of integrity that is demonstrable, deeply rooted and consistent, and we demand no less from them.

The principles of ethics and accountability by which we abide are embodied in our Code of Business Ethics and Business Conduct (the "Code"). We obligate all our team members in every business in our Group, to strictly adhere to this Code in their business dealings and in maintaining a work environment which reflects JP's reputation for integrity, ethical conduct and trust. The Code is available for viewing on our website.

As producers and service providers, we are committed to maintaining the highest standards of quality for our products and services. At JP we do not sell products or provide services which we would not want ourselves or our families to consume. We believe what we say about our products and services, and we stand by the claims and promises that we make about our business.

THE ENVIRONMENT

JP believes in environmentally sustainable business practices. Our businesses interact directly and intensively with our natural environment, and so, we are committed to using the natural resources upon which we depend, sparingly and sustainably.

In our businesses we deploy technology, processes and attention to detail to minimise waste. We also believe in measuring our impact on the environment and consistently assessing ways in which we can lessen any adverse impact our businesses may have on the long-term availability of our natural resources. We require all the businesses in our Group to implement and adhere to environmental policies which are applicable to the industries in which they operate, and in compliance with the relevant law.

Corporate Data

DIRECTORS

Mr. Charles H. Johnston, CD, BSc (Econ.), DSc (Hon.) CHAIRMAN
Mr. Jeffrey McG. Hall, BA, MPP, JD GROUP MANAGING DIRECTOR
Mr. Alan Buckland, BA, FCA
Mrs. Patricia R. Francis, CD, BSc
Mrs. Sanya M. Goffe, LLB (Hons.), LEC
Dr. the Hon. Marshall McG. Hall, OJ, CD, PhD
Mrs. Dahlia E. Kelly, BSc
Mrs. Kathleen A. J. Moss, BSc, MBA, CBV
Mr. Grantley St. J. Stephenson, CD, JP, FJIM, MBA, DSc (Hon.)
Prof. Alvin G. Wint, CD, BSc, MBA, DBA

COMPANY SECRETARY

Ms. Simone M. Pearson, LL.B., LL.M., Attorney-at-Law

REGISTERED OFFICE

4 Fourth Avenue
Newport West
Kingston 13, Jamaica, W.I.
Tel: (876) 926-3503
Email: headoffice@jpjamaica.com
Website: www.jpjamaica.com

REGISTRAR & TRANSFER AGENT

KPMG Regulatory & Compliance Services
6 Duke Street
Kingston, Jamaica, W.I.

AUDITORS

KPMG – Chartered Accountants
6 Duke Street
Kingston, Jamaica, W.I.

BANKERS

The Bank of Nova Scotia Jamaica Limited
Corner Duke & Port Royal Streets
Kingston, Jamaica, W.I.

National Commercial Bank Jamaica Limited
The Atrium
32 Trafalgar Road
Kingston 10, Jamaica, W.I.

Citibank, N.A.
19 Hillcrest Avenue
Kingston 6, Jamaica, W.I.

MAIN OPERATING ENTITIES

A.L. Hoogesteger Fresh Specialist B.V.
Domineeslaan 93
1161 BW Zwanenburg
The Netherlands
Tel: (31) 20-4073000

Kingston Wharves Limited
195 Second Street
Newport West
Kingston 13, Jamaica, W.I.
Tel: (876) 923-9211

JP Shipping Services Limited
Main ABP Building, South Entrance
Alexandra Dock
Newport NP20 2NP
United Kingdom
Tel: (44) 1633-842062

JP Tropical Foods Limited
14 Retirement Road
Kingston 5, Jamaica, W.I.
Tel: (876) 926-3503

Tortuga International Holdings Limited
1st Floor, Bourbon House, Bourbon Street
P.O. Box 1695
Castries, St. Lucia
Tel: (345) 943-7663

- **Cayman office**
  Tel: (345) 943-7663
- **Jamaica office**
  Tel: (876) 926-3503
- **Miami office**
  Tel: (305) 378-6668

Antillean Foods, Inc.
Carretera Mao-Guayubin, Km. 23
Cana Chapeton, Montecristi
Dominican Republic
Tel: (809) 247-2248

Miami Freight & Shipping Company
10125 NW 116th Way, Suite 6
Medley, FL 33178
USA
Tel: (305)885-0558

JOINT VENTURE & ASSOCIATE COMPANIES

Tortuga Cayman Limited
P.O. Box 10395
Grand Cayman KY1-1004
Cayman Islands, B.W.I.
Tel: (345) 943-7663

Geest Line Limited
Eaglepoint
Little Park Farm Road
Fareham
Hants P015 5TD
United Kingdom
Tel: (44) 1489-873531

CoBeverage Lab S.L.
Poligono Industrial de la Zona Franca
Calle 28 Num 62
08040 Barcelona
Spain
Tel: (34) 93-1751503

2 Associated company until Q3 2020

Grupo Alaska S.A.
Autopista San Isidro Km 7½
Urb. Franconia
Santo Domingo Este
Dominican Republic
Tel: (809) 596-1420

CORPORATE GOVERNANCE

The Corporate Governance Policy and related policies are available on our website at:
www.jpjamaica.com/investor-information

INVESTOR RELATIONS

For investor relations please contact:
Simone M. Pearson, Corporate Secretary or
Lisa McG. Johnston, Corporate Affairs Manager
www.jpjamaica.com/contact-us or
headoffice@jpjamaica.com

ATTORNEYS-AT-LAW

Harrison & Harrison
Suite 1, 16 Hope Road
Kingston 10, Jamaica, W.I.

Hart Muirhead Fatta
53 Knutsford Boulevard
Kingston 5, Jamaica, W.I.

Livingston Alexander & Levy
72 Harbour Street
Kingston, Jamaica, W.I.

Reid-Burrell & Company
Suite #2, 29 Lady Musgrave Road
Kingston 5, Jamaica, W.I.

JAMAICA PRODUCERS
GROUP LIMITED

Audited **Group** Financial Statements

Year ended December 31, 2022

Index

FINANCIAL STATEMENTS

KPMG
P.O. Box 436
6 Duke Street
Kingston
Jamaica, W.I.
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INDEPENDENT AUDITORS' REPORT

To the Members 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 58 to 119, which comprise the group balance sheet as at December 31, 2022, 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 consolidated financial position of the group as at December 31, 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board ("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 Consolidated 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.

KPMG

INDEPENDENT AUDITORS' REPORT (CONT'D)

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 Group has significant levels of goodwill and intangible assets. The carrying value of these assets may not be recoverable because of changes in the business and economic environment in which certain subsidiaries operate. The inputs used in calculating the impairment involve inherent uncertainty in forecasting and require significant judgement in estimating and discounting future cash flows. *See notes 3(k) and 13 of the consolidated financial statements.*	Our audit procedures included the following: • Testing the design and implementation of controls over the preparation of the estimate and assessing the effectiveness of the control environment. • Testing the reasonableness of the group's forecasts and discounted cash flow calculations • Using our own valuation specialists to evaluate and challenge the key management judgments, which include judgments relating to the selection and application of assumptions and data used in estimates. • 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 (CONT'D)

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

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

Key Audit Matters (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]*	Our audit procedures included the following: • Testing the design and implementation of controls over the preparation of the estimate and assessing the effectiveness of the control environment. • Evaluating the independence and objectivity of the appointed actuarial expert. • Using our own actuarial specialist to evaluate and challenge key management judgments, which include judgments relating to the selection and application of assumptions and data used. • Testing employee data provided by management to the actuarial expert. • 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

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

Other Information

Management is responsible for the other information. The other information comprises the information in the annual report for the year ended December 31, 2022, but does not include the consolidated 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 consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement 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 consolidated financial statements that give a true and fair view in accordance with IFRS Standards 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 consolidated 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.

KPMG

INDEPENDENT AUDITORS' REPORT (CONT'D)

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 consolidated 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 consolidated financial statements is included in the Appendix to this auditors' report. This description, which is located at pages 56 to 57, 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 Cynthia Lawrence.

KPMG

Chartered Accountants
Kingston, Jamaica

March 1, 2023

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 consolidated 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 consolidated 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 (CONT'D)

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 these consolidated 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.

Group Balance Sheet

December 31, 2022

	Notes	2022 $'000	2021 $'000
CURRENT ASSETS			
Cash and cash equivalents		1,214,116	1,282,048
Short-term investments	4	592,602	416,110
Securities purchased under resale agreements	5	10,217,311	10,319,916
Accounts receivable	6	3,453,623	3,147,428
Taxation recoverable		173,560	63,701
Inventories	7	1,442,521	1,173,633
Total current assets		17,093,733	16,402,836
CURRENT LIABILITIES			
Accounts payable	8	5,262,276	4,547,419
Taxation		232,060	283,775
Loans and borrowings	20	1,119,800	833,250
Lease liabilities	21(i)(b)	125,703	158,957
Total current liabilities		6,739,839	5,823,401
WORKING CAPITAL		10,353,894	10,579,435
NON-CURRENT ASSETS			
Biological assets	9	154,761	101,779
Interest in associates and joint ventures	10(a)	2,019,289	969,891
Investments	12	461,992	511,058
Intangible assets	13	1,396,584	1,425,692
Deferred tax asset	14	5,575	9,056
Property, plant and equipment	15	24,614,201	22,809,785
Investment property	16	544,863	552,783
Employee benefit asset	17(a)	558,899	1,698,874
Right of use of assets	21(i)(a)	385,048	582,413
Total non-current assets		30,141,212	28,661,331
Total assets less current liabilities		40,495,106	39,240,766
EQUITY			
Share capital	18	112,214	112,214
Reserves	19	19,013,217	17,841,243
Attributable to equity holders of the parent		19,125,431	17,953,457
NON-CONTROLLING INTEREST	11	16,759,852	16,219,005
Total equity		35,885,283	34,172,462
NON-CURRENT LIABILITIES			
Deferred tax liability	14	1,179,846	1,293,498
Loans and borrowings	20	2,918,817	2,941,367
Employee benefit obligations	17(b)	258,749	396,749
Lease liabilities	21(i)(b)	252,411	436,690
		4,609,823	5,068,304
Total equity and non-current liabilities		40,495,106	39,240,766

The financial statements on pages 58 to 119 were approved for issue by the Board of Directors on March 1, 2023 and signed on its behalf by :

C.H. Johnston

J.Hall

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

Group Statement of Profit or Loss

Year ended December 31, 2022

	Notes	2022 $'000	2021 $'000
Gross operating revenue	22	29,001,125	25,020,595
Cost of operating revenue		(21,337,845)	(17,962,918)
Gross profit		7,663,280	7,057,677
Other income and expenses, net		205,213	872,301
Selling, administration and other operating expenses	23	(4,322,832)	(3,453,300)
Profit from operations		3,545,661	4,476,678
Share of profits in associates and joint ventures		1,358,130	256,309
Profit before finance cost and taxation		4,903,791	4,732,987
Finance cost	24	(223,935)	(257,371)
Profit before taxation		4,679,856	4,475,616
Taxation charge	25	(693,824)	(655,964)
Profit for the year		3,986,032	3,819,652
Attributable to:			
Parent company stockholders		2,299,346	1,844,791
Non-controlling interest	11	1,686,686	1,974,861
		3,986,032	3,819,652
Attributable to parent company stockholders:			
The company		(389,363)	8,170
Subsidiary companies		1,431,806	1,561,236
Associated companies and joint ventures	10(b)	1,256,903	275,385
		2,299,346	1,844,791
Profit per ordinary stock unit:	26		
Based on stock units in issue		204.91¢	164.40¢
Excluding stock units held by ESOP		218.65¢	176.12¢

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

Group Statement of Profit or Loss and Other Comprehensive Income

Year ended December 31, 2022

	Notes	2022 $'000	2021 $'000
Profit for the year		3,986,032	3,819,652
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit asset and obligations	17	(1,008,652)	114,921
Deferred tax effect on remeasurement of defined benefit asset and obligations	14	126,081	(14,365)
Change of fair value through other comprehensive income (FVOCI) investments		(5,493)	(88,554)
Share of other comprehensive income of associates and joint ventures	10	(160,781)	127,288
Items that may be reclassified to profit or loss:			
Exchange gains on translation of foreign operations		(415,640)	77,425
		(1,464,485)	216,715
Total comprehensive income for the year		2,521,547	4,036,367
Attributable to:			
Parent company stockholders		1,430,994	2,023,517
Non-controlling interest		1,090,553	2,012,850
		2,521,547	4,036,367

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

Group Statement of Changes in Equity

Year ended December 31, 2022

	Attributable to owners of the company								
	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 January 1, 2021	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 (loss)/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.

Group Statement of Changes in Equity (Continued)

Year ended December 31, 2022

	Attributable to owners of the company								
	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 January 1, 2022	112,214	135,087	4,492,620	(62,983)	(64)	13,276,583	17,953,457	16,219,005	34,172,462
Total comprehensive income for 2022:									
Profit for the year	-	-	-	-	-	2,299,346	2,299,346	1,686,686	3,986,032
Other comprehensive income/(loss)									
Remeasurement of defined benefit asset and obligations	-	-	-	-	-	(347,413)	(347,413)	(661,239)	(1,008,652)
Deferred tax effect on remeasurement of defined benefit assets and obligations`	-	-	-	-	-	52,954	52,954	73,127	126,081
Share of other comprehensive income of associate and joint ventures	-	-	-	-	-	(160,781)	(160,781)	-	(160,781)
Change of fair value through other comprehensive income (FVOCI) investments	-	-	-	(5,493)	-	-	(5,493)	-	(5,493)
Exchange gains arising on translation of foreign operations	-	-	(407,619)	-	-	-	(407,619)	(8,021)	(415,640)
Total other comprehensive loss	-	-	(407,619)	(5,493)	-	(455,240)	(868,352)	(596,133)	(1,464,485)
Total comprehensive (loss)/income for the year	-	-	(407,619)	(5,493)	-	1,844,106	1,430,994	1,090,553	2,521,547
Other reserve movements									
Other transfer to capital reserves	-	-	13,132	-	-	(13,132)	-	-	-
Transactions with owners of the company									
Own shares sold by ESOP	-	-	-	-	47,040	-	47,040	-	47,040
Net movement in subsidiary ESOP	-	-	-	-	-	-	-	6,070	6,070
Distributions to non-controlling interests	-	-	-	-	-	-	-	(555,776)	(555,776)
Distributions to stockholders (note 27)			(315,723)	-	-	-	(315,723)	-	(315,723)
Unclaimed distributions to stockholders (note 27)	-	-	9,663	-	-	-	9,663	-	9,663
	-	-	(292,928)	-	47,040	(13,132)	(259,020)	(549,706)	(808,726)
Balances at December 31, 2022	112,214	135,087	3,792,073	(68,476)	46,976	15,107,557	19,125,431	16,759,852	35,885,283
Retained in the financial statements of:									
The company	112,214	135,087	1,219,264	(7,570)	-	1,618,099	3,077,094		
Subsidiary companies	-	-	2,572,809	(60,906)	46,976	12,094,816	14,653,700		
Associate companies and joint ventures	-	-	-	-	-	1,394,637	1,394,637		
Balances at December 31, 2022	112,214	135,087	3,792,073	(68,476)	46,976	15,107,552	19,125,431		

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

Group Statement of Cash Flows

Year ended December 31, 2022

	Notes	2022 $'000	2021 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		3,986,032	3,819,652
Adjustments for:			
Depreciation – property, plant and equipment and investment property	15,16	1,206,681	1,184,057
Amortisation – right of use assets	21[i(a)]	161,207	169,549
Amortisation and impairment – intangible assets	13	97,352	94,928
Amortisation – biological assets	9	22,411	21,728
Unrealised foreign exchange loss		17,361	8,874
Current taxation charge	25(a)	678,136	684,593
Deferred tax, net	25(a)	15,688	(28,629)
Movement in employee benefits		(6,677)	(21,871)
Loss/(gain) on disposal of property, plant and equipment and investments		76,694	(2,324)
Share of profit in associate companies and joint ventures		(1,358,130)	(256,309)
Reversal of impairment on long term loan receivable		(11,444)	-
Amortisation of bond issue costs	20	744	744
Interest earned	24	(466,749)	(336,054)
Interest expense	24	223,935	257,371
		4,643,241	5,596,309
Increase in current assets and liabilities:			
Accounts receivable		(290,196)	(252,029)
Taxation recoverable		(109,859)	(25,568)
Inventories		(268,888)	(194,149)
Accounts payable		507,901	472,597
Cash generatedfrom operating activities		4,482,199	5,597,160
Tax paid		(628,624)	(555,402)
Net cash generated from operating activities		3,853,575	5,041,758
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to biological assets	9	(75,393)	(67,627)
Short-term investments purchased		416,110	1,091,990
Proceeds from matured short-term investments		(592,602)	(416,110)
Interest received		472,535	335,339
Securities purchased under resale agreements		(10,217,311)	(10,319,916)
Redemption of securities purchased under resale agreements		10,319,916	7,645,526
Additions to property, plant and equipment	15	(3,311,911)	(1,685,960)
Additions to intangible assets	13	-	(4,212)
Acquisition of subsidiary, net of cash	32	(4,441)	(22,364)
Proceeds from disposal of investments and property, plant and equipment		10,066	2,324
Own shares or subsidiary shares sold/(purchased) by ESOP		53,110	(23,304)
Acquisition of associate company and joint ventures		-	(296,216)
Repayment of long term loans receivable		55,015	-
Repayments on associate companies and joint ventures accounts		26,013	-
Disbursements to associate companies and joint ventures		(105,240)	(254,221)
Net cash used by investing activities		(2,954,133)	(4,014,751)

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

Group Statement of Cash Flows (Continued)

Year ended December 31, 2022

	Note	2022 $'000	2021 $'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loan and borrowings		1,000,000	850,000
Repayment of loans and borrowings		(781,315)	(718,675)
Interest paid		(178,119)	(180,435)
Distributions to non-controlling interests		(506,005)	(472,839)
Distributions to stockholders		(253,123)	(199,321)
Payment of lease liabilities	21	(192,165)	(182,018)
Net cash used by financing activities		(910,727)	(903,288)
Net (decrease)/ increase in cash and cash equivalents		(11,285)	123,719
Cash and cash equivalents at beginning of the year		1,282,048	1,127,084
Exchange gains on foreign currency cash and cash equivalents		(56,647)	31,245
Cash and cash equivalents at end of the year		1,214,116	1,282,048

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 33) 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 January 3, 2022, the group acquired a 100% shareholding in Miami Freight & Shipping Company ("MFS"). MFS is a Miami, USA based company engaged in freight handling, logistics and shipping primarily between North America and the Caribbean (see note 32).

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 S.A. acquired the assets of an ice and bottled water producer and distributor in the Dominican Republic (note 10).

2. Statement of compliance and basis of preparation

(a) Statement of compliance

The consolidated 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 and revised 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 consolidated 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 consolidated 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 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.

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

In determining whether a particular set of activities and assets is a business, the group assesses whether the set of activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The group has an option to apply a concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

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.

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3. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(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, 2022.

(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.

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(vi) Associates (continued)

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.

(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$187.28 (2021: J$205.31), US$1 to J$152.56 (2021: J$149.97), €1 to J$158.29 (2021: J$174.07), 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(iii)].

(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;

3. Significant accounting policies (continued)

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

Financial assets (continued)

Initial recognition and measurement (continued)

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

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 other comprehensive income ("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 ("ECL'S"), 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.

3. Significant accounting policies (continued)

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

Financial assets (continued)

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.

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.

3. Significant accounting policies (continued)

(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.

(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. The group adopted the policy to value biological assets on the basis of amortised cost due to the lack of available independent specialist to perform a fair value assessment on a regular basis.

(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.

3. Significant accounting policies (continued)

(k) Intangible assets and goodwill (continued)

(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.

(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 including software	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.

3. Significant accounting policies (continued)

(l) Property, plant and equipment (continued)

(ii) 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.

Computers, 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.

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.

3. Significant accounting policies (continued)

(p) Leases (continued)

i. As a lessee (continued)

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.

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.

3. Significant accounting policies (continued)

(p) Leases (continued)

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.

  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.

3. Significant accounting policies (continued)

(q) Employee benefits (continued)

- Pension obligations (continued)

  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.

- Employee share option plan (ESOP)

  The group operates an Employee's Share Ownership Plan ("ESOP"), which is regarded as a structured entity. The ESOP is managed under Trust and provides certain employees with the option to purchase shares at a discount using their annal bonus entitlement.

  The fair value of the amount payable to the employees which are settled based on the choice of the employees is measured as an expense with corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the option. Any changes in the liability are recognised in profit or loss.

- 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 drink	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% to 3.5% annually.

5. Securities purchased under resale agreements

The fair value of the underlying securities purchased under resale agreements approximated $11,601,049,000 (2021: $10,850,804,000).

6. Accounts receivable

	2022 $'000	2021 $'000
Trade receivables [note 31(b)(i)]	2,905,772	2,602,068
Other receivables and prepayments	679,621	714,519
	3,585,393	3,316,587
Less: allowance for expected credit losses	(131,770)	(169,159)
	3,453,623	3,147,428

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

	2022 $'000	2021 $'000
Balance at beginning of year	169,159	200,728
Impairment losses recognised	25,986	30,303
Amount recovered in the year	(58,937)	(50,496)
Amount written-off as uncollectible	(3,984)	(11,415)
Exchange loss on retranslation	(454)	39
Balance at end of year	131,770	169,159

7. Inventories

	2022 $'000	2021 $'000
Raw materials and consumables	650,969	554,167
Processed goods	214,295	165,978
Spare parts and other	577,257	453,488
	1,442,521	1,173,633

Inventory balances are shown net of a provision of $37,670,000 (2021: $32,349,000). This provision arises predominantly in the group's consumer food businesses and reflects an adjustment in the value of inventory items to the lower of cost and realisable value. The net movement of $5,321,000 (2021:$1,220,000) was recognised in cost of sales.

8. Accounts payable

	2022 $'000	2021 $'000
Trade payables	2,376,337	2,060,803
Dividends payable – shareholders and non-controlling interests	700,533	594,869
Accrued expenses and other payables	2,185,406	1,891,747
	5,262,276	4,547,419

9. Biological assets

	2022 $'000	2021 $'000
Balance at beginning of the year	101,779	55,880
Increase due to new plantings	75,393	67,627
Amortisation in year	(22,411)	(21,728)
Balance at end of the year	154,761	101,779

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

		2022 $'000	2021 $'000
(i)	Tortuga Cayman Limited	104,650	72,793
(ii)	Geest Line Limited	1,025,420	525,309
(iii)	CoBeverage Lab S.L.	119,101	125,855
(iv)	Grupo Frontera Limited	770,117	245,934
(v)	Capital Infrastructure Managers Limited	1	-
		2,019,289	969,891

(i) The group has a 40% holding in Tortuga Cayman Limited, a company that manufactures and distributes baked products.

(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 CoBeverage 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 16, 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.

(v) During the year the group subscribed for 50% of the share capital in a newly incorporated company, Capital Infrastructure Managers Limited ("CIM"). CIM was incorporated as a Joint Venture company to provide management services. CIM did not operate during the financial year, as such no results were consolidated in these financial statements.

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

(b) The following table summarises the financial information for Geest Line Limited, Grupo Frontera Limited and the aggregated information for CoBeverage Lab S.L and Tortuga Cayman Limited, as included in the Group's financial statements as at December 31, 2022, reflecting adjustments for differences in accounting policies, foreign exchange and related party transactions.

	2022			
	Geest Line Limited $'000	Grupo Frontera Limited	Other associates and joint venture $'000	Total $'000
Percentage ownership interest	50%	50%	40%/50%	
Cash and cash equivalents	2,753,625	124,065	57,220	
Other current assets	2,289,086	403,291	568,627	
Non-current assets	130,022	2,838,833	85,607	
Current liabilities	(2,940,078)	(295,977)	(422,406)	
Non-current Liabilities	(451,095)	(2,072,676)	(130,853)	
Net assets attributable to equity holders (100%)	1,781,560	997,536	158,195	
Group's share of net assets	890,780	498,768	80,627	1,470,174
Goodwill	59,438	-	35,628	95,066
Fair value adjustments at acquisition date	233,950	-	-	233,950
Net amounts due to the group from associates and joint ventures	(61,344)	284,871	111,304	334,831
Foreign exchange adjustments	(97,404)	(13,522)	(3,807)	(114,733)
Carrying amount of investment	1,025,420	770,117	223,752	2,019,289
Revenue	17,755,590	1,970,084	990,935	
Depreciation and amortisation	(86,899)	(187,899)	(15,975)	
Interest income	8,802	-	-	
Interest expense	-	(54,554)	(13,867)	
Profit from continuing operations	1,707,820	986,110	23,553	
Taxation expense	(157,879)	(33,733)	(10,818)	
Profit after tax	1,549,941	952,377	12,735	
Other comprehensive income, net of tax	(321,562)	-	-	
Total comprehensive income	1,228,379	952,377	12,735	
Share of total comprehensive income during the year or since date of investment:				
Profit from continuing operations	774,971	476,189	5,744	1,256,903
Other comprehensive income	(160,781)	-	-	(160,781)
	614,190	476,189	5,744	1,096,122

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

(b) (Continued)

	2021		
	Geest Line Limited $'000	Other associates and joint venture $'000	Total $'000
Percentage ownership interest	50%	40%/50%	
Cash and cash equivalents	1,133,570	183,956	
other current assets	1,989,523	572,180	
Non-current assets	187,923	1,845,032	
Current liabilities	(2,446,322)	(488,948)	
Non-current liabilities	(449,516)	(1,933,097)	
Net assets attributable to equity holders (100%)	415,178	179,122	
Group's share of net assets	207,589	89,908	297,497
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
Carrying amount of investment	525,309	444,582	969,891
Revenue	12,196,890	913,844	
Depreciation and amortisation	(80,892)	(74,208)	
Interest income	411	-	
Interest expense	(3,285)	(32,400)	
Profit/(loss) from continuing operations	495,620	(18,486)	
Taxation expense	40,241	(2,097)	
Profit after tax	535,861	(20,583)	
Other comprehensive income, net of tax	242,061	-	
Total comprehensive income/(loss)	777,922	(20,583)	
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
	425,517	(22,294)	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.

	2022				2021			
	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	23,300,584	776,034	389,257		22,609,088	799,335	427,729	
Current assets	11,801,211	480,925	518,549		10,884,231	501,871	455,348	
Non-current liabilities	(3,071,650)	(159,222)	(776,495)		(3,251,843)	(186,342)	(721,932)	
Current liabilities	(3,210,371)	(298,062)	(166,804)		(2,511,988)	(342,822)	(159,129)	
Net assets/(liabilities)	28,819,774	799,675	(35,493)		27,729,488	772,042	2,016	
Carrying amount of NCI	16,488,302	313,513	(41,963)	16,759,852	15,910,941	303,040	5,024	16,219,005
Revenue	9,476,406	1,366,488	1,826,491		8,674,001	1,080,639	1,492,594	
Profit/(loss) for the year	2,925,022	40,214	(85,782)		3,392,401	7,699	468	
Other comprehensive income	(882,571)	12,581	(10,681)		13,061	38,539	52,801	
Total comprehensive income	2,042,451	27,633	(96,643)		3,405,462	46,238	53,269	
Profit/(loss) allocated to NCI	1,715,179	15,235	(43,728)	1,686,686	1,989,491	2,917	(17,547)	1,974,861
Other comprehensive income allocated to NCI	(588,112)	(4,763)	(3,258)	(596,133)	7,575	14,574	15,840	37,989
Cash flows from operating activities	3,818,585	59,236	(50,659)		3,781,625	99,942	41,282	
Cash flows from investment activities	(2,316,251)	(15,146)	(39,309)		(743,090)	(16,357)	(109,495)	
Cash flows from financing activities	(610,265)	(48,439)	99,204		(721,413)	(59,968)	98,628	
Net increase/(decrease) in cash and cash equivalents	892,069	(4,349)	9,236		2,317,122	23,617	30,415	

12. Investments

	2022 $'000	2021 $'000
Quoted equities – at FVOCI	12,376	17,869
Unquoted equity – at FVOCI	449,616	449,616
Long-term receivable – at amortised cost	-	43,573
	461,992	511,058

The prior year long-term receivable represented a third-party loan of US$1,140,000 against which an impairment allowance of US$734,000 had been recognised due to uncertainty in recoverability. During 2022 this loan was settled and a portion of the provision reversed.

13. Intangible assets

	Brands and trademarks $'000	Customer relationships $'000	Other identifiable intangibles $'000	Goodwill $'000	Total $'000
Cost					
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
Additions arising on acquisition of subsidiary	16,553	-	58,875	48,958	124,386
Exchange adjustments	(9,856)	(5,391)	(2,088)	(53,525)	(70,860)
December 31, 2022	637,291	704,036	276,100	1,034,803	2,652,230
Amortisation and impairment					
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
Charge for the year	26,951	41,400	29,001	-	97,352
Exchange adjustments	(4,314)	(5,393)	(938)	(4,073)	(14,718)
December 31, 2022	263,403	559,195	174,988	258,060	1,255,646
Net book values					
December 31, 2022	373,888	144,841	101,112	776,743	1,396,584
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

13. Intangible assets (continued)

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:

	2022		2021	
Cash-generating units ("CGUs")	Discount rates	Growth rates	Discount rates	Growth rates
Juice manufacturing business	12.4%	2.0%	12.4%	2.0%
Other food manufacturing business	15.9%	3.0%	15.4%	3.0%
Logistics business	13.7%	2.0%	13.7%	2.0%

Sensitivity analysis:

A 1% (2021: 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 or prior year.

14. Deferred tax asset/(liability)

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

	Deferred tax					
	Asset		Liability		Net	
	2022	2021	2022	2021	2022	2021
	$'000	$'000	$'000	$'000	$'000	$'000
Property, plant and equipment	5,575	9,056	(1,155,542)	(1,138,396)	(1,149,967)	(1,129,340)
Employee benefits	-	-	(37,519)	(162,879)	(37,519)	(162,879)
Other liabilities	-	-	8,409	(8,733)	8,409	(8,733)
Other assets	-	-	4,806	16,510	4,806	16,510
	5,575	9,056	(1,179,846)	(1,293,498)	(1,174,271)	(1,284,442)

Movement on the net deferred tax liability during the year:

	2022	2021
	$'000	$'000
Net deferred tax liability at beginning of year	(1,284,442)	(1,299,909)
Effect of re-measurement of post-employment benefits recognised in other comprehensive income	126,081	(14,365)
Recognised in taxation credit [note 25(a)(ii)]	(15,688)	28,629
Translation (loss)/gain in the year	(222)	1,203
	(1,174,271)	(1,284,442)

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, 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
Additions	32,644	10,827	435,409	2,833,031	3,311,911
Disposals	(91,531)	(1,497)	(23,690)	-	(116,718)
Transfers	79,809	-	68,590	(148,399)	-
Exchange adjustments	(158,226)	46	(260,241)	(35,187)	(453,608)
December 31, 2022	20,325,149	425,782	9,001,080	3,176,328	32,928,339
Depreciation and impairment					
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
Charge for the year	518,284	8,743	630,895	40,839	1,198,761
Eliminated on disposals	(10,361)	(854)	(18,391)	-	(29,606)
Exchange adjustments	(66,117)	16	(151,758)	(14,127)	(231,986)
December 31, 2022	3,255,526	259,611	4,608,132	190,869	8,314,138
Net book values					
December 31, 2022	17,069,623	166,171	4,392,948	2,985,459	24,614,201
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

16. Investment property

	Land $'000	Plant and buildings $'000	Total $'000
Cost at December 31, 2021 and December 31, 2022	269,700	300,300	570,000
Depreciation			
December 31, 2021	-	17,217	17,217
Charge for the year	-	7,920	7,920
December 31, 2022	-	25,137	25,137
Net book values			
December 31, 2022	269,700	275,163	544,863
December 31, 2021	269,700	283,083	552,783

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:

	2022 $'000	2021 $'000
Rental income	71,436	50,329
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) Three defined contribution schemes for qualifying employees in Jamaica and another in the United Kingdom. The total contributions under these schemes for the period were $32,721,000 (2021: $29,161,000)

(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 valuation. 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:

	2022 $'000	2021 $'000
Balance sheet asset/(obligations) for:		
Pension benefits asset	(558,899)	(1,698,874)
Other retirement benefits obligation	258,749	396,74)
(Credit)/charge to profit or loss for:		
Pension benefits	(47,591)	(63,461)
Other retirement benefits	58,025	57,725
	10,434	(5,736)
Charge/(Credit to other comprehensive income on remeasurements for:		
Pension benefits	1,193,007	(80,901)
Other retirement benefits	(184,355)	(34,020)
	1,008,652	(114,921)

(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:

	2022 $'000	2021 $'000
Fair value of plan assets	(3,728,121)	(4,037,301)
Present value of fund obligations	1,674,637	2,338,427
Asset in the balance sheet	(2,053,484)	(1,698,874)
Unrecognised amounts due to limitation (asset ceiling)	1,494,585	-
Surplus of funded plan/asset in the Statement of Financial position	(558,899)	(1,698,874)

Movements in the amounts recognised in the balance sheet:

	2022 $'000	2021 $'000
Assets at start of year	(1,698,874)	(1,549,850)
Amounts recognised in comprehensive income for the year	1,145,416	(144,362)
Contributions paid	(5,441)	(4,662)
Assets at end of year	(558,899)	(1,698,874)

17. Employee benefit asset and obligations (continued)

(a) Defined benefit pension plan (continued)

The movement in the fair value of plan asset:

	2022 $'000	2021 $'000
Balance at start of year	(4,037,301)	(3,730,537)
Interest income	(321,035)	(334,358)
Remeasurements -		
Return on plan assets, excluding amounts included in interest expense	581,490	(3,292)
Members' contributions	(48,017)	(42,461)
Employers' contributions	(5,441)	(4,662)
Benefits paid	94,764	71,374
Administrative expenses	7,419	6,635
Balance at end of year	(3,728,121)	(4,037,301)

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

	2022 $'000	2021 $'000
Balance at start of year	2,338,427	2,180,687
Current service cost	101,033	85,929
Interest cost	192,199	201,645
Remeasurements -		
Gain from change in financial assumptions	54,067	(98,971)
Loss/(gain) from change in financial assumptions	(937,135)	21,362
Members' contributions	20,810	19,149
Benefits paid	(94,764)	(71,374)
Balance at end of year	1,674,637	2,338,427

As at the reporting date, the present value of the defined benefit obligation comprised approximately $1,012,625,000 (2021: $1,513,705,000) relating to active employees, $92,412,000 (2021: $128,138,000) relating to deferred members, $557,837,000 (2021: $691,619,000) relating to members in retirement and $11,765,000 (2021: $4,965,000) representing other liabilities.

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

	2022 $'000	2021 $'000
Current service cost	73,826	62,617
Interest income	(128,836)	(132,713)
Administrative expenses	7,419	6,635
Total, included in staff costs	(47,591)	(63,461)

17. Employee benefit asset and obligations (continued)

(a) Defined benefit pension plan (continued)

Plan assets are comprised as follows:

	2022		2021	
	$'000	%	$'000	%
Quoted equity securities	1,826,162	49.0	2,041,363	50.6
Government of Jamaica securities	784,147	21.0	908,805	22.5
Corporate bonds and promissory notes	509,140	13.7	583,117	14.4
Repurchase agreements	182,386	4.9	295,101	7.3
Leases	18,673	0.5	16,811	0.4
Real estate	117,816	3.2	79,260	2.0
Other	289,797	7.8	112,774	2.8
	3,728,121	100.0	4,037,231	100.0

The pension plan's assets include ordinary stock units of Kingston Wharves Limited with a fair value of $324,000,000 (2021: $387,000,000).

Expected contributions to the post-employment plan for the year ending December 31, 2023 are $6,785,000.

The significant actuarial assumptions used were as follows:

	2022	2021
Discount rate	13.0%	8.00%
Future salary increases	6.5%	6.00%
Expected pension increase	4.0%	3.50%

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	
	2022	2021	2022	2021	2022	2021
			$'000	$'000	$'000	$'000
Discount rate	1%	0.5%	(111,028)	(144,060)	123,397	162,839
Future salary increases	1%	0.5%	19,131	21,362	(17,911)	(20,735)
Expected pension increase	1%	0.5%	96,681	126,923	(82,561)	(114,593)
Life expectancy	1 Year	1 Year	14,564	39,700	(20,043)	(39,932)

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 7.5% (2021: 7%) per year for the insured group health plan. The insured group life plan assumes a salary rate increase of 6.5% (2021: 6%) per year.

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

	2022 $'000	2021 $'000
Liability at start of year	396,749	384,517
Amounts recognised in comprehensive income for the year	(126,330)	23,705
Benefits paid	(11,670)	(11,473)
Liability at end of year	258,749	396,749

Movement in the present value of the defined benefit obligation:

	2022 $'000	2021 $'000
Balance at start of year	396,749	384,517
Current service cost	24,771	21,683
Interest cost	33,254	36,042
Included in staff costs in statement of profit or loss	58,025	57,725
Remeasurements -		
(Gain)/loss from change in financial assumptions, being total included in other comprehensive income	(199,319)	2,440
Experience gains	14,964	(36,460)
Benefits paid	(11,670)	(11,473)
Balance at end of year	258,749	396,749

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	
	2022	2021	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Life						
Discount rate	1.0%	0.5%	(1,592)	(1,723)	1,823	2,015
Future salary increases	1.0%	0.5%	483	488	(447)	(490)
Medical						
Discount rate	1.0%	0.5%	(24,969)	(27,749)	30,576	31,747
Future medical cost rate	1.0%	0.5%	30,576	31,747	(24,969)	(27,749)

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 13 years and 8 years respectively.

18. Share capital

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

	2022 $'000	2021 $'000
Stated capital:		
Issued and fully paid -1,122,144,036 (2021: 1,122,144,036) ordinary stock units at no par value	112,214	112,214

Holders of these shares are entitled to distributions as declared from time to time and are entitled to one vote per share at general meetings of the company.

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

	2022 $'000	2021 $'000
Capital:		
Share premium (note 18)	135,087	135,087
Reserve for own shares [see (i) below]	46,976	(64)
Fair value reserve [see (ii) below]	(68,476)	(62,983)
Other [see (iii) below]	3,792,073	4,492,620
	3,905,660	4,564,660
Revenue:		
Retained profits	15,107,557	13,276,583
	19,013,217	17,841,243

(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, 2022. 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, 2022 was 69,733,801 (2021: 72,447,330). Based on the bid price, less a 15% discount normally allowed to staff, the value of those stock units at December 31, 2022 was $1,357,368,000 (2021: $1,446,520,000). The fair value of these stock units is not recognised in the group's reserve for own shares until sold.

(ii) Fair value reserve represents the cumulative net change in the fair value of equity securities designated at FVOCI.

(iii) Other capital reserves comprise gains on disposal of property, plant and equipment and investments up to December 31, 2022, unrealised exchange gains and unclaimed distributions to stockholders (note 27).

(iv) 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

	2022 $'000	2021 $'000
Syndicated third party and bank loans	3,614,994	3,363,937
Finance leases	133,653	226,676
Deferred contingent consideration	91,798	-
Other related party	201,394	187,970
	4,041,839	3,778,583
Less: Transaction costs		
Brought forward from prior year	(3,966)	(4,710)
Amortised in interest expense for the year	744	744
	(3,222)	(3,966)
Total carrying value of long-term loans	4,038,617	3,774,617
Less: current portion	(1,119,800)	(833,250)
Total non-current value of long-term loans	2,918,817	2,941,367

20. Loans and borrowings (continued)

The terms and conditions of outstanding loans are as follows:

	Currency	Nominal interest rate	Year of maturity	2022 Face value $'000	2022 Carrying value $'000	2021 Face value $'000	2021 Carrying value $'000
Secured bank loan (i)	JMD	5.35%	2027	975,000	975,000	1,105,000	1,105,000
Secured bank loan	GBP	2.92%	2030	-	-	39,243	39,243
Secured bank loan	JMD	6.50%	2027	121,332	121,332	142,483	142,483
Secured bank loan	JMD	4.10%	2024	61,926	61,926	101,037	101,037
Secured bank loan	JMD	4.16%	2023	19,643	19,643	98,214	98,214
Secured bank loan	JMD	5.00%	2023	112,875	112,875	177,375	177,375
Secured bank loan (ii)	JMD	5.00%	2023	603,000	603,000	855,000	855,000
Secured bank loan (iii)	JMD	5.00%	2028	616,071	616,071	723,214	723,214
Secured bank loan	JMD	5.50%	2025	72,222	72,222	88,889	88,889
Secured revolving loan facility	USD	5.50%	2022	29,993	29,993	30,550	30,550
Secured bank loan (iv)	JMD	4.8%	2025	1,000,000	1,000,000	-	-
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
Finance lease	EUR	2.27%	2025	77,960	77,960	125,167	125,167
Finance lease	EUR	2.35%	2025	55,693	55,693	89,764	89,764
Other related party (v)	USD	3.00%	2025	201,394	201,394	187,970	187,970
Deferred consideration (vi)	USD	Nil%	2025	91,798	91,798	-	-
				4,041,839	4,041,839	3,778,583	3,778,583

(i) This loan, originally for $1,300,000,000, incurs interest at the fixed rate of 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 held by a subsidiary, Kingston Wharves Limited, was originally for $1,800,000,000 and was used to finance capital expenditure. It 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. This loan is secured by a debenture over the fixed and floating assets of the company, together with a legal mortgage over land and buildings owned by KW, and supported by guarantees totalling $5.6 billion.

(iii) This represents a loan of $750,000,000 obtained by Kingston Wharves Limited 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%. This loan, together with several other smaller facilities and guarantees, is secured by a registered debenture providing fixed and floating charges over the company's fixed and floating assets stamped to cover US$26.6 million, assignment of insurance proceeds and promissory notes stamped in the sums of $1.4 billion and mortgages/charges over property and machinery owned by the Kingston Wharves Limited of $1.5 billion.

20. Loans and borrowings (continued)

The terms and conditions of outstanding loans are as follows (continued):

(iv) This secured facility represents a $3.8 billion borrowing facility from The Bank of Nova Scotia for the financing of the expansion and modernisation of a berth. As at the year end, $1.0 billion of this facility has been drawn down. The interest rate varies over the life of the loan with rates fixed at 4.8% per annum for five years and thereafter at a rate of six month weighted average treasury bill yield rate plus 4% per annum and capped at 7.65%. The loan facility is for seven years with a ten year amortisation inclusive of two years moratorium on repayment of principal. The principal is repayable in 19 quarterly instalments of $117,750,000 and one final payment of $1,530,750,000 (see (ii) above for details of security).

(v) This unsecured loan of $201,394,000 (2021:$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) This represents the deferred consideration payable as part of the purchase price for the acquisition of Miami Freight & Shipping Company. This is due in two instalments in 2024 and 2025. This facility is interest free (see note 32).

(vii) Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Loans and borrowings		Leases	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Balance at January 1	3,778,583	3,615,900	595,647	661,056
Changes from financing cash flows:				
Proceeds from loans	1,000,000	850,000	-	-
Repayment of loans	(781,315)	(718,705)		
Repayment of lease liabilities	-	-	(192,165)	(182,018)
Deferred consideration recognised on acquisition	83,486	-	-	-
New leases	-	-	11,482	91,423
The effect of changes in foreign exchange rate	(38,915)	31,388	(36,850)	25,186
	263,256	162,683	(217,533)	(65,409)
Balance at December 31	4,041,839	3,778,583	378,114	595,647

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
Cost			
December 31, 2020	897,874	56,664	954,538
Additions	68,443	23,017	91,460
Disposals	-	(6,617)	(6,617)
Exchange adjustments	28,520	(1,128)	27,392
December 31, 2021	994,837	71,936	1,066,733
Additions	11,517	-	11,517
Disposals	(16,154)	(3,750)	(19,904)
Exchange adjustments	(60,907)	(5,406)	(66,313)
December 31, 2022	929,293	62,780	992,073
Amortisation			
December 31, 2020	(290,301)	(27,933)	(318,234)
Charge for the year	(154,382)	(15,167)	(169,549)
Eliminated on disposal	-	6,617	6,617
Exchange adjustments	(4,008)	814	(3,194)
December 31, 2021	(448,691)	(35,669)	(484,360)
Charge for the year	(144,854)	(16,353)	(161,207)
Eliminated on disposal	9,926	3,750	13,676
Exchange adjustments	20,903	3,963	24,866
December 31, 2022	(562,716)	(44,309)	(607,025)
Net book values			
December 31, 2022	366,577	18,471	385,048
December 31, 2021	546,146	36,267	582,413
December 31, 2020	704,340	35,667	740,007

21. Leases (continued)

(i) As a lessee (continued)

(b) Lease liabilities

Maturity analysis – contractual undiscounted cash flows:

	2022 $'000	2021 $'000
Less than one year	145,498	236,502
One to five years	220,327	389,837
More than five years	169,233	255,020
	535,058	881,359
Less: future interest	(156,944)	(285,712)
Total discounted lease liabilities	378,114	595,647
Less: current portion	(125,703)	(158,957)
Non-current portion	252,411	436,690

(c) Amounts recognised in profit or loss

	2022 $'000	2021 $'000
Interest on lease liabilities (note 24)	18,385	12,900
Expenses relating to short-term and low value leases	56,199	8,500

(d) Amounts recognised in the statement of cash flows

	2022 $'000	2021 $'000
Total cash outflow for leases	192,165	182,018

(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 $50,824,000 (2021: $55,129,000).

21. Leases (continued)

(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 2022 was $284,906,000 (2021: $258,293,000).

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

	2022 $'000	2021 $'000
Less than one year	259,315	251,372
One to five years	14,427	23,326
Total	273,742	274,698

22. Gross operating revenue

Gross operating revenue comprises the gross sales of goods and services of the group. 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:

	2022 $'000	2021 $'000
Primary Geographic Market		
Europe	13,579,275	11,930,013
Caribbean and North America	15,421,850	13,090,582
	29,001,125	25,020,595
Major Products and Services		
Food and drink	17,045,137	14,738,827
Terminal and logistics services	11,925,970	10,254,245
Other	30,018	27,523
	29,001,125	25,020,595

23. Selling, administration and other expenses

	2022 $'000	2021 $'000
Selling, administration and other expenses:		
Advertising, promotion and selling costs	395,521	284,982
Auditors' remuneration	103,779	82,322
Bad debt, net	34,251	(20,195)
Bank charges and merchant fees	103,445	94,289
Depreciation and amortisation	178,124	184,834
Directors' emoluments:		
Fees	14,390	13,270
For management	196,282	178,443
Donations	19,609	12,130
Insurance	143,494	114,343
IT and communication	339,911	276,891
Legal, professional and consultancy	197,842	181,986
Office and general costs	67,041	50,662
Other property related costs	209,474	179,225
Property rental	53,214	4,326
Staff costs	1,786,675	1,452,084
Transport and automobile	34,254	27,991
Travel	105,259	51,397
Utilities	169,235	141,845
Other	172,032	142,475
Total selling, administration and other operating expenses	4,322,832	3,453,300

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

	2022 $'000	2021 $'000
Finance income:		
Interest income on financial assets measured at amortised costs	409,217	244,784
Interest income on bank deposits, loans and receivables	57,532	91,270
Dividend income on FVOCI financial assets	6,139	1,639
Foreign exchange (loss)/gains	(205,881)	508,175
	267,007	845,868
Finance expenses:		
Interest expense on financial liabilities measured at amortised cost	(207,596)	(202,083)
Interest expense on right of use lease liabilities note 21[i(c)]	(18,385)	(12,900)
Unwinding of discount on deferred contingent consideration	(10,010)	-
Foreign exchange gains on financial liabilities	12,056	(42,388)
	(223,935)	(257,371)
Net financial income	43,072	588,497;

25. Taxation

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

	2022 $'000	2021 $'000
(i) Current tax charge:		
Jamaican corporation tax	400,680	511,302
United Kingdom corporation tax	20,786	16,557
Netherlands corporation tax	155,443	175,810
Tax on associated companies	101,227	(19,076)
	678,136	684,593
(ii) Deferred taxation (note 14):		
Origination and reversal of temporary differences	15,688	(28,629)
Total taxation charge in group profit and loss account	693,824	655,964

(b) Reconciliation of tax expense

The effective tax rate for 2022 was 14.8% (2021: 14.7%), compared to the statutory tax rate of the company of 25% (2021: 25%). The actual charge differs from the "expected" tax charge for the year as follows:

	2022 $'000	2021 $'000
Profit before taxation	4,679,856	4,475,616
Computed "expected" tax charge at 25% (2020: 25%)	1,169,964	1,118,904
Taxation difference between profit for financial statements and tax reporting purposes on:		
Effect of non-standard tax rates and tax rates of foreign jurisdictions	(442,742)	(411,928)
Unrelieved tax losses less tax relief utilised	(83,304)	33,875
Gain on disposal of property, plant and equipment and investments	-	-
Other related capital adjustments and disallowed expenses	49,906	(84,887)
Actual tax charge	693,824	655,964

(c) As at December 31, 2022, the company and certain subsidiaries had taxation losses, subject to agreement by the Commissioner General, Tax Administration Jamaica, of approximately $3,713,223,000 (2021: $3,605,354,000) available for relief against future taxable profits. Of this amount, $570,819,000 (2021: $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 $928,306,000 (2021: $901,339,000) 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 $2,299,346,000 (2021: $1,844,791,000), by a weighted average number of ordinary stock units held during the year, as follows:

Weighted average number of ordinary stock units:

	2022	2021
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	(70,528,278)	(74,681,546)
Weighted average number of ordinary stock units in issue during the year	1,051,615,758	1,047,462,490
Profit per ordinary stock unit in issue	204.91¢	164.40¢
Profit per ordinary stock unit excluding ESOP holdings	218.65¢	176.12¢

27. Distributions to stockholders of parent

	2022 $'000	2021 $'000
Capital distributions:		
First interim -25¢ (2020: 20¢) per stock unit gross	336,643	280,536
Distributions to ESOP [note 19(i)]	(20,920)	(18,112)
	315,723	262,424
Unclaimed distributions written back to capital reserves [note 19(iii)]	(9,663)	(10,052)
	306,060	252,372

Article 121 of the amended Articles of Association provides that all dividends declared may be utilised for the benefit of the company until claimed. Dividends unclaimed after a period of twelve years from the date of declaration, may be forfeited and revert to the company.

28. Commitments

(i) As at December 31, 2022, capital expenditure authorised and committed amounted to approximately $2,824,698,000 (2021: $4,334,228,000). At the reporting date the group has sufficient cash resources to fulfil these commitments.

(ii) The group has entered into a share subscription agreement to purchase shares of Capital Infrastructure Group Limited, a company incorporated under the laws of Barbados with the purpose of making investment in infrastructure properties and assets within the Caribbean. The shares being purchased by the Group are 2,400 common shares valued at US$2,400,000 and 11,000 preference shares valuing US$11,000.

On 22 November 2022, the Group was called upon to make payments amounting to US$612,000 by January 30, 2023. The amount represents a commitment to subscribe for shares at the reporting date.

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 22.0% (2021: 32.0%) 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:

	2022 $'000	2021 $'000
Short-term employment and other benefits	544,475	539,460
Payroll taxes – employer contributions	44,191	39,465
Post-employment benefits	30,717	30,712
Total remuneration	619,383	609,637

Other significant related party transaction with a director is disclosed at note 32.

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 2022 $'000	Transactions in year 2021 $'000	(Payable)/receivable at end of year 2022 $'000	(Payable)/receivable at end of year 2021 $'000	Terms and conditions *
Transactions with joint ventures and associates						
50% joint venture	Purchases by the group	351,142	250,648	(51,560)	(25,016)	1,2,3
50% joint venture	Management services income to the group	28,092	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	19,159	16,199	-	-	1,2,3
ii) Company under their control	Management services charged to group	15,526	36,630	(7,498)	(3,819)	2,3,4
iii) Company under their control	Shipping agency services charged to group	21,321	7,423	-	-	1,2,3
iv) Company under their control	Charges paid on behalf of the group	198,191	(8,340)	-	-	1,2,3
v) Company under their control	Collections from third parties on behalf of the group	(375,796)	(45,612)	24,118	20,418	1,2,3
vi) Company under their control	Sales by the group	(83,619)	(79,695)	14,063	6,750	2,3,4
vii) Company under their control	Legal services charged to group	37,753	513	37,475	-	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

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.

	JP Food & Drink		JP Logistics & Infrastructure		Corporate Services		Total	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Gross revenue	17,055,282	14,747,409	11,925,970	10,254,245	145,398	137,040	29,126,650	25,138,694
Inter- segment revenue	(10,145)	(8,582)	-	-	(115,380)	(109,517)	(125,525)	(118,099)
Revenue from external customers	17,045,137	14,738,827	11,925,970	10,254,245	30,018	27,523	29,001,125	25,020,595
Interest income	-	-	409,217	244,784	57,532	91,270	466,749	336,054
Share of profits in associates and joint ventures	1,638	(16,076)	853,910	272,385	502,582	-	1,358,130	256,309
Segment profit/(loss)	557,606	575,392	4,365,961	4,382,137	(19,776)	(224,542)	4,903,791	4,732,987
Finance cost							(223,935)	(257,371)
Profit before taxation							4,679,856	4,475,616
Taxation charge							(693,824)	(655,964)
Non-controlling interest							(1,686,686)	(1,974,861)
Profit attributable to equity holders of the parent							2,299,346	1,844,791
Segment assets	9,070,731	8,574,875	36,705,300	34,525,096	1,458,912	1,964,196	47,234,943	45,064,167
Segment liabilities	(3,010,676)	(3,080,544)	(7,496,285)	(7,143,593)	(842,699)	(667,568)	11,349,660	(10,891,705)
Capital expenditure	514,976	577,949	2,757,039	1,105,773	39,896	2,238	3,311,911	1,685,960
Depreciation, amortisation and impairment	621,264	644,012	851,222	812,929	15,165	13,321	1,487,651	1,470,262

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.

30. Segment reporting (continued)

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	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Jamaica	12,384,037	10,568,948	23,775,560	23,203,087
Netherlands	9,563,042	8,522,790	2,939,927	3,171,787
United Kingdom	822,221	594,344	1,366,103	898,807
United States of America	1,497,390	1,462,614	169,280	17,108
Other Caribbean countries	1,487,971	972,613	1,771,239	1,367,990
Other European countries	3,194,012	2,812,879	119,101	2,552
Other countries	52,452	86,407	-	-
	29,001,125	25,020,595	30,141,210	28,661,331

Revenues from one customer of the JP Food and Drink segment represents approximately $8,537,000 (2021: $7,753,000) or 29.4% (2021: 31.0%) 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 and are included in the level 2 fair value hierarchy. 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. Long term receivable is included in level 2 fair value hierarchy.

The fair value for long-term loans is included in the level 2 fair value hierarchy and is assumed to approximate carrying value as no discount on settlement is anticipated.

31. Financial instruments (continued)

(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.

(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 (note 5).

- 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.

31. Financial instruments (continued)

(b) Financial instrument risks (continued)

(i) Credit risk (continued)

- Accounts receivable (continued)

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.

The group's exposure to credit risk for trade receivables and contract assets by geographic region was as follow:

	2022 $'000	2021 $'000
Primary Geographic Market		
Europe	1,783,379	1,541,313
Caribbean and North America	1,122,393	1,060,755
	2,905,772	2,602,068

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.

2022

Age categories	Weighted average loss rate	Gross carrying amount $'000	ECL allowance $'000	Credit impaired
Current (not past due)	0.8%	1,929,532	675	No
Past due 0 – 30 days	1.3%	614,392	1,224	No
Past due 31- 120 days	9.2%	150,029	10,583	No
Past due 121 days - 1 year	30.8%	98,762	18,189	Yes
More than 1 year	100%	113,057	71,706	Yes
		2,905,772	102,377	

2021

Age categories	Weighted average loss rate	Gross carrying amount $'000	ECL allowance $'000	Credit impaired
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	No
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)

(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.

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:

	2022			2021		
	USD $'000	GBP £'000	EUR €'000	USD $'000	GBP £'000	EUR €'000
Financial assets						
Cash and cash equivalents	3,117	400	1,784	1,687	626	2,737
Short term investments	3,952	-	-	2,724	-	-
Securities purchased under resale agreements	57,546	-	-	49,781	-	-
Accounts receivable	7,023	1,440	11,131	6,508	1,178	8,717
Investments	-	-	-	285	-	-
Financial liabilities						
Accounts payable	(3,521)	(1,354)	(11,506)	(2,398)	(1,176)	(10,001)
Loans and borrowings	(1,543)	(519)	(864)	(1,198)	(189)	(1,351)
Lease liabilities	(634)	(849)	(250)	(1,060)	(992)	(571)
Financial instruments position	65,940	(882)	295	56,329	(553)	(469)
Other assets	15,931	3,489	21,844	14,429	3,541	20,860
Other liabilities	(36)	(78)	(394)	(75)	(44)	(119)
Balance sheet position	81,835	2,529	(21,745)	70,683	2,944	20,272

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 4% strengthening or 1% weakening (2021: 8% strengthening and 2% 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 4% (2021: 8%) depreciation of the Jamaican dollar:

	2022		2021	
	Equity $'000	Profit $'000	Equity $'000	Profit $'000
USD	85,727	404,929	168,397	695,200
GBP	17,954	(52)	49,042	-
EUR	134,518	-	272,173	-

Effect of a 1% (2021: 2%) appreciation of the Jamaican dollar:

	2022		2021	
	Equity $'000	Profit $'000	Equity $'000	Profit $'000
USD	(21,509)	(101,595)	(42,066)	(173,665)
GBP	(4,488)	13	(12,250)	-
EUR	(33,573)	-	(67,990)	-

Buying exchange rates used at year-end:

	2022	2021
USD1 to J$	149.96	152.75
GBP1 to J$	176.90	208.11
EUR1 to J$	154.68	167.78

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:

	2022 $'000	2021 $'000
Fixed rate instruments:		
Financial assets	11,271,904	11,247,084
Financial liabilities	(4,416,731)	(3,853,376)
	6,855,173	7,393,708
Variable rate instruments:		
Financial liabilities	(288,845)	(486,090)

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 $12,376,000 (2021: $17,869,000).

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 6% (2021: 5%) increase in stock prices at the reporting date would have increased total comprehensive income by $743,000 (2021: $893,450); an equal decrease would have decreased total comprehensive income by an equal amount.

Cash flow sensitivity analysis for variable rate instruments

An increase of 100 (2021: 300) basis points ("bps") or a decrease of 50 (2021: 50) 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)

	2022		2021	
	100 bps increase $'000	50 bps decrease $'000	300 bps increase $'000	50 bps decrease $'000
Variable rate instruments	(2,888)	1,444	(4,583)	2,430

(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.

	2022				
	Weighted average interest rate %	Carrying amount $'000	Contractual cash flows $'000	0-1 year $'000	1-5 years $'000
Bank loans	5.35%	3,611,772	4,193,401	1,200,826	2,992,575
Other related party loans	3.00%	201,394	219,520	6,042	213,478
Accounts payable		5,262,274	5,262,706	5,262,706	-
Deferred consideration		91,798	110,381	-	110,381
		9,167,238	9,786,008	6,469,574	3,316,434

31. Financial instruments (continued)

(b) Financial instrument risks (continued)

(iii) Liquidity risk (continued)

	2021				
	Weighted average interest rate %	Carrying amount $'000	Contractual cash flows $'000	0-1 year $'000	1-5 years $'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

(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. Acquisition of subsidiary

On January 3, 2022, the group, through its UK subsidiary JP Shipping Services Limited (JPSSL), acquired 100% of the equity of Miami Freight & Shipping Company ("MFS") from a related party.

The acquisition of MFS was a share acquisition of a fully operating company and therefore it is determined by the group that a business was acquired.

The strategic rationale for the business was to combine it with JPG's existing 100% subsidiary, JPSSL, which provides similar services as MFS on the UK to Caribbean routes. By incorporating MFS into the group JP expects to extend service offerings to also include US to Caribbean logistics services and leverage JPSSL's existing agency network in the wider Caribbean to expand MFS services outside of Jamaica.

Since January 3, 2022, MFS contributed revenue of $422,060,000 and profit after tax of $99,000 to the group's results in 2022. This is considered to be a full year operation result of MFS.

32. Acquisition of subsidiary (continued)

(i) Consideration transferred

	2022 $'000
Cash	7,266
Deferred contingent consideration	83,486
	90,752

The group has agreed to pay the selling shareholders two additional payments over three years based on an agreed rate of the acquiree profit after tax over the next three years. The group has included $83,486,000 as the contingent consideration related to the additional payments to be made, which represents its fair value at the date of acquisition. At December 31, 2022, the contingent consideration had increased to $91,798,000 (see note 20).

(ii) Identifiable assets acquired and liabilities assumed

	2022 $'000
Property, plant and equipment	32
Intangibles assets	75,521
Trade receivables	19,167
Other receivables	6,076
Cash and cash equivalents	2,825
Current liabilities	(22,358)
Long-term loans	(39,531)
Net identifiable assets acquired	41,732

The fair value of certain material asset categories was established as follows:

Intangible assets

The intangible assets comprise trademark, trade name and customer relationships. The value trademark and trade name were valued using the relief--from--royalty method of the income approach. The value of customer relationships was assessed through the multi-period excess earnings method. All valuations were performed by a qualified independent valuator.

(iii) Goodwill

	2022 $'000
Consideration transferred	90,752
Less fair value of identifiable assets	(41,732)
	49,020

The goodwill is attributable mainly to the skills and technical talent of MFS' workforce and the synergies expected to be achieved from integrating the company into the group's existing logistics business. None of the goodwill recognised is expected to be deductible for tax purposes.

33. 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
	2022	2021	of 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 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
Miami Freight & Shipping Company	100	-	U.S.A.
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	50	United Kingdom
CoBeverage Lab S.L.	50	50	Spain
Grupo Frontera Limited	50	50	St. Lucia
Grupo Alaska S.A.	100	100	Dominican Republic
Capital Infrastructure Managers Limited	50	-	Barbados

34. Other matters

On November 21, 2022, The Group announced that Jamaica Producers Group Limited ("JP") and PanJam Investment Limited ("PanJam"), have reached an agreement that will see the amalgamation of their businesses to take advantage of opportunities both locally and globally.

This arrangement was approved by the shareholders of both companies at extraordinary general meetings held on December 23, 2022.

The agreement will result in PanJam acquiring JP's operating assets in exchange for JP taking a 34.5% interest in PanJam. Post-transaction, PanJam, which will ultimately hold the combined businesses, will be renamed Pan Jamaica Group Limited. JP will emerge as the largest shareholder of the Pan Jamaica Group, with its shares in the Pan Jamaica Group being its principal operating asset. Both the renamed Pan Jamaica Group and JP will remain listed on the Main Market of the Jamaica Stock Exchange.

The combined assets and operations of JP and PanJam are expected to deliver value for shareholders through a diverse international portfolio of businesses. Pan Jamaica Group will have substantial holdings in real estate and infrastructure, specialty food and drink manufacturing, agri-business, financial services and a global services network of interests in hotels and attractions, business process outsourcing, shipping, logistics and port operations.

The transaction is expected to be completed after the first quarter of 2023.

JAMAICA PRODUCERS
GROUP LIMITED

Audited **Company** Financial Statements

Year ended December 31, 2022

Index

KPMG

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INDEPENDENT AUDITORS' REPORT

To the Members 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 C8 to C41, which comprise the separate balance sheet as at December 31, 2022, 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, 2022, and of its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with International Standards as issued by the International Accounting Standards Board ("IFRS Standards") 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.

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

Key Audit Matters

Key audit matters are matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters 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 these matters. We have determined that there are no key audit matters to communicate in our report.

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, 2022 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 Standards 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Audit of the Separate 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 C6 to C7, 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 Cynthia Lawrence.

KPMG

Kingston, Jamaica

March 1, 2023

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

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.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

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.

Company Balance Sheet

Year ended December 31, 2022

	Notes	2022 $'000	2021 $'000
CURRENT ASSETS			
Cash and cash equivalents	4	29,856	23,957
Short term investments	3(d),5	592,602	416,110
Securities purchased under resale agreements	3(e)	584,471	1,242,023
Accounts receivable	6	19,205	24,396
Taxation recoverable		35,298	20,899
Total current assets		1,261,432	1,727,385
CURRENT LIABILITIES			
Accounts payable	7	1,077,524	817,047
Current portion of loans and borrowings	14	130,000	130,000
Current portion of lease liabilities	11(b)	6,478	5,974
Total current liabilities		1,214,002	953,021
WORKING CAPITAL SURPLUS		47,430	774,364
NON-CURRENT ASSETS			
Interest in subsidiaries, associates and joint ventures	8	3,744,145	3,894,690
Investments	9	12,377	17,870
Property, plant and equipment	10	109,395	80,521
Right-of-use assets	11(a)	63,062	64,419
Total non-current assets		3,928,979	4,057,500
Total assets less current liabilities		3,976,409	4,831,864
EQUITY			
Share capital	12	112,214	112,214
Reserves	13	2,964,880	3,686,716
Total equity attributable to stockholders		3,077,094	3,798,930
NON-CURRENT LIABILITIES			
Loans and borrowings	14	841,778	971,034
Lease liabilities	11(b)	57,537	61,900
Total non-current liabilities		899,315	1,032.934
Total equity and non-current liabilities		3,976,409	4,831,864

The financial statements on pages C8 to C41 were approved by the Board of Directors on March 1, 2023 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.

Company Statement of Profit or Loss and Other Comprehensive Income

Year ended December 31, 2022

	Notes	2022 $'000	2021 $'000
Revenue:			
Management fees - subsidiaries	15	50,659	41,095
- other	15	27,608	26,030
Interest income - subsidiaries		31,058	19,658
- other		58,289	87,107
Dividends	16	403,042	360,598
Rent - subsidiaries	15	23,698	22,488
- other	15	1,512	499
		595,866	557,475
Administration and other operating expenses	17	(656,044)	(414,184)
(Loss)/profit from operations		(60,178)	143,291
Net (loss)/gain from fluctuation in exchange rates	16	(40,246)	153,091
Gain on disposal of investments and property, plant and equipment		1,043	-
Debt forgiveness		-	1,626
Increase in impairment allowance on loans and receivables - subsidiaries	8	(169,065)	(167,598)
(Loss)/profit before finance cost and taxation		(268,446)	130,410
Finance cost - interest	16	(120,905)	(122,218)
Profit before taxation		(389,351)	8,192
Taxation	18	(12)	(22)
(Loss)/profit for the year		(389,363)	8,170
Other comprehensive loss:			
Item that will not be reclassified to profit or loss:			
Decrease in fair value of investments classified as fair through other comprehensive income ("FVOCI")		(5,493)	(1,059)
Total comprehensive (loss)/income for the year		(394,856)	7,111

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

Company Statement of Changes in Equity

Year ended December 31, 2022

	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 January 1, 2021	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:						
Decrease in fair value of investments carried 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
Total comprehensive income for 2022:						
Loss for the year	-	-	-	-	(389,363)	(389,363)
Other comprehensive income:						
Decrease in fair value of investments carried at fair value through other comprehensive income	-	-	-	(5,493)	-	(5,493)
Total comprehensive (loss)/income for the year	-	-	-	(5,493)	(389,363)	(394,856)
Transactions with owners of the company						
Capital distributions (note 19)	-	-	(336,643)	-	-	(336,643)
Unclaimed distributions to stockholders written back (note 19)	-	-	9,663	-	-	9,663
Balances at December 31, 2022	112,214	135,087	1,219,264	(7,570)	1,618,099	3,077,094

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

Company Statement of Cash Flows

Year ended December 31, 2022

	Notes	2022 $'000	2021 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit for the year		(389,363)	8,170
Adjustments for:			
Depreciation – plant, property and equipment	10	11,023	9,296
Amortisation – right-of-use assets	11	4,142	4,026
Net unrealised exchange loss/(gains)		41,793	(153,854)
Gain on disposal of property, plant and equipment and investments		(1,043)	-
Debt forgiveness		-	(1,626)
Increase in provision for diminution in value of interest in subsidiaries	8	169,065	167,598
Expected credit loss charge on trade receivables	17	10,282	2,348
Amortisation of bond issuance costs	14	744	744
Interest income	16	(89,347)	(106,765)
Interest expense	16	120,905	122,218
Current taxation charge	18	12	22
		(121,787)	52,177
(Increase)/decrease in current assets:			
Accounts receivable		(9,396)	2,593
Taxation recoverable		(14,399)	(14,220)
Increase/(decrease) in current liabilities:			
Accounts payable		191,132	44,109
Unclaimed dividends		20,978	44,428
Cash generated from operating activities		66,528	129,087
Taxation paid		(12)	(22)
Net cash provided by operating activities		66,516	129,065
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Short term investments		(190,666)	684,015
Securities purchased under resale agreements		-	(71,917)
Redemption of securities purchased under resale agreements		650,192	-
Additions to property, plant and equipment	10	(39,897)	(2,238)
Interest received		88,589	116,762
Interests in subsidiary and associate companies		(95,304)	(403,646)
Proceeds from disposal of investments and property, plant and equipment		1,043	-
Net cash provided by investment activities		413,957	322,976
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution to stockholders	19	(280,536)	(224,429)
Interest paid		(59,569)	(67,224)
Lease payments	11(b)	(6,644)	(5,551)
Loans and borrowings		(130,000)	(130,000)
Net cash used by financing activities		(476,749)	(427,204)
Net increase in cash and cash equivalents		3,724	24,837
Effect of foreign exchange movement		2,175	(16,500)
Cash and cash equivalents at beginning of year		23,957	15,620
Cash and cash equivalents at end of year		29,856	23,957

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.

During the prior year, 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 S.A. acquired the assets of an ice and bottled water producer and distributor in the Dominican Republic. (see note 8).

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, and revised 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.

Standards issued but not yet effective

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 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;
  - 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.

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 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.

- Amendments to IAS 1 *Presentation of Financial Statements,* will apply retrospectively for annual reporting periods beginning on or after January 1, 2024. 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.

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

(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 24] are measured at cost, less allowance for impairment. 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 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.

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 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 balance sheet 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.

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.

3. Significant accounting policies (continued)

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

Subsequent measurement

The subsequent measurement of financial assets depends on their classification 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.

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.

3. Significant accounting policies (continued)

(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.

(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.

3. Significant accounting policies (continued)

(h) Property, plant and equipment (continued)

(i) Owned assets (continued)

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 equipment	33⅓%

(i) Impairment financial assets

The company recognises a loss allowance for expected credit losses (“ECLs”) 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.

3. Significant accounting policies (continued)

(i) Impairment (continued)

Macroeconomic factors, forward looking information and multiple scenarios (continued)

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 provide 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.

Impairment of non-financial assets

At each reporting date, the company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 is recognised in profit or loss if the carrying amount of an asset exceeds its recoverable amount.

(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.

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.

3. Significant accounting policies (continued)

(j) 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 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.

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.

3. Significant accounting policies (continued)

(j) Leases (continued)

(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.
- the company operates an Employee's Share Ownership Plan ("ESOP"), which is regarded as a structured entity. The ESOP is managed under Trust and provides certain employee with the option to purchase shares at a discount using their annal bonus entitlement.

  The fair value of the amount payable to the employees which are settled based on the choice of the employees is measured as an expense with corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the option. Any changes in the liability are recognised in profit or loss.

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
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.

(m) Dividend and rental income

The company earns dividends from subsidiaries and associated companies and equity investments. Dividend income is recognised at the point in time that the company's right to receive payment is established.

The company rents land and buildings to tenants. Rental income is based on market rates and charged monthly according to an agreement and is recognised monthly over the term of the agreement.

(n) 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.

(o) Interest income

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

(p) 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.

3. Significant accounting policies (continued)

(o) Taxation (continued)

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, joint ventures, and associated companies:

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

(r) Segment reporting

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Executive Officer ("CEO") to make decisions about resources to be allocated to the segment and assesses its performance; and for which discrete financial information is available.

The operations of the company are reviewed as a whole and not in segments by its CEO. The company is categorised into one main business segment and the company uses profit or loss before finance cost and taxation to measure performance of its business as a whole.

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% to 3.5% annually.

6. Accounts receivable

	2022 $'000	2021 $'000
Staff receivables	2,773	778
Prepayment	3,506	6,218
Other receivables and prepayments	37,200	31,774
	43,479	38,770
Less: Allowance for impairment	(24,274)	(14,374)
	19,205	24,396

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

	2022 $'000	2021 $'000
Balance at January 1	14,374	11,245
Impairment losses recognised	10,282	8,948
Impairment losses written back	-	(6,600)
Exchange (gain)/loss	(382)	781
Balance at end of year	24,274	14,374

7. Accounts payable

	2022 $'000	2021 $'000
Dividends payable	336,643	280,536
Loan from ESOP	296,237	231,524
Loan from Trusts	171,423	122,738
Accrued staff costs	134,407	110,645
Accrued expenses	90,294	33,579
Interest payable	12,872	14,767
Trade payables	2,446	4,553
Unclaimed dividends (a)	20,798	9,663
Other	12,224	9,042
	1,077,524	817,047

(a) Article 121 of the amended Articles of Association provides that all dividends declared may be utilised for the benefit of the company until claimed. Dividends unclaimed for after a period of twelve years from the date of declaration, may be forfeited and revert to the company.

8. Interest in subsidiaries, associates and joint ventures

	2022 $'000	2021 $'000
Subsidiary companies:		
Shares, at cost	4,151,890	4,151,890
Loan accounts receivable	269,546	351,407
Current accounts receivable	2,793,836	2,677,421
Less: Impairment allowance	(959,620)	(790,555)
Loan accounts payable	(2,650,118)	(2,672,702)
Current accounts payable	(184,294)	(114,855)
Interest in subsidiaries	3,421,240	3,602,606
Joint ventures:		
Shares	36,942	36,942
Loan	285,963	255,142
Interest in subsidiaries, associates and joint ventures	3,744,145	3,894,690

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

During the prior 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.

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 $169,065,000 (2021: $167,598,000).

9. Investments

This comprises quoted equity investments measured at fair value.

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, 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
Additions	14,610	-	744	24,542	39,897
Disposals	-	-	-	(5,510)	(5,510)
December 31, 2022	14,735	74,033	40,313	152,263	281,345

10. Property, plant and equipment (continued)

	Work -in-progress $'000	Freehold land and buildings $'000	Leasehold land and buildings $'000	Equipment, vehicles and furniture $'000	Total $'000
Cost					
December 31, 2022	14,735	74,033	40,313	152,263	281,345
Depreciation					
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
Charge for the year	-	2,168	1,272	7,583	11,023
Eliminated on disposal	-	-	-	(5,510)	(5,510)
December 31, 2022	-	32,789	17,121	122,040	171,949
Net book values					
December 31, 2022	14,735	41,244	23,192	30,223	109,395
December 31, 2021	125	43,412	23,720	13,264	80,521

11. Leases

(a) Right-of-use assets

	Leasehold land and buildings $'000
Cost	
December 31, 2020 and 2021	76,497
Addition	2,785
December 31, 2022	79,282
Depreciation	
December 31, 2020	8,052
Charge for the year	4,026
December 31, 2021	12,078
Charge for the year	4,142
December 31, 2022	16,220
Net book values	
December 31, 2022	63,062
December 31, 2021	64,419

11. Leases (continued)

(b) Lease liabilities

	2022 $'000	2021 $'000
Maturity analysis - contractual cash flows:		
Less than one year	8,780	7,830
One to five years	44,239	41,530
More than five years	86,451	95,140
Total contractual cash flows	139,470	144,500
Less: future interest	(75,455)	(76,626)
	64,015	67,874
Less: current portion	(6,478)	(5,974)
Non-current	57,537	61,900
Amounts recognised in profit or loss:		
Interest on lease liabilities (note 16)	(1,452)	(1,249)
Amounts recognised in the statement of cash flows:		
Total cash outflow for leases	6,644	5,551

(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.

(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 $25,209,000 (2021: $22,987,000) under operating leases. Direct operating expenses arising on leased property in the period was $1,241,610 (2021: $1,338,328).

11. Leases (continued)

(d) As the lessor (continued)

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

	2022 $'000	2021 $'000
Within one year	25,724	9,434
In the second to fifth year inclusive	73,269	29,759
	98,993	39,193

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.

Holders of these shares are entitled to dividends as declared from time to time and entitled to one vote per share at general meetings of the company.

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

	2022 $'000	2021 $'000
Capital:		
Share premium (note 12)	135,087	135,087
Other	1,219,262	1,546,244
Fair value reserve	(7,570)	(2,077)
	1,346,779	1,679,254
Revenue:		
Retained profits	1,618,101	2,007,462
	2,964,880	3,686,716

Other capital reserves comprise gains on disposal of property, plant and equipment and investments up to December 31, 2022, unrealised exchange gains and unclaimed dividends to stockholders (note 19).

The company declared a capital distribution of $0.30 (2021: $0.25) per share unit effective December 20, 2022 (note 19).

14. Loans and borrowings

	2022 $'000	2021 $'000
Balance at, January 1	1,105,000	1,105,000
Repayment of loan	(130,000)	(130,000)
Balance at December 31	975,000	971,034
Less borrowing cost:		
Balance at beginning of the year	(3,966)	(4,710)
Amortised for the year	744	744
	(3,222)	(3,966)
	971,778	1,101,034
Total carrying value of long-term loan	971,778	1,101,034
Less: current portion long term loan	(130,000)	(130,000)
Non-current portion of long term loan	841,778	971,034

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. Revenue

Revenue comprises management fees and rental income earned by the company for services rendered to its subsidiaries and joint ventures and dividends.

The company has no material reportable segments into which its business may be broken down other than as disclosed in these financial statements.

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

	2022 $'000	2021 $'000
Primary Geographic Market		
Europe	44,824	40,669
Caribbean and North America	58,653	49,443
	103,477	90,112
Major Service		
Corporate services	78,267	67,125
Property rental	25,210	22,987
	103,477	90,112
Timing of recognition		
Services transferred over time	103,477	90,112

16. Financial income and expenses

	2022 $'000	2021 $'000
Finance income:		
Interest income on bank deposits, loans and receivables	89,347	106,765
Dividend income	403,042	360,598
Net foreign exchange gain	-	153,091
	492,389	620,454
Finance costs:		
Interest expense on financial liabilities measured at amortised cost	(119,453)	(120,969)
Interest expense – lease liability [note 11(b)]	(1,452)	(1,249)
	(120,905)	(122,218)
Net foreign exchange loss	(40,246)	-
	(161,151)	(122,218)
Net finance income	331,238	498,236

17. Administrative and other operating expenses

	2022 $'000	2021 $'000
Administrative and other expenses:		
Advertising & promotion	7,870	2,751
Audit – current year	22,243	16,870
Bad debt	10,282	2,348
Bank charges	1,423	4,873
Depreciation – property, plant and equipment	11,023	9,296
Depreciation – right-of-use assets	4,142	4,026
Director's emoluments – fees	12,640	11,340
Donations	10,724	5,281
Insurance	2,807	2,536
IT & Communications	7,062	6,306
Legal & professional	80,795	35,387
Office costs	1,390	1,015
Other property costs, maintenance, security, cleaning	10,240	7,332
Staff costs	389,527	258,594
Transport, automobile and associated costs	5,326	4,532
Travel	48,448	23,447
Utilities	3,835	2,525
Other	26,267	15,725
Total administrative and other operating expenses	656,044	414,184

18. Taxation

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

	2022 $'000	2021 $'000
Current tax expense:		
Withholding tax at source on dividend	12	22

(b) Reconciliation of actual taxation charge:

The effective tax rate for 2022 was 0.01% (2021: 0.27%) compared to a statutory rate of 25% (2021: 25%). The actual tax charge differs from the "expected" tax charge for the year as follows:

	2022 $'000	2021 $'000
(Loss)/profit before taxation	(389,363)	8,192
Computed "expected" tax charge at 25%	(97,341)	2,048
Taxation difference between profit for financial statements and tax reporting purposes on:		
Gain on sale of investment and property, plant and equipment	(261)	-
Foreign currency loss/(gain) on capital items	37,065	(42,420)
Disallowed income and expenses, depreciation and other items	60,525	40,394
Actual tax charge recognised in the profit and loss account	12	22

(c) At December 31, 2022, taxation losses subject to agreement by the Commissioner General, Tax Administration Jamaica, available for relief against future taxable profits amounted to approximately $1,904,325,368 (2021: $1,614,079,640). 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 $476,081,342 (2021: $403,519,910) has not been recognised as management considers its realisation within the foreseeable future to be uncertain.

19. Capital distributions

	2022 $'000	2021 $'000
Capital distributions:		
First interim - $0.30¢ (2021: $0.25¢) per stock unit - gross	336,643	280,536
Unclaimed capital distributions written back to capital reserves (note 13)	(9,663)	(10,052)
	326,980	270,484

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 $19 million at December 31, 2022 (2021: surplus of $65 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 22% (2021: 32.0%) 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.

	2022 $'000	2021 $'000
Short-term employment and other benefits	222,453	164,407
Post-employment benefits	14,958	12,582
Total remuneration, included in directors' emoluments And staff costs, where applicable (note 17)	237,411	176,989

(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 2022	Transactions in year (income)/expense 2021	(Payable)/receivable at end of year 2022	(Payable)/receivable at end of year 2021	Terms and conditions *
50% Joint venture -	Management Fee	27,608	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	2,811	2,705	-	-	1,2,3
Company under their control	legal services charged to company	37,753	-	-	-	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 and are included in level 2 fair value hierarchy. The fair value of long-term loans is assumed to approximate the carrying value as the interest rate reflects the market rate and is included in level 2 fair value hierarchy. 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 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 $639,732,000 (2021: $1,344,281,000) 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 minimise 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, 2022 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 4% strengthening or 1% 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) 4% (2021: 8%) Depreciation of JMD

	Effect on profit	
	2022	2021
USD	47,108	197,263
GBP	1,179	1,585
EUR	-	14,107

(ii) 1% (2021: 2%) Appreciation of JMD

	Effect on profit	
	2022	2021
USD	11,777	49,315
GBP	295	396
EUR	-	3,527

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	
	2022	2021
USD 1 to JMD 1	149.96	152.75
GBP 1 to JMD 1	176.90	208.11
EUR 1 to JMD 1	154.68	167.78

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 loan is 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:

	2022	2021
	$'000	$'000
Fixed-rate instruments:		
Financial liabilities	975,000	1,105,000

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 reserves, 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 $12,377,000 (2021: $17,870,000).

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 6% (2021: 5%) increase in stock prices at the reporting date would have increased other comprehensive income by $742,620 (2021: $893,500); 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
			2022		
Term loan	5.35	975,000	1,147,151	180,457	966,694
			2021		
Term loan	5.35	1,105,000	1,334,525	187,374	1,147,151

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. Commitments

The company has entered into a share subscription agreement to purchase shares of Capital Infrastructure Group, a company incorporated under the laws of Barbados with the purpose of making investment in infrastructure properties and assets within the Caribbean. The shares being purchased by the company are 2,400 common shares valued at US$2,400,000 and 11,000 preference shares valuing US$11,000.

On 22 November 2022, the company was called upon to make payments amounting to US$612,000 by 30 January 2023. The amount represents a commitment to subscribe for shares at the reporting date.

24. 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
	2022	2021	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

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

	% equity held 2022	% equity held 2021	Place of business
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
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
Miami Freight Shipping Limited.	100	-	U.S.A.
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
ASSOCIATE COMPANIES AND JOINT VENTURES			
Tortuga Cayman Limited	40	40	Cayman Islands
Geest Line Limited	50	50	United Kingdom
CoBeverage Lab S.L.	50	50	Spain
Grupo Frontera Limited	50	50	St Lucia
Grupo Alaska S.A.	100	100	Dominican Republic

25 Other matters

On November 21, 2022, The Group announced that Jamaica Producers Group Limited ("JP") and PanJam Investment Limited ("PanJam"), have reached an agreement that will see the amalgamation of their businesses to take advantage of opportunities both locally and globally.

This arrangement was approved by the shareholders of both companies at extraordinary general meetings held on December 23, 2022.

The agreement will result in PanJam acquiring JP's operating assets in exchange for JP taking a 34.5% interest in PanJam. Post-transaction, PanJam, which will ultimately hold the combined businesses, will be renamed Pan Jamaica Group Limited. JP will emerge as the largest shareholder of the Pan Jamaica Group, with its shares in the Pan Jamaica Group being its principal operating asset. Both the renamed Pan Jamaica Group and JP will remain listed on the Main Market of the Jamaica Stock Exchange.

The combined assets and operations of JP and PanJam are expected to deliver value for shareholders through a diverse international portfolio of businesses. Pan Jamaica Group will have substantial holdings in real estate and infrastructure, specialty food and drink manufacturing, agri-business, financial services and a global services network of interests in hotels and attractions, business process outsourcing, shipping, logistics and port operations.

The transaction is expected to be completed after the first quarter of 2023.

Notes

JAMAICA PRODUCERS GROUP LIMITED

Form of Proxy

Place $100 adhesive stamp here

I/We ....

[BLOCK CAPITALS]

of ....

being a member/members of the above-mentioned Company HEREBY APPOINT

.... or failing him/her

....

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company

to be held on Friday June 16, 2023 at 10:00 a.m. and at any adjournment thereof.

DATED this .... day of 2023

Signed ....

If you wish your proxy to vote in a particular manner, please indicate.

	FOR	AGAINST
Resolution 1:	☐	☐
Resolution 2:	☐	☐
Resolution 3:	☐	☐
Resolution 4:	☐	☐
Resolution 5 (a):	☐	☐
Resolution 5 (b):	☐	☐
Resolution 5 (c):	☐	☐
Resolution 5 (d):	☐	☐
Resolution 6:	☐	☐
Resolution 7:	☐	☐

Notes

1. This Form of Proxy must be lodged at the Registered Office of the Company not later than forty-eight hours before the meeting.
2. Any alterations in this Form of Proxy should be initialed.
3. In the case of joint holders, the signature of one holder will be sufficient but the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, seniority being determined by the order in which the names stand on the Register.
4. If the appointer is a Corporation this Form of Proxy must be executed under its Common Seal.
5. An adhesive stamp for $100.00 must be affixed to this Form of Proxy.

local roots. **global spirit.**

JAMAICA PRODUCERS GROUP LIMITED

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Kingston 13, Jamaica W.I.
Tel: (876) 926-3503 / (876) 618-1134 to 7

www.jpjamaica.com

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