ANNUAL REPORT
2023

SEPROD

REALISING OUR POTENTIAL

"The Seprod Group is one of the **largest manufacturing** and **distribution companies** in the region carrying all your favourite brands."


BETTY
BETTY
CINNAMON
VANILLA
NUTMEG

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the EIGHTY-FIFTH ANNUAL GENERAL MEETING of Seprod Limited will be held at the Terra Nova All-Suite Hotel, 17 Waterloo Road, Kingston 10 on July 15, 2024 at 10:00 a.m. The meeting will be held in a hybrid format (physical and virtual), for transacting the following business:

1. To receive the Audited Accounts and the Reports of the Directors and Auditors

To consider and if thought fit pass the following resolution:
"THAT the Directors' Report, the Auditors' Report and the Audited Accounts for the year ended December 31, 2023 be and are hereby adopted."

2. To elect Directors

The Directors retiring from office by rotation pursuant to Articles 89 and 91 of the company's Articles of Association are Mrs. Melanie Subratie and Mr. Byron Thompson who, being eligible, offer themselves for re-election.

To consider and if thought fit pass the following resolutions:

Resolution 2 (a)
That the directors retiring from office by rotation and offering themselves for re-election be elected en-bloc.

Resolution 2 (b)
"THAT Mrs. Melanie Subratie and Mr. Byron Thompson be re-elected as Directors.

3. To fix the remuneration of Directors.

To consider and if thought fit pass the following resolution:
"THAT the amount shown in the Audited Accounts as Directors Remuneration for the year ended 31 st December, 2023 be and is hereby approved.

4. To appoint Auditors and authorize the Directors to fix the remuneration of the Auditors.

To consider and if thought fit pass the following resolutions:

Resolution 4 (a)
"THAT PricewaterhouseCoopers having indicated their willingness to continue in office as Auditors be re-appointed Auditors for the ensuing year."

Resolution 4(b)
"THAT the Directors be authorized to agree on the remuneration of the auditors.

5. To transact any other business which may properly be transacted at an Annual General Meeting.

DATED this 24 th day of April, 2024

BY ORDER OF THE BOARD

....
Damion Dodd

Secretary

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member. Proxy forms must be lodged with the Company Secretary at the Company's registered office, 3 Felix Fox Boulevard, Kingston, not less than 48 hours before the time of the meeting.

DIRECTORS' REPORT

The Directors of Seprod Limited submit herewith their Annual Report and Audited Accounts for the year ended December 31, 2023.

FINANCIAL RESULTS

The Group ended the year with a profit before tax of $5.60 billion and a net profit attributable to shareholders of $2.88 billion. Details of these results, along with a comparison with 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 the Report.

DIVIDEND

The Company made the following dividend payments during the year:

- A payment of fifty-five cents ($0.55) to shareholders on record as at April 12, 2023 was made on April 20, 2023.
- A payment of fifty-five cents ($0.55) to shareholders on record as at September 4, 2023 was made on September 18, 2023.
- A payment of fifty-five cents ($0.55) to shareholders on record as at December 15, 2023 was made on December 22, 2023.

The Directors do not recommend any further payment of dividend for 2023.

DIRECTORS

In accordance with Articles 89 and 91 of the Company's Articles of Association, the following Directors are retiring from office by rotation and, being eligible, offer themselves for re-election:

- Melanie Subratie
- Byron Thompson

AUDITORS

The Auditors, Messrs. PricewaterhouseCoopers have indicated their willingness to continue in office. The Directors recommend their re-appointment.

AUDIT COMMITTEE

The Board of Directors of Seprod Limited exercises its responsibilities for the Financial Statements included in this Report through its Audit Committee, which consists of non-management Board members: Mr. Byron Thompson (Chairperson), Mrs. Melanie Subratie, Mr. Nicholas Scott, Mr. Brian Wynter, as well as external appointee, Dr. Sharon McDonald.

The independent accountants and internal auditors have full and free access to the Audit Committee. The Audit Committee meets quarterly with the independent accountants and the Internal Auditors, both privately and with management present, to discuss accounting, auditing and financial reporting matters.

EMPLOYEES

The Directors wish to express their appreciation to the employees for their loyal services throughout the year.

Submitted on behalf of the Board of Directors.

P.B. Scott
Chairman


Spread
the Love...
with chiffon
ALL VEGETABLE PREMIUM
chiffon
ALL VEGETABLE PREMIUM
Heart Healthy
Soft Margarine
NO CHOLESTEROL
NO TRANS FAT
Nutrition Facts
16 servings per container
Serving size 1 tbsp (14g)
Calories per serving 99

CORPORATE DATA

Registered Office:

3 Felix Fox Boulevard, Kingston, Jamaica
Tel: (876) 922-1220
Fax: (876) 922-6948 or 922-7344
Email: corporate@seprod.com

Auditors:

PricewaterhouseCoopers
Scotiabank Centre
Corner of Duke & Port Royal Streets
Kingston, Jamaica

Attorneys:

DunnCox
48 Duke Street
Kingston, Jamaica

Samuda & Johnson
2-6 Grenada Crescent
Kingston 5, Jamaica

Clinton Hart & Co.
58 Duke Street
Kingston, Jamaica

M. Hamel-Smith & Co.
Eleven Albion,
Corner Dere & Albion Streets
Port of Spain
Trinidad & Tobago W.I.

Bankers:

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

CIBC First Caribbean International Bank
23-27 Knutsford Boulevard
Kingston 5

First Global Bank
24-48 Barbados Avenue
Kingston 5

National Commercial Bank Jamaica Limited
1-7 Knutsford Boulevard
Kingston 5, Jamaica

Sagicor Bank
17 Dominica Drive
Kingston 5, Jamaica

Registrar and Transfer Agents

Jamaica Central Securities Depository Limited
40 Harbour Street
Kingston, Jamaica

SHAREHOLDERS' PROFILE

as at 31 December 2023

TEN LARGEST SHAREHOLDERS	
1. Musson (Jamaica) Limited	* 233,747,988
2. Coconut Industry Board	163,420,345
3. JCSD Trustee Services Limited – Facey Group Limited	*125,234,043
4. Grace Kennedy Limited Pension Scheme	21,955,904
5. National Insurance Fund	15,443,045
6. Scotia Jamaica Investment Management – A/C 3119	12,162,075
7. ATL Group Pension Fund Trustee Nominee Limited	6,492,559
8. NCB Insurance Company Limited – A/C 109	4,708,662
9. JCSD Trustee Services Ltd - Barita Unit Trust Cap Growth Fund	4,423,174
10. Sagicor Select Fund Limited ('Class C' Shares)	4,189,298

* -Connected Persons: Paul B. Scott, Melanie M. Subratie

SHAREHOLDING OF DIRECTORS ALONG WITH THEIR CONNECTED PERSONS

1.	Paul B. Scott	NIL
	Shareholding of connected persons	366,772,031
2.	Melanie M. Subratie	NIL
	Shareholding of connected persons	366,772,031
3.	Byron E. Thompson	1,220,668
4.	Richard R. Pandohie	3,998,231
5.	Nicholas Scott	122,884
	Shareholding of connected persons	961,000
6.	Michael J. Subratie	NIL
7.	Christopher Gentles	NIL
8.	Patrick Scott	3,000,000
9.	Nicholas Jones	NIL
10.	Brian Wynter	NIL
11.	Mark Suomi	NIL
12.	Ronny Schindler	NIL

SHAREHOLDING OF MANAGEMENT

1.	Marilyn Anderson	25,000
2.	Carol Andrade	13,000
3.	Juan Baez	NIL
4.	Damion Dodd	300,000
5.	Fredy Graell	NIL
6.	Chana Hay	1,375,500
7.	Hossam Monir	NIL
8.	Keshia Nelson-Brown	NIL
9.	Richard Pandohie	3,998,231
10.	Patrick Scott	3,000,000
11.	Dr. Patrick Sterling	20,700
12.	Tameka Williamson-Smart	NIL
13.	Perry Wright	6,500

> "Seprod will remain a work in progress, but will be consistent in that we will continue to invest in our people, technology and infrastructure..."

CHAIRMAN'S REPORT

Dear Fellow Shareholders,

Seprod had an excellent year in 2023 by almost all measures. Earnings per share increased 34%. Return on equity, using comprehensive income as the measure, exceeded 17% while using Profit After Tax ("PAT") was in excess of 11%. This is even after over J$400m of intangible amortization which reduces the Profit Before Tax ("PBT") and is not tax deductible. Different investors use different metrics to determine what success looks like. Charlie Munger (who passed this last year) famously said, "... every time you saw the word EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) you should substitute this with the word bullshit earnings". I can relate to his point regarding businesses that have huge underlying capital replacement requirements or have significant leverage. EBITDA by itself is not a good relative yardstick to measure any one business without relating it to another metric such as debt or capital expenditure. However, I do believe that cash flow is incredibly important and up until IFRS16, EBITDA was a measure of simply looking at cash flow quickly. As I stated last year, our business is "a work in progress" and, as such, there will most likely be high amortization of intangible assets and significant depreciation costs as we buy new businesses and continue to reinvest in our facilities. Seprod owns the vast majority of the properties that it uses and, as such, the materiality of IFRS16 at this time on our EBITDA is not significant. We at Seprod are very focused on cash flow generation as we believe ultimately it is cash flow that delivers the ability to invest and deliver returns to you - our fellow investors. Seprod's EBITDA in 2023 increased 40% over that of 2022, growing from J$7.84bn to J$11.05bn. Regardless of the measure, whether cash flow, EBITDA, PBT, PAT, or return on equity, I hope Seprod shareholders can be pleased with the 2023 results. The results of 2023 did not emerge in a vacuum. We have deliberately been executing our regional strategy to build scale and offer our partners uncomplicated access to a fragmented complicated market place, the Caribbean. Whilst building out this platform, which delivers real value to our partners, we are also benefiting our own businesses and it is now normal to see Seprod's products whether in St. George Barbados, Diego Martin Trinidad, or in the new developments of Georgetown Guyana. We expect to build on this in the coming years by investing in our people, technology and infrastructure to maintain the momentum.

A business that is a work in progress cannot have pure linear upward trajectories. We expect to face impediments, for example, in 2021 when we had the fire and global supply issues. How we face these impediments and continue to execute on our strategy determines the sustainability of our results in the direction we all desire. Key to this is great people. We at Seprod are very privileged to work among the most talented salesmen, engineers, marketers and finance professionals in our region. The retention and development of this talent is core to everything we do. In addition, the recruitment of new talent as we grow is imperative to our success. We must have a mindset to be relentless in the pursuit of great talent. We build our business upon people with integrity, common sense, great work ethic, growth mentality, ownership mindset (25% of Seprod employees and 55% of A.S. Brydens being shareholders of those respective businesses') and an intensity around outcomes. In summer of 2023, I was invited to visit a factory of one of our key partners (that of FT. Fafan, our industrial equipment subsidiary in Trinidad). This visit was inspirational to myself as well as Richard. As we toured the facility, we came across a quote from the founder of JCB, Joseph Cyril Bamford, "I was once asked, as the founder of JCB what it took to succeed. I answered the same thing it took to get it started, I said a sense of urgency about getting things done. The people who make things move in this world share this same sense of urgency. No matter how intelligent or able you may be, if you don't have this sense of urgency, now is the time to start to develop it. The world is full of very competent people who honestly intend to do things tomorrow, or as soon as they can get around to it. Their accomplishments, however seldom match those of the less talented who are blessed with a sense of importance of getting started now". At Seprod, we have a lot to get done and we are always executing on exciting projects. It truly is a dynamic workplace. Mr. Bamford's quote is so relevant to us and describes the individuals that we seek to attract and develop.

Our productivity also requires delivering to our people the tools required for them to excel. This involves training as well as constant reinvestment in the very best property, plant and equipment. Over the last few years, we have invested in consolidating our dairy operations in Bogwalk, building a new margarine plant, as well as the new distribution center at Seprod. As we speak today we are building a new 240K square feet distribution facility in central Trinidad and 75K in Houston Guyana. In our business in Barbados we are moving into a new distribution center for our pharma operations at time of writing. We expect that this trend will continue as our pharma business in Jamaica moves into its' ' new facility in the last quarter of 24 and we complete the implementation of the new capacity at Serge for beverages. We are constantly increasing our capacity to do more while improving our efficiency. This we commit wholeheartedly to continue. That is why we are laser focused on our ability to generate cash flow, for it is that cash flow that allows us to continue this journey of investment and also opportunistic acquisitions that fit into our strategy.

As we look to 2024, I would like to take this opportunity to thank the board, the employees, our partners, and other stakeholders for their commitment and hard work in 2023. Seprod will remain a work in progress, but will be consistent in that we will continue to invest in our people, technology and infrastructure to provide the oxygen to our growth as we build out our operations throughout the region.

P.B. Scott
CHAIRMAN

BOARD OF **DIRECTORS**

P. B. Scott, OJ
(Chairman)

P.B. Scott is the CEO, Chairman and Principal Shareholder of the Musson Group. Over the last two decades, P.B. Scott has conceptualised and led the expansion of the Musson Group from a Jamaican consumer wholesale distribution business to a diversified group operating in 30 countries. The Group is a leader across the Caribbean in food, pharmaceuticals, information technology, and insurance. The Musson Group includes leading businesses such as The PBS Group, Seprod Limited, General Accident Insurance, and A.S. Brydens & Sons. He has served as CEO of Musson since 2004. Today the Musson Group has a turnover in excess of US$1.6 billion annually and over 7,000 employees.

In addition to his private sector contributions, P.B. Scott has committed a significant amount of time to public service. He is the chairman of the Development Bank of Jamaica and has led multiple enterprise teams to divest government assets. In 2023, he was awarded "the Order of Jamaica (OJ)" for his exceptional contribution to the Business Industry, Investment, and Philanthropy in Jamaica and the Caribbean.

PB Scott is a keen sailor and is married to Jennifer, an attorney at law and partner at law firm Clinton Hart. Together they have two children.

Richard R. Pandohie, CD, JP
(CEO/Managing Director)

Richard R. Pandohie, CD, JP, assumed the role of Chief Executive Officer and Managing Director of the Seprod Group in January 2015. He boasts a wealth of experience, having served in diverse managerial and board capacities in corporations spanning multiple industries across the Caribbean and Central America.

Noteworthy is Richard's impactful tenure as President of the Jamaica Manufacturers and Exporters' Association (JMEA), where he exhibited remarkable leadership and inspired industry-wide progress. His academic qualifications underscore his commitment to excellence, holding a Master of Business Administration degree in Corporate Finance and Operations Management from McGill University, complemented by a Bachelor of Science degree in Chemical Engineering from The University of the West Indies.

His outstanding contributions to national development in the manufacturing sector were duly recognized with the award of the Order of Distinction, Commander Class, one of the highest honors bestowed by the nation, solidifying his status as a pioneering figure in the advancement of the industry.

Byron E. Thompson, JP, MBA

Mr. Byron Thompson is a former Chief Executive Officer and Managing Director of the Seprod Group. He also sits on the Board of Seprod's subsidiaries and is the Chairman of the Audit Committee. He is a Director of Eppley Limited and a member of the Audit Committee. Mr. Thompson is also a member of the Salvation Army Advisory Board and a Council member of the Bureau of Standards of Jamaica. Mr. Thompson is also the Chairman of the Executive Committee, the Purchasing Committee and the Standards and Technical Committee and a member of the Information, Communication and Technology Committee of the Bureau of Standards.

Mr. Thompson holds a Bachelor's Degree in Chemistry and Geology from the University of the West Indies and an MBA from Barry University, Florida, USA.

Melanie M. Subratie, BSc. (Hons.)

Melanie Subratie is the Deputy Chairman of Musson (Jamaica) Limited, and is the Chairman and CEO of Stanley Motta Limited and Felton Property Management. Additionally, she is the Chairman of the Musson Foundation and the Seprod Foundation. Melanie is a director of Seprod Limited, and all of its subsidiaries, and AS Brydens Holdings Ltd and all of its subsidiaries. She serves on the audit committee of Seprod and is a trustee of the Seprod Pension Fund. Melanie is the Vice-Chairman of General Accident Insurance Company Limited and T. Geddes Grant Limited, a director of Facey Group, Interlinc Limited, Eppley Limited, Eppley Caribbean Property Fund (ECPF), PBS Group and all its subsidiaries. She is also Chairman of the Audit Committee for Interlinc Limited and serves the audit committees of ECPF, Interlinc and AS Brydens.

A keen angel investor, she is a director of Bookfusion Limited. Melanie is a director of the Jamaica Chamber of Commerce. She is a graduate of the London School of Economics, and mother to three teenage girls.

M.J. Subratie, BCE, MSCE, EIT, JP

Mr. Michael Subratie is the Managing Director of T. Geddes Grant (Distributors) Limited as well as the Chief Operating Officer of Musson Jamaica in charge of Musson's manufacturing and trading business entities.

Michael is also Founder and Executive Chairman of MJS Industrial Park Limited which has developed Spanish Town's first Industrial Technology Special Economic Zone Park. He has served on several government boards including the Urban Development Corporation, Jamaica Urban Transit Company, Jamaica Railway Corporation, Montego Freeport Limited and the former Pegasus Hotel. He also sits on the board of the American Chamber of Commerce, and is the Honorary Consul of Bangladesh.

In November, 2016, Michael was appointed as Dean of The Consular Corps of Jamaica. In his capacity as Dean, Michael represents over 47 countries that do not have resident ambassadors in Jamaica. Michael is an active member of the Young Presidents' Organization (YPO) and holds a Bachelor's Degree in Civil Engineering with highest honor from Georgia Institute of Technology and a Master's Degree in Structural Engineering from Purdue University. In April 2021, Michael completed the Wharton General Management Program at The Wharton School, University of Pennsylvania.

Nicholas A. Scott

Mr. Nicholas Scott is the Chief Investment Officer of the Musson Group and serves as a director of its subsidiaries and affiliates. He is also the Vice Chairman of Eppley Limited and the Chairman of the Eppley Caribbean Property Fund Limited SCC. Mr. Scott is the Chairman of the Student Loan Bureau and is a former Vice-President of the Private Sector Organisation of Jamaica. He holds a B.Sc. in Economics from the Wharton School at the University of Pennsylvania, an M.B.A from Columbia Business School and an M.P.A. from the Harvard Kennedy School of Government.

Christopher Gentles

Christopher Gentles was appointed a director of the Seprod Board in April 2016. He is currently the Chairman of the Coconut Industry Board and is currently employed to the Spirits Pool Association, and its subsidiary Caribbean Molasses Company Jamaica Ltd. as General Manager. He was former General Manager-Farm Operations of JP Tropical Foods Ltd. and former Group Produce Manager for SuperPlus Food Stores and the former Director General of the Coffee Industry Board of Jamaica. He was the former President of Promecafe, the regional organization that promotes the development of the culture of coffee cultivation, and marketing within seven Latin American and Caribbean Countries. He has undergone training programmes in Irrigation and Extension from the Ruppin Institute in Israel, and he has completed courses in merchandizing from Kellog's Business School, the University of Michigan. He holds his Global MBA from the Manchester Business School in the United Kingdom as well as his Bachelors in Agronomy from UWI, St. Augustine, Trinidad.

Patrick Scott

Patrick A.W. Scott is the Chairman of Facey Commodity Company Limited and the Executive Deputy Chairman of the Facey Group. Prior to these appointments, he served as Chief Executive Officer. A seasoned executive, Mr. Scott has combined work experience totaling over 50 years in various roles. He was also a key figure in the global development of Facey's Telecom business. Additionally, during his tenure as General Manager of the Pharmaceutical Division of Facey Commodity Company Limited, he was instrumental in its strong and rapid growth. Marketing trained, he attended Seneca College and Ryerson University in Toronto, Canada.

Patrick currently serves on several boards, locally and internationally, including, P.A. Benjamin Manufacturing Company Limited, Musson (Jamaica) Limited, Productive
Business Solutions Limited, Interlinc (Barbados) Limited, Bryden Pi (Trinidad) and Gap Forwarding Inc. (USA).

Nicholas Jones

Mr. Nicholas Jones is the Managing Director and Chairman of Fred M. Jones Estates Limited since 2013. He currently serves as a Director on the Coconut Industry Board and the Jamaica Agricultural Development Foundation. He formerly held the position of the Agricultural Director of the Jamaica Producers Group, the Managing Director of Montpelier Citrus Company and General Manager of Guardsman Ltd. Mr. Jones has a BSc in Agriculture from the University of Georgia in the USA and a MSC in Agricultural Science from Melbourne University in Australia and has attended Advanced Management Programs at the University of the West Indies and the Wharton School at the University of Pennsylvania.

Brian Wynter, OJ, CD

Honourable Brian Wynter is internationally recognized as a central banker and financial markets executive with a wide range of experience in challenging environments. He was Governor of Bank of Jamaica during Jamaica's historic turnaround, co-chair of the Economic Programme Oversight Committee, founding CEO of Jamaica's Financial Services Commission and corporate finance head and country treasurer for Citibank Jamaica. Moving seamlessly between public and private sectors, his professional experience includes stints at the International Monetary Fund's Caribbean Regional Technical Assistance Centre in Barbados and the capital markets and derivatives subsidiaries of Chase Manhattan and Schroders in New York.

Called to the bar in the UK and Jamaica, he holds a BSc (Econ) from the London School of Economics and Political Science, a Diploma in Law from The City University and a Masters in International Affairs from Columbia University School of International and Public Affairs. In 2020, he was awarded the Order of Jamaica for distinguished service to central banking and the financial sector in Jamaica.

Mark Suomi

Mark Suomi was appointed to the board of Seprod Limited in January 2022.

Mark has extensive marketing, sales, and operational expertise. Before joining Seprod, he served as Director of America Export of Mondelez International, a global food manufacturing company, from 2013 to 2021, and as Associated Director of Strategy from 2012 to 2013. His leadership and contributions shaped the company's strategic position in the market, driving opportunities for new revenue, leading partnerships and marketing programs that distinguished the company.

Prior to Mondelēz, Mark held various marketing roles of Kraft Foods International from 2002 to 2012, and various advertising and consumer promotional roles of Kraft Foods USA from 1989 to 2002.

Mark holds a Bachelor of Fine Arts degree from Northern Michigan University with continued education in advertising at Northwestern University & Leo Burnett. He resides in Coconut Grove, Florida with his spouse, travels extensively, is a keen scuba diver, and a passionate painter.

Ron Schindler

Ronny (Ron) Schindler is a former President of Clover Leaf Seafoods Corp. & Executive Vice President of Bumble Bee Seafoods. Mr. Schindler joined Connors Bros. Limited, the original owner of the Brunswick® brand in 1983. Since that time, he has held executive leadership positions in sales, marketing and operations. In 2013, he was promoted to President of Clover Leaf Seafood Corp. (previously Connors Bros. Clover Leaf Seafoods) with full responsibility for all Canadian business units (including all export sales & marketing ex. USA), a position he had held as an Executive Vice President since 2006.

From 1999 to 2006, he was Senior Vice President, Sales and Marketing, for Connors adding the responsibility of the Clover Leaf® brand when Connors merged with Bumble Bee Foods in 2004. Between 1983 and 1999 he held various senior sales and marketing positions with Connors Bros. Limited. He is a past board member of Fisheries Council of Canada (F.C.C.) and Food, Health and Consumer Products of Canada (F.H.C.P.).

Ron lives in Ontario, Canada with his wife Anna Maria and has two married daughters Kendra and Caitlin.


Life is What You
Bake it!
PREMIUM QUALITY
GOLD SEAL
MADE IN JAMAICA
BREAD FLOUR
COUNTER FLOUR
ALL PURPOSE FLOUR
WHOLE WHEAT FLOUR
PREMIUM QUALITY
GOLD SEAL

DIRECTORS'
ATTENDANCE - 2023

	Seprod Board	Audit Committee	Superannuation Committee
Number of Meetings	**11**	**3**	**2**
Paul Scott	11		
Richard Pandohie	11		
Byron Thompson	11	3	
Melanie Subratie	8	1	0
Patrick Scott	10		
Michael Subratie	8		
Nicholas Scott	7	1	2
Christopher Gentles	8		
Nicholas Jones	11		
Brian Wynter	11	3	
Mark Suomi	11		
Ronny Schindler	11		

BOARD
SUB COMMITTEES

Executive Committee	Audit Committee	Superannuation Committee
Mr. P.B. Scott (Chairperson)	Mr. B.E. Thompson (Chairperson)	Mrs. M.M. Subratie (Chairperson)
Mr. B.E. Thompson	Mrs. M. M. Subratie	Mr. N.A. Scott
Mr. R.R. Pandohie	Mr. N.A. Scott	
Mrs. M. M. Subratie	Mr. B. HJ Wynter	
Mr. P.A. Scott	Dr. Sharon McDonald	

AUDIT COMMITTEE
REPORT
AS AT DECEMBER 31, 2023

Overview
The Audit Committee is established by the board as a sub-committee and its powers are delegated by the board. The Audit Committee assists the board in fulfilling specific oversight responsibilities, which include the Seprod Group's financial reporting, internal control systems, risk management systems and the internal and external audit functions. The board retains responsibility for decisions, performance and outcomes of the Audit Committee.

Audit Committee Members and Attendance
The Audit Committee meets quarterly and comprises five (5) independent board members, inclusive of the chair, Mr. Byron Thompson. The table on page 21 shows the member's attendance to these meetings.
Audit Committee meetings are also attended by the Chief Executive Officer, Chief Financial Officer/ Corporate Secretary and other members of senior management of the Seprod Group as relevant to the particular matters being discussed, as well as the internal and external auditors. The Committee also meets quarterly with the internal and external auditors without any member of the management team present, in order for the Committee members to have a discussion about any matters of significance that arose during the audit processes.

Activities of the Audit Committee
- The main objectives of the Committee include assisting the board to discharge its responsibility in relation to the following areas:
- Reporting of financial information;
- Application of accounting policies;
- Review of Internal control systems and procedures;
- Adequacy of risk management procedures and practices;
- Propriety of business policies and practices;
- Compliance with applicable laws, regulations, standards and best practice guidelines;
- Formal forum for communication between the board and senior management;
- Communication between the board and the internal and external auditors;
- Facilitating the maintenance of the independence of the external auditor;
- Providing a structured reporting line for internal audit and facilitating the independence of the internal auditor; and
- Consideration of significant matters that were raised during the audit processes.

The Audit Committee effectively carried out these objectives during and in respect of the year ended 31 December 2023. In particular, the Committee:
- assessed and approved the scopes of the internal and external audit plans;
- reviewed internal audit reports and assessed management's responses and actions with respect to the finding and the recommendations made;
- reviewed management letters from external auditors and assessed management's responses and actions with respect to the finding and the recommendations made; and
- reviewed and recommended board approval for the unaudited quarterly financial reports and the annual audited financial statements.

Byron Thompson
Chairman

MANAGEMENT TEAM

MARILYN ANDERSON, JP
GENERAL MANAGER
Caribbean Products Limited

DAMION DODD
CHIEF FINANCIAL OFFICER AND CORPORATE SECRETARY
Seprod Limited

CAROL ANDRADE
GROUP QUALITY MANAGER
Seprod Limited

FREDY GRAELL
FACTORY MANAGER
Serge Dairies

JUAN BAEZ
GROUP COMMERCIAL MANAGER
Seprod Limited

HOWARD GUTHRIE
GENERAL MANAGER
International Biscuits Limited

EUTON CUMMINGS
CHIEF STRATEGY OFFICER – HUMAN CAPITAL
Seprod Limited

CHANA HAY
GENERAL MANAGER
Facey Merchandise Division

MANAGEMENT
TEAM

EFRAIN LARA
AREA MANAGER
(Dominican Republic)

FERRON SENIOR
GROUP IT MANAGER
Seprod Limited

HOSAM MONIR
FARM MANAGER
Serge Island Farms Limited

PATRICK SCOTT
CHIEF EXECUTIVE OFFICER
Facey Merchandise Division

KESHIA NELSON-BROWN
GENERAL MANAGER
Facey Pharmaceutical

DEBBIAN SPENCE-MINOTT
GROUP MARKETING MANAGER
Seprod Limited

RICHARD PANDOHIE
CEO & MANAGING DIRECTOR
Seprod Limited

DALE WEIST
GENERAL MANAGER
Jamaica Grain & Cereals Limited

MANAGEMENT
TEAM

TAMEKA WILLIAMSON SMART
FINANCIAL CONTROLLER
Seprod Manufacturing

ANDREW CROOKS
MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER
FT Farfan

PERRY WRIGHT
FINANCIAL CONTROLLER
Seprod Distribution

DAVID FRANCO
REGIONAL BUSINESS DEVELOPMENT DIRECTOR
Brydens Group

GERARD CONYERS
MANAGING DIRECTOR
Micon Marketing Limited

SCOTT FRANCO
HEAD OF SHARED SERVICES & SPECIAL PROJECTS
Brydens Group

MICHAEL CONYERS
CHAIRMAN
Micon Marketing Limited

TIFFANY REID
GROUP HEAD OF HUMAN RESOURCES
Brydens Group

MANAGEMENT
TEAM

BERNADETTE SAMMY
CHIEF FINANCIAL OFFICER
Brydens Group

BARRY TANGWELL
MANAGING DIRECTOR
Bryden Pi Limited

STEPHEN WELCH
MANAGING DIRECTOR
AS Brydens, Trinidad & Tobago

MANAGEMENT DISCUSSION & ANALYSIS

REVENUE INCREASED FROM $11.9 BILLION IN 2014 TO OVER $112 BILLION IN 2023.

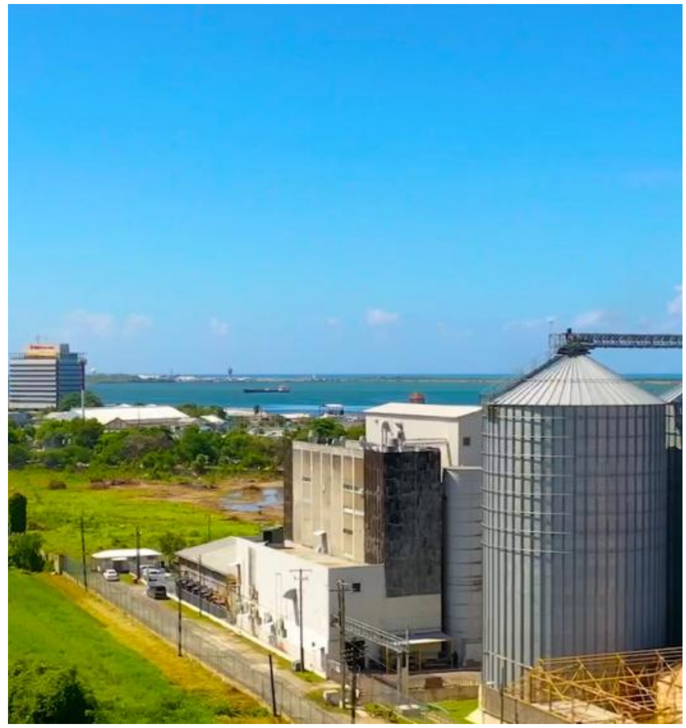
OPERATING PROFIT INCREASED FROM $1.5 BILLION IN 2014 TO $8.7 BILLION IN 2023.

PROFIT BEFORE TAXATION, INCREASED FROM $1.2 BILLION IN 2014 TO $5.6 BILLION IN 2023.

Richard R. Pandohie, JP
CEO/MANAGING DIRECTOR

	2023	2022	Change
	J$'000	J$'000	J$'000
Revenue	112,149,457	78,433,836	33,715,621
Operating profit	8,695,095	5,974,539	2,720,556
Net profit	4,563,631	2,917,992	1,645,639

WE ARE ON A JOURNEY TO REALIZING OUR POTENTIAL



I am pleased to report that your company has delivered another year of strong results and if one were to look at the last ten (10) years, 2014-2023, the results are satisfying

- Revenue has increased from $11.9 billion in 2014 to over $112 billion in 2023.
- Operating profit increased from $1.5 billion in 2014 to $8.7 billion in 2023, reflecting improved operational efficiencies and profitability.
- Profit before taxation, has increased from $1.2 billion in 2014 to $5.6 billion in 2023, indicating robust financial health.

Despite the good performance, we will not become complacent. We will compound growth by delivering an aggressive innovation pipeline, driving productivity and instilling a high performance culture in every facet of the business.

The intent of this report is to reinforce what has been accomplished and more importantly, to remind you about our plans.

Our Strengths

Our Group has many strengths, among them a robust portfolio of owned brands meeting the needs of a wide base of consumers. We are also proud custodians of iconic brands from both global and local partners. Additionally, our talent base is diverse and growing, and we intend to continue attracting, motivating and retaining the right people. We have a solid manufacturing base, which is evidenced in our factories, with their global certifications and the continued realization of increasing efficiencies..

Growth Mandate

In 2023, we executed on this mandate via strategic acquisitions and investing in new infrastructure that created economies of scale.

Our organic growth has been robust, primarily attributed to an increase in export revenue of 64% driven by co-packing relationships.

REVIEW OF OUR BUSINESS UNITS

Oil & Margarine Factory (Caribbean Products Company Limited)

We have executed on our commitment to build a modern margarine factory with an investment in excess of one billion dollars (J$1 billion). The process was not easy and resulted in a year of supply disruptions to our margarine and fats sales. We are relieved to announce that we are fully operational and 100% intent on regaining lost market share in both the domestic and export space.

Dairy Farms
(Serge Island Farms Limited)

The alarming increase in extreme climate conditions had a severe impact on the agriculture industry. The year,2023 was the hottest year on record in Jamaica and Latin America which inevitability negatively affected the volume of fresh milk produced and spiked the cost of production. One key input in the cost of production is the feed cost. In order to mitigate this, our focus is on growing more of our local feed to replace expensive imports. It is our intent to offer this to local dairy farmers who have suffered a similar fate. We have identified the former sugar lands in Golden Grove to materialize this venture.

Dairy & Juice Factory
(Musson International Dairies Limited)

This operation continues its steady progress to become a benchmark production facility with productivity increasing by 16% year over year, and production output growing by 24%. We have the good problem of supply constraint on our 200ml and 250ml packaging lines due to increased export and domestic demand. To eliminate the constraints, the company is in the process of investing circa one billion dollars in order to install additional processing and packaging capabilities. The project completion date is November 2024 and at the end of it, we will have installed sufficient capacity to meet current demand plus the projected two (2) to three (3) years growth.

Corn & Wheat Mill
(Jamaica Grain & Cereals Limited)

This factory performed well and had significant growth in Business-to-Business (B2B) sales in both the domestic and export market. Our projection for 2024 is optimistic as we should see improved productivity with the elimination of identified production bottlenecks.

Biscuits & Snack Factory
(International Biscuits Limited)

It was a challenging year with the company experiencing a significant decline in revenue and margin. 2024 is about stabilizing the financial performance, while scouting for new markets.

Distribution Business Units
(Facey Commodity, Facey Pharmaceutical, Industrial Sales Limited)

2023 was an outstanding year, especially for our Food Divisions. The Pharmaceutical Division, on the other hand experienced supply chain challenges, which affected revenue and flowed straight through to the bottom line.
Our company has continued investing in its infrastructure. We upgraded our van sales fleet with the addition of new trucks to expand our routes and in some cases to replace aged models. We have also invested in a warehouse management system, new forklifts and improved amenities for our logistics partners.

Bryden Group

Bryden had a strong year delivering growth across key portfolios of food, pharmaceutical and industrial equipment. The premium beverage space has had some challenges but we are confident that we have the team and the experience to get it back on a positive trajectory.
Some key highlights during the year included:

- Listing on the Jamaica Stock Exchange on November 2023, further cementing our commitment to sound governance, accountability, and regional expansion.
- We saluted 100 years in business, celebrating both the rich history and bright future of the Group, as we continued to gain momentum on this journey of transformation.

- The Group commenced work on its new distribution facility, a circa US$25 million project that will unlock efficiency, productivity and regional expansion.

OUR PRIORITIES FOR 2024

Regional Platform

We previously stated that we aim to reduce the complexity of doing business in the region and be the Partner of Choice for global players. We are pleased to report that this vision is progressing well and several new businesses were on-boarded in 2023 with their full financial impact to materialize in 2024.

Productivity

Our focus is on embedding technology throughout our organization and populating the workforce with STEM trained persons. This will improve data collection and analytics that will drive our innovation efforts, consumer insights and inform our decision-making. With a real increase in expenses, it is imperative that we achieve higher productivity that will allow us to be competitive in the global village and our ability to use this insight to our advantage is crucial.

People

We are walking the talk when it comes to creating an environment where people feel valued and thrive professionally. From aesthetics, wellness programs, training/learning interventions to our Seprod Foundation work, we are committed to creating a space where our people feel energized and fulfilled to delivering on our Company's strategic vision.

With so many activities, there is always a risk of people being busy but not impactful. We are sensitizing our workforce to remain relentlessly attentive on creating urgency in executing high-impact activities

THE OUTLOOK

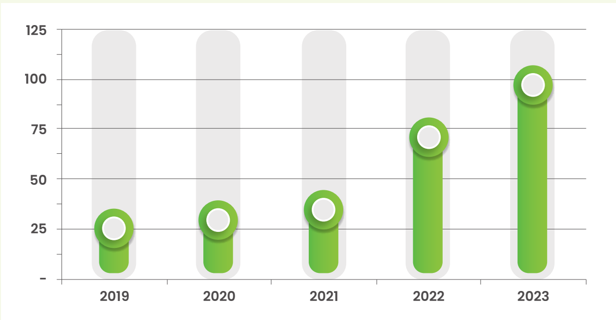
This Annual Report is a continuation of the journey; delivering on the promises made and kept to you our shareholders, a reaffirmation of our commitment to value-accretive growth and playing our role of being good corporate citizens. We remain confident that the Group will deliver strong results in 2024, despite geopolitical and local headwinds.

As your CEO, I remain indebted to so many persons in the Seprod Community for the tremendous support, especially our Chairman, P.B. Thanks to all our consumers, customers, employees, suppliers, business partners and of course, you our shareholders for your confidence and support.

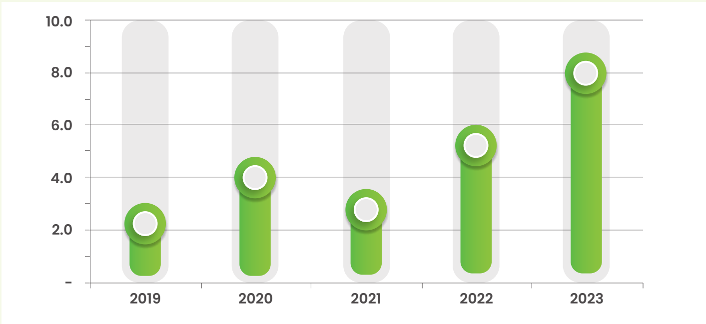
Made by Seprod Must Be Good.

Richard R. Pandohie, JP
CEO/MANAGING DIRECTOR

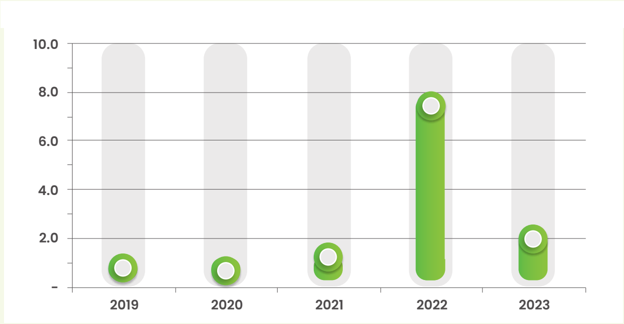
REVENUE ($ BILLIONS)



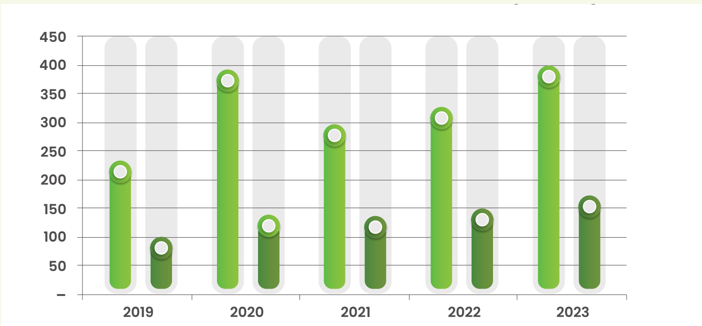
OPERATING PROFIT ($ BILLIONS)



CAPITAL EXPENDITURE ($ BILLIONS)



EARNINGS AND DIVIDENDS PER SHARE (CENTS)



10 YEAR STATISTICAL REVIEW

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Key Financial Statement Amounts ($'000)										
Revenue	112,149,457	78,433,836	43,883,405	37,737,080	32,694,821	22,499,784	15,128,431	14,471,417	12,390,374	11,859,282
Operating profit	8,695,095	5,974,539	3,599,483	4,681,143	2,802,635	2,482,280	1,551,770	1,870,628	1,527,699	1,521,928
Profit before taxation	5,605,408	4,243,615	2,310,970	3,409,866	1,387,393	1,751,184	1,159,761	1,467,836	1,230,934	1,232,095
Net profit from continuing operations	4,612,611	3,096,682	2,139,246	2,848,890	1,705,648	1,372,427	868,704	1,157,181	1,203,836	956,885
Net loss from discontinued operations	(48,980)	(178,690)	(145,825)	23,026	(732,314)	(310,372)	(220,861)	(281,972)	(626,936)	(61,510)
Net profit	4,563,631	2,917,992	1,993,421	2,871,916	973,334	1,062,055	647,843	875,209	576,900	895,375
Equity	38,833,887	33,415,321	23,448,904	16,893,027	14,970,237	14,745,622	9,009,812	8,975,742	9,734,160	9,581,757
Capital expenditure:										
– the Group	2,684,326	2,151,466	1,654,956	836,120	1,178,300	1,816,806	1,330,969	1,588,716	900,823	1,460,478
– joint venture and associate	8,187	43,933	40,969	35,536	36,213	152,052	1,302,866	1,746,465	17,672	–
– on acquisition of subsidiaries	–	5,885,447	–	–	–	2,659,125	–	–	–	–
– Total capital expenditure	2,692,513	8,080,846	1,695,925	871,656	1,214,513	4,627,983	2,633,835	3,335,181	918,495	1,460,478
Key ratios and other information										
Earnings per stock unit (cents):										
– continuing operations	400	317	292	389	233	240	172	250	254	204
– discontinued operations	(7)	(25)	(20)	3	(87)	(33)	(30)	(39)	(86)	(8)
– Total	393	292	272	392	146	207	142	211	168	196
Dividends per stock unit (cents)	165	150	130	142	100	95	95	323	95	90
Operating profit to revenue (%)	7.75	7.62	8.20	12.40	8.57	11.03	10.26	12.93	12.33	12.83
Return on equity (%)	11.75	8.73	8.50	17.00	6.50	7.20	7.19	9.75	5.93	9.34

MARKETING HIGHLIGHTS


SEPROD Group
106 POWER


Serge
9g PROTEIN
25% CALCIUM
NO ADDED SUGAR


Supligen
Supligen

INNOVATIONS

SUPLIGEN MAX

Building on the beloved taste of the original Supligen, Supligen Max introduces a rich and robust Stout flavour. Crafted for discerning palates, Supligen Max Stout combines traditional Jamaican flavours with a subtle kick of 5% alcohol. Quickly rising to become the second best-selling product in the Supligen catalogue, Supligen Max caters to adults who appreciate both taste and quality. It is a celebration of culture, offering the perfect blend of Jamaican tradition and sophistication.

EVE ALMOND BEVERAGE

For generations, EVE has been a trusted choice for mothers, delivering quality and affordable products that inspire confidence in preparing delicious and nutritious meals. Building on this legacy, Eve Naturals was introduced as a sub-brand, featuring premium products made with natural ingredients to appeal to health-conscious consumers. Currently, the brand proudly offers the Eve Almond Beverage, a low-calorie option, packed with nutritional benefits. The Eve Naturals product line is dedicated to providing exceptional taste with enhanced health benefits.


Serge
100%
PURE COW'S
FULL CREAM MILK
GRADE A
Serge
1%
LOW FAT COW'S
MILK
GRADE A
Serge
GRADE A
milk
LACTOSE
FREE MILK
LOW FAT
Serge
GRADE A
milk
LACTOSE
FREE MILK
FULL CREAM

44%

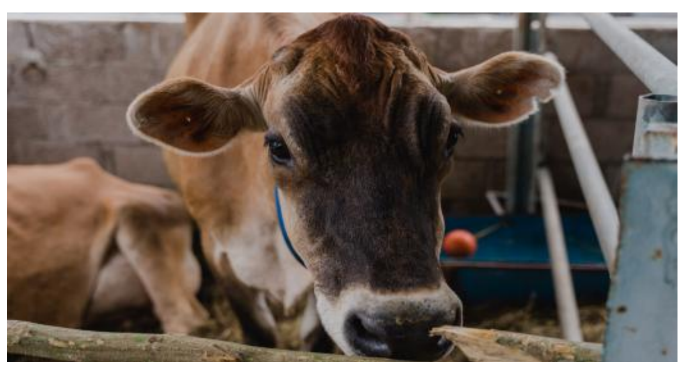
INCREASE IN EXPORT SALES OVER 2022

SERGE WINS BIG AT DENBIGH

When the curtain closed on the Denbigh Agricultural, Industrial and Food Show in May Pen, Clarendon on Monday, August 7, 2023, the award-winning Supligen Max, premium cattle by Serge Island Farms, and affordable products manufactured and distributed by Seprod Limited were all patrons could rave about.

The event, regarded as the largest agricultural exposition in the Caribbean, spanned three (3) days and was in its 69th year. Serge Island Farms won four trophies in the Livestock Competition for Best Uddered Dairy Cow, Supreme Champion Dairy Heifer, Champion Cow (Other Dairy Breeds), and Champion Heifer (Other Dairy Breeds).

Business Development Manager for Serge Dairies, Miss Sherida Cohen, said, “Denbigh every year has been great. We are Serge Dairies, we are all about agriculture and farming, we have the largest dairy farm in Jamaica and the English Speaking Caribbean, which sits on over two thousand acres of lush pastures and is home to over 3,000 cows. We have the best milk, our Serge Milk is Grade A, which is not reconstituted or recombined. Real milk, nourishing the nation.”and we always set out to ensure patrons have a ‘Must Be Good’ experience.”



SEPROD GROUP AWARDED THE GOVERNOR GENERAL'S AWARD FOR MANUFACTURER OF THE YEAR 2023

Hard work is it's own reward and here's to its culmination. Many thanks to the Jamaica Manufacturers and Exporters Association for awarding us the Governor General's Award for Manufacturer of the Year at their M&E Awards Ceremony. Congratulations to all the other nominees and let us all continue to do the work necessary to build Brand Jamaica.

SEPROD GROUP BIG WINNERS AT EXPO JAMAICA 2023

The Seprod Group walked away as the "Most Informative Booth" at the Jamaica Manufacturers and Exporters Association (JMEA) biennial Expo Jamaica trade show which was held from April 27-30 at the National Arena and the National Indoor Sports Centre in Kingston.

The Group also took home second (2nd) place for "Best New Product" for Supligen Max in the Exhibitor Award competition.

Chief Executive Officer of the Seprod Group, Mr. Richard Pandohie, said, the overall experience was exciting and used the opportunity to also introduced Eve Naturals Almond Beverage and the Gold Seal Bread Flour which is the latest addition to the Gold Seal line.

SUPLIGEN GIVES A BIG BOOST

SUPLIGEN BIG BOOST PROMOTION

The Supligen Big Boost Promotion ran from October 30th to December 11th, 2023. Featuring a grand prize of an AKT GT 150 Motorcycle and exciting weekly prizes, consumers could enter the competition by purchasing any four canned Supligen flavours and completing the entry steps. Contestants had three ways to enter: online, via Whatsapp and using physical drop boxes located in select supermarkets islandwide.

SUPLIGEN 'OUT N STUNTIN'

Supligen delivered a memorable experience for motorcycle enthusiasts at the inaugural 'Out N Stuntin' bikers' event, held at the National Stadium Car Park on December 17th, 2023. Celebrating more than just motorcycles, the event highlighted the passion, talent, and camaraderie that drive the motorsporting community. Attendees enjoyed thrilling stunt shows, performances by popular Jamaican artists, and the announcement of the grand prize winner of an AKT GT 150 Motorcycle, in Supligen's 'Big Boost' Promotion.

WE INSPIRE WOMEN

SEPROD FUELS WE INSPIRE WOMEN MOVEMENT

In celebration of its seventh anniversary, our Group was proud to provide sponsorship to We Inspire, for its Women's Brunch held on August 27, 2023 at the Jamaica Pegasus hotel. The event, held under the theme 'PURPLE REIGN', aimed to inspire and empower women across Jamaica to achieve their fullest potential, by providing a community of shared experiences. Through our sponsorship, we proudly championed the continuation of a community that empowers women to not only thrive but also unlock their limitless potential.

P.B. SCOTT HONOURED WITH ORDER OF JAMAICA

On October 16th, 2023, our esteemed Chairman, P.B. Scott, joined the ranks of members of the Order of Jamaica, becoming one of the youngest persons to receive the country's second highest civilian honour.

This recognition comes as a testament of his exceptional contributions to Jamaica's economic development and his outstanding leadership in the business sector. His visionary approach as Chairman and principal shareholder of the Musson Group has transformed it into a diversified conglomerate operating in 30 countries.

Under his guidance, the Group has expanded its presence in various industries, including agriculture, manufacturing, food, pharmaceutical distribution, telecommunications and information technology, and insurance.

Through his leadership, the Group has become a powerful force for positive change. In the past five years alone, we have invested over US$150 million in Jamaica, significantly boosting economic growth and creating numerous employment opportunities for the local population.

His Order of Jamaica (OJ) award is therefore a reflection of his remarkable achievements, unwavering dedication to Jamaica's prosperity, and commitment to fostering sustainable development. We are immensely proud of his accomplishments and honoured to have his leadership at the helm of Seprod Group.

Congratulations

CHAIRMAN

SEPROD

Foundation

S.T.E.A.M EDUCATION

FOOD SECURITY

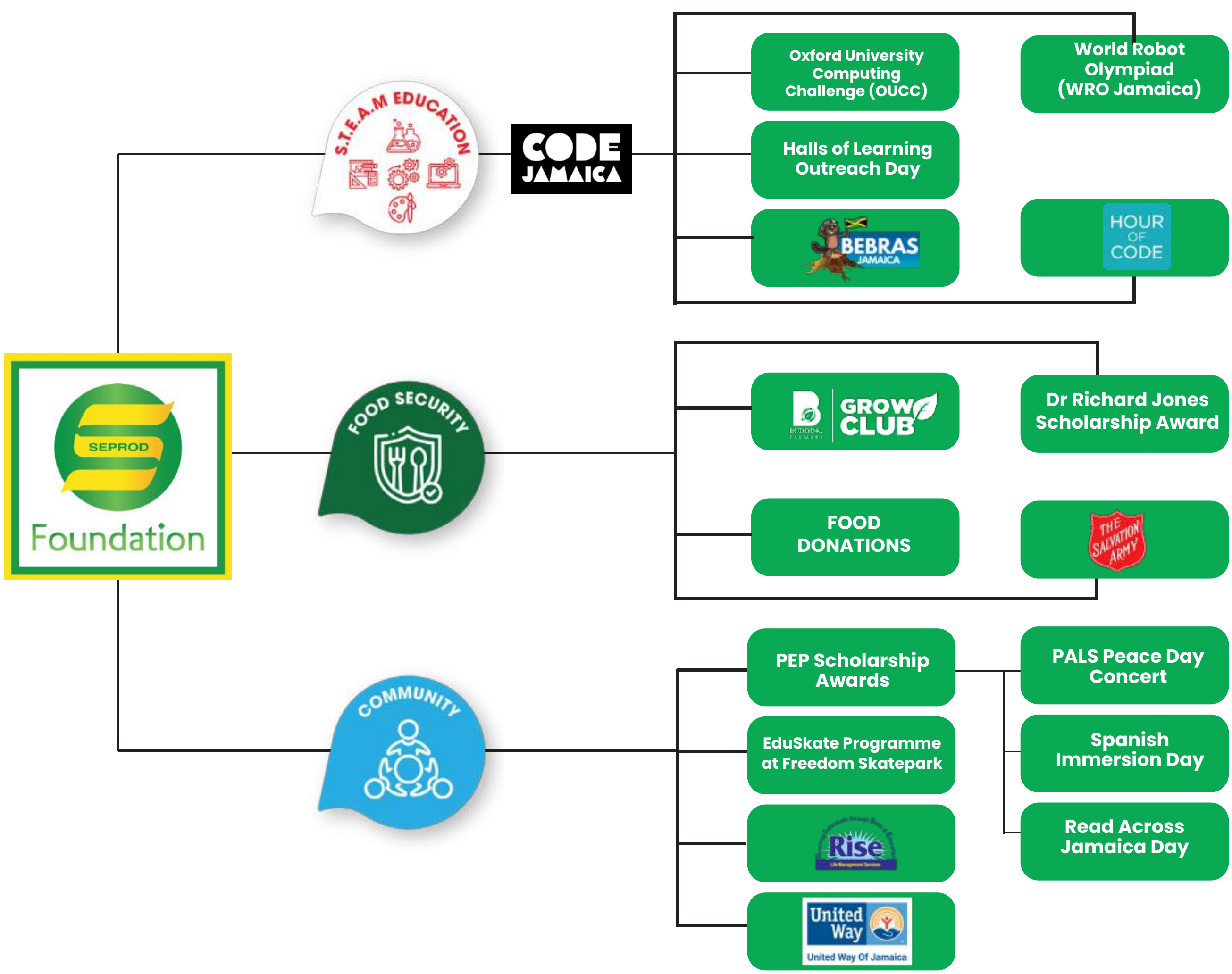
COMMUNITY

At Seprod Foundation, we stand on three pillars - STEAM education, food security, and community upliftment. Our mission is to pioneer innovative programming that not only imparts knowledge but leaves a lasting impact on the lives of Jamaicans. With humility at our core, we are dedicated to uplifting people, ensuring that our initiatives empower individuals and communities.

Through STEAM education, we nurture problem-solving skills, believing that Jamaicans can solve Jamaican problems. By addressing food security challenges and fostering a sense of community, we aim to create a brighter, self-sustaining future for all, where education, nourishment, and community well-being thrive hand in hand.

PILLARS, PARTNERSHIPS AND PROJECTS

In 2023, Seprod Foundation spent approximately JMD 23,000,000 and donated approximately JMD 9,000,000 in kind in support of our communities, executing the projects outlined below:



STEAM EDUCATION

in partnership with: HALLS OF LEARNING, CODE JAMAICA, AFJ

OXFORD UNIVERSITY COMPUTING CHALLENGE (OUCC)

IN COLLABORATION WITH THE AMERICAN FRIENDS OF JAMAICA

The Oxford University Computing Challenge (OUCC) is a test of problem-solving and computational skills, spanning Grades 4-13. The Seprod Foundation has partnered with the American Friends of Jamaica and Halls of Learning to bring OUCC to Jamaican students.

From algorithms to coding, the challenge delves deep into computer science, igniting sparks of critical thinking and creativity in the participants. To close out the competition, the students with the highest scores were honored at an award ceremony.

Total Participation:	Total of	Total Hours of Learning:
317 students	**17 schools**	**1000+ hours**

HALLS OF LEARNING'S OUTREACH DAY

IN COLLABORATION WITH THE AMERICAN FRIENDS OF JAMAICA

In July 2023, Seprod Foundation partnered with Halls of Learning and the American Friends of Jamaica to host Outreach Day. For Outreach Day, Halls of Learning opens its doors to children of all ages for a day filled with exploration and experiencing several STEAM-related activities.

From robotics and coding to problem-solving games each child, and even their parents were engaged and entertained by all the hands-on activities being offered throughout the day. The Seprod Foundation was excited to help provide this opportunity, free of cost, to continue on our mission to promote STEAM Education among Jamaica's youth.

Total Participation:
150+ students

"Outreach Day was very fun and allowed us to experiment with different types and aspects of robotics. During this event, we got to program robots to complete tasks. It gave us a chance to learn something new in a fun way."

– Outreach Day Participant

THE BEBRAS CHALLENGE

The BEBRAS Challenge is an international challenge focusing on informatics and computational thinking which are the building blocks of computer science. In collaboration with the National Organizers, Halls of Learning, Seprod Foundation offers Grades 1-13 students the opportunity to participate in this global initiative.

From November 16-24, 2023, the excitement was palpable as over 1500 students from over 20 schools in Jamaica participated in interesting and fun logic puzzles, critical thinking challenges, and ming-bending problem-solving tasks.

The BEBRAS Challenge will continue in January 2024 where the students with the highest scores from the first stage of the competition will move on to participate in the finals.

Total Participation:
1500 students

Total of
20 schools

WORLD ROBOT OLYMPIAD (WRO JAMAICA)

The World Robot Olympiad (WRO) is an international robotics competition that allows children to showcase their creativity, innovation, problem-solving, and critical thinking skills in robotics.

During the competition, every weekend from September 23rd to October 8th, two teams faced off at a time with their robots going head to head to solve challenges under the theme 'Connecting the World' in the least amount of time possible.

The Reach Bolts clinched the winning spot, earning the opportunity to represent Jamaica at the WRO International Finals in Panama from November 7-9. Despite fierce global competition, the team showcased their skills and spirit having placed 73rd of 80 teams.

70 Participants

12 Teams

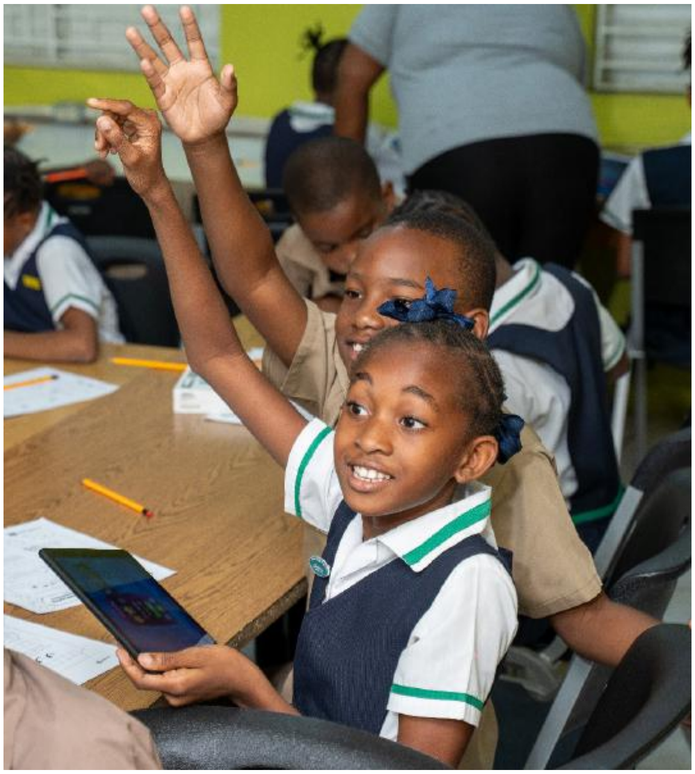
"The competition experience was overwhelming, we had never seen a compedtion this large nor have we ever been able to be amongst so many great countries in one space. It was very exciting to meet other students like me and see their robots." - **World Robot Olympiad participant**

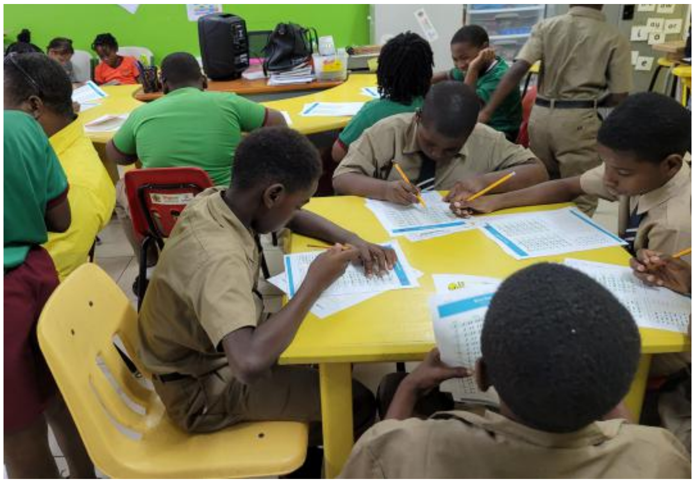
HOUR OF CODE

The Hour of Code is an international initiative organized by Code.org and happens each year during Computer Science Education Week, which took place from December 4-8, 2023. This initiative introduces computer science and programming through engaging, hands-on activities.

As an international partner, Seprod Foundation leads the charge to carry out Hour of Code activities at schools across Jamaica.

This year, we partnered with dynamic companies across the Seprod and Musson Groups- including General Accident, Productive Business Solutions (PBS), Musson Jamaica Ltd, and Seprod Ltd.- to guide students on an entertaining and fulfilling coding journey.





FOOD SECURITY

BUDDING FARMERS

In our aim to increase food security in our nation, the Seprod Foundation is pleased with our partnership with Budding Farmers Jamaica. Budding Farmers Jamaica is an organization that focuses on cultivating young minds through agricultuWral lessons and fun activities.

Throughout the year, the Seprod Foundation has supported Budding Farmers in their activities, specifically their Labour Day Project and Summer Camps.

4 School Gardens Installed	2 Grow Camps Held
Over 30 fruit trees planted	Participated in 2 Career Days
1450 Students Impacted	

COMMUNITY

SEPROD FOUNDATION PEP SCHOLARSHIP AWARDS CEREMONY

The 2023 Seprod Foundation Annual PEP Scholarship Awards, held on November 8th welcomed 32 exceptional students into the scholarship programme. In addition to the Seprod Foundation

PEP Scholarship Awards that were presented to the children of Seprod employees for outstanding performance in their PEP examinations, 2 top performing students from St. Thomas were awarded the Granville Marsh Scholarship Award and the student with the highest academic average from the 2022 cohort was awarded with the Byron Thompson Award for Academic Achievement.

During the ceremony, the recipients were inspired by motivational speaker and public speaking coach, Krystal Tomlinson Her message resonated deeply, urging the awardees to honour their parents or guardians, embrace their potential and seize the opportunities that lie ahead. Seprod Foundation is proud to support these students as their embark on their high school journey with promise and determination.

New Scholars	Returning Scholars
31	**83**

EDUSKATE EXTENDED PROGRAMME @ FREEDOM SKATEPARK

IN COLLABORATION WITH THE US EMBASSY IN KINGSTON

Seprod Foundation, in partnership with USAID and the United States Embassy in Kingston, launched the Edu-Skate Extended Programme on April 1st at Freedom Skatepark in Bull Bay. The Edu-Skate Programme, conceptualized by Concrete Jungle Foundation, teaches youth important life skills through skateboarding. A USD 24,000 grant from USAID funded 2 seasons of the Edu-Skate Programme with an emphasis on extending the opportunity to participate to youth from downtown communities.

Over 90 youth
from Denham Town High School

RISE SUMMER CAMP

Seprod Foundation has been supporting the work of RISE Life Management Services for over 10 years. This year, Seprod Foundation supported their programme dubbed SYMBA - Stimulating Young Minds to Become Achievers. SYMBA is an after school programme designed to improve literacy and numeracy among students in the Parade Gardens community and improve their life outcomes through the delivery of life skills sessions. More than 50% of students showed significant improvements by at least one grade level when compared with their reading levels at enrollment. The programme also delivered meaningful results in terms of improving the academic capabilities of the students, boosting their self-confidence, and improving their behaviour in ways that were visibly noticeable by parents/guardians and teachers.

34 Students Engaged	**201 Hours** literacy & numeracy	**54 Hours** life & social skills

PALS PEACE CONCERT

Seprod Foundation joined forces with PALS to support their impactful Peace Concert, a tribute to Peace Day, held on March 7, 2023, at the Calabar Infant and Primary School. PALS, committed to fostering constructive behaviors and empowering youth with conflict resolution strategies as peaceful alternatives to violence, stands as a beacon of positive change.
Seprod Foundation contributed 20 thoughtfully curated gift baskets, symbolizing our unwavering dedication to promoting harmony and understanding within our communities.

Camp Dates **July 10-27**	Attended **44 Students**

SPANISH IMMERSION DAY

The Spanish-Jamaican Foundation in partnership with the Embassy of Spain, other Embassies of Spanish speaking countries and the Ministry of Education hosted Spanish Immersion Day to facilitate CSEC oral examination practice. In support of the teaching and learning of Spanish as a foreign language, Seprod Foundation has partnered on this initiative over the years and was happy to support once again by providing refreshments for the students as well as volunteers to assist the students in practicing for the exams. Workshops were held in Kingston, St. James, St. Ann, St. Thomas, Manchester and Clarendon.

1600 Students Islandwide

READ ACROSS JAMAICA DAY

Each year, Read Across Jamaica Day strives to cultivate a love of reading in our students across the island. Volunteers from across the Seprod Group of Companies volunteered their time to read to students of Maxfield Park Primary, Holy Family Primary, Half Way Tree Primary, North Street Primary and Spanish Town Primary. To further encourage the lifelong love of reading and as a contribution to each school library, books were presented to each school during the visit.

50 Books Donated


Cool Fruit
CHERRY PINEAPPLE

Annual Report
2023

Financial statements

Independent auditor's report

To the Members of Seprod Limited

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

Our opinion

In our opinion, the consolidated financial statements and the stand-alone financial statements give a true and fair view of the consolidated financial position of Seprod Limited (the Company) and its subsidiaries (together 'the Group') and the stand-alone financial position of the Company as at 31 December 2023, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with IFRS Accounting Standards and with the requirements of the Jamaican Companies Act.

What we have audited

The Group's consolidated and stand-alone financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the company statement of financial position as at 31 December 2023;
- the company statement of comprehensive income for the year then ended;
- the company statement of changes in equity for the year then ended;
- the company statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

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

PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica
T: (876) 922 6230, F: 876) 922 7581, www.pwc.com/jm

pwc

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

Our audit approach

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

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

In assessing the risk of material misstatement of the Group's consolidated financial statements, and to ensure we had adequate coverage of significant accounts in the consolidated financial statements, we designed and performed audit procedures over various components. The Group comprised 36 reporting components, of which we selected 27 components, which represent the principal business units within the Group and covered entities within Jamaica, St. Lucia, Barbados, Trinidad and Tobago, Dominican Republic, Guyana and St. Vincent.

Of the 27 components selected, we performed an audit of the complete financial information of 22 components which were selected based on their size, risk characteristics or both. For the remaining 5 components, we performed audit procedures on specific accounts and or specified procedures within that component that we considered had the potential for the greatest impact on the significant accounts in the consolidated financial statements, either due to the size of these accounts or their risk profile.

In relation to the remaining components, none of which are individually greater than 2% of the Group's profit before tax, we performed other procedures, including analytical review procedures and testing of consolidation journals, intercompany eliminations and foreign currency translation recalculations to respond to any potential risks of material misstatement to the Group's consolidated financial statements.

For components that are in scope of the Group audit, we used component auditors from PwC network firms and non-PwC firms who are familiar with the local laws and regulations to perform this audit work. Throughout the audit we had regular meetings and correspondence with management and component auditor teams to follow up on progress of work for all components. The Group engagement team reviewed workpapers relating to the audit approach and findings of the component auditors.

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

pwc

Key audit matter	How our audit addressed the key audit matter
Valuation of unquoted equity securities (Group and Company) *Refer to notes 2(h), 4 and 17 to the consolidated and stand-alone financial statements for disclosures of related accounting policies, judgements and estimates.* Unquoted equity securities included within investments on the consolidated and stand-alone statements of financial position total $1.75 billion as at 31 December 2023 for both the Group and the Company, which represents 1.68% and 2.47% of total assets respectively. The unquoted equity securities relate to an investment in an affiliated company over which Seprod Limited does not exercise significant influence. These securities are not quoted in an active market. The fair value of these securities is determined by management using a valuation model based on discounted future cash flows. We focused on this area because of the magnitude of the balance, the complexity of the valuation model used and the use of management determined assumptions. The key assumptions were assessed by management as being: • investee's future cash flows; • terminal growth rates; • discount rates; and • market participant minority discount. Management used an independent valuation expert to assist in the valuation process.	Our approach to addressing the matter, with the assistance of our valuation expert, involved the following procedures, amongst others: Updated our understanding and evaluated management's future cash flow forecasts, and the process by which they were determined, including testing the underlying calculations and comparing them to the latest Board approved budgets of the investee. Compared prior management budgets to actual results of the investee to evaluate the reliability of management's forecast process. Tested management's key assumptions, as follows: • compared forecasted long-term growth rates to historical results and economic and industry forecasts; • evaluated management's assumptions concerning the selected growth rates, terminal growth rates, discount rates and market participant minority discount by reference to relevant industry and other externally derived data, where available, including market expectations of investment return, projected economic growth and interest rates; and • sensitized management's planned growth rate in cash flows and changes in discount rates. Based on the results of the procedures performed, management's valuation of unquoted equity securities was, in our view, not unreasonable.

pwc

Key audit matter	How our audit addressed the key audit matter
Goodwill impairment (Group) *Refer to notes 2(f), 4 and 16 to the consolidated financial statements for disclosures of related accounting policies and balances.* As at 31 December 2023, the Group carried a significant amount of goodwill amounting to $5.9 billion. In line with IAS 36 - Impairment of Assets, management performs an annual impairment assessment of goodwill. The recoverable amount of each cash generating unit (CGU) is calculated as the higher of the value-in-use (VIU) and fair value less costs of disposal (FVLCOD). Management determined the recoverable amount by reference to the VIU which was derived using a discounted expected cash flow approach where management makes significant judgements on certain key inputs and assumptions, including discount rates and growth rates. We focused on this area because of the significant level of judgement required in arriving at the key assumptions used in management's impairment assessment.	Our approach to addressing the matter, with the assistance of our internal expert, involved the following procedures, amongst others: • obtained an understanding of the methods used by management to perform its goodwill impairment assessment and assessed whether they were in compliance with IAS 36; • recalculated the weighted average cost of capital (WACC) used to discount the expected cash flows and evaluated those rates against observable market-based inputs and our knowledge of the economic environment; • assessed the assumptions including the growth rate by reference to historical performance of the CGU and relevant external economic industry data; • tested the mathematical accuracy of management's impairment calculations; and • compared management's future cash flow forecasts used in the impairment calculation to those approved by the Board of Directors as part of the annual budgeting process and strategic plans. Based on the results of the procedures performed, management's goodwill impairment assessment conclusion was, in our view, not unreasonable.

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Other information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

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

PricewaterhouseCoopers
Chartered Accountants
Kingston, Jamaica
15 May 2024

Seprod Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Revenue	5	112,149,457	78,433,836
Direct expenses		(80,779,877)	(56,123,964)
Gross Profit		31,369,580	22,309,872
Finance and other operating income	6	1,877,935	1,762,732
Administration and other operating expenses		(24,352,456)	(18,050,886)
Net impairment losses on trade receivables		(199,964)	(47,179)
Operating Profit		8,695,095	5,974,539
Finance costs	9	(3,300,780)	(1,837,476)
Share of results of joint venture and associate	19	211,093	106,552
Profit before Taxation		5,605,408	4,243,615
Taxation	10	(992,797)	(1,146,933)
Net Profit from Continuing Operations		4,612,611	3,096,682
Net loss from discontinued operations	35	(48,980)	(178,690)
Net Profit for the year		4,563,631	2,917,992
Other Comprehensive Income, net of taxes			
Item that may be reclassified to profit or loss –			
Currency translation gains and losses	10	21,875	(13,417)
Items that will not be reclassified to profit or loss –			
Re-measurements of post-employment benefits	10	517,538	(159,993)
Unrealized fair value gains on investments	10	545,728	367,643
Unrealized fair value gains on property	10	1,287,164	-
TOTAL COMPREHENSIVE INCOME		6,935,936	3,112,225
Net Profit from continuing operations is attributable to:			
Stockholders of the Company	12	2,930,728	2,322,663
Non-controlling interest		1,681,883	774,019
		4,612,611	3,096,682
Net Loss from discontinued operations is attributable to:			
Stockholders of the Company	12	(48,980)	(178,690)
Non-controlling interest		-	-
		(48,980)	(178,690)
Total Comprehensive Income is attributable to:			
Stockholders of the Company		5,003,943	2,419,051
Non-controlling interest		1,931,993	693,174
		6,935,936	3,112,225
Earnings per Stock Unit attributable to Stockholders of the Company	12		
Continuing operations		$4.00	$3.17
Discontinued operations		($0.07)	($0.25)
		$3.93	$2.92

Seprod Limited
Consolidated Statement of Financial Position
31 December 2023
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	Restated 2022 $'000
Non-current Assets			
Property, plant and equipment	14	23,119,352	20,778,802
Right of use assets	15	1,741,370	1,856,714
Intangible assets	16	13,294,758	13,725,753
Investments	17	1,767,162	1,221,434
Investment in joint venture and associate	19	1,482,291	1,125,546
Long term receivables	20	1,045,959	1,180,972
Post-employment benefit asset	21	634,464	674,693
Biological assets	22	447,922	458,981
Deferred tax assets	29	2,675,884	1,796,354
		46,209,162	42,819,249
Current Assets			
Inventories	23	28,938,437	27,464,700
Biological assets	22	34,218	51,254
Trade and other receivables	24	22,585,627	19,414,777
Current portion of long term receivables	20	258,415	233,368
Non-current assets held for sale	35	285,761	285,761
Taxation recoverable		579,645	278,639
Cash and bank balances		5,673,878	4,469,995
		58,355,981	52,198,494
Current Liabilities			
Payables	25	24,777,868	21,244,218
Current portion of long term liabilities	28	11,185,213	6,031,153
Current portion of lease obligation	15	393,370	377,761
Taxation payable		212,387	863,207
		36,568,838	28,516,339
Net Current Assets		21,787,143	23,682,155
		67,996,305	66,501,404
Equity Attributable to Stockholders of the Company			
Share capital	26	5,768,558	5,768,558
Capital reserves	27	8,909,157	7,054,390
Retained earnings		13,536,070	11,597,248
		28,213,785	24,420,196
Non-Controlling Interests	18	10,620,102	8,995,125
		38,833,887	33,415,321
Non-current Liabilities			
Post-employment benefit obligations	21	304,619	1,655,416
Long term liabilities	28	23,387,397	26,981,402
Lease obligation	15	1,466,996	1,720,532
Deferred tax liabilities	29	4,003,406	2,728,733
		29,162,418	33,086,083
		67,996,305	66,501,404

Approved for issue by the Board of Directors on 15 May 2024 and signed on its behalf by:

Paul B. Scott — Director

Richard Pandohie — Director

Seprod Limited

Consolidated Statement of Changes in Equity

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Attributable to Stockholders of the Company				Non-controlling Interests	Total
	Share Capital $'000	Capital Reserves $'000	Retained Earnings $'000	Sub-total $'000	$'000	$'000
Balance at 1 January 2022	5,768,558	6,700,164	10,980,182	23,448,904	-	23,448,904
Net profit for the year	-	-	2,143,973	2,143,973	774,019	2,917,992
Re-measurements on post-employment benefits	-	-	(79,148)	(79,148)	(80,845)	(159,993)
Currency translation losses	-	(13,417)	-	(13,417)	-	(13,417)
Unrealised fair value gains on investments	-	367,643	-	367,643	-	367,643
Total comprehensive income	-	354,226	2,064,825	2,419,051	693,174	3,112,225
Transactions with owners:						
Issue of preference shares by a subsidiary (Note 18)	-	-	-	-	3,191,020	3,191,020
On acquisition of subsidiaries	-	-	-	-	3,555,234	3,555,234
Issue of ordinary shares by subsidiaries	-	-	(347,438)	(347,438)	1,802,211	1,454,773
Ordinary dividends declared by the Company (Note 13)	-	-	(1,100,321)	(1,100,321)	-	(1,100,321)
Preference dividends declared by a subsidiary	-	-	-	-	(61,364)	(61,364)
Ordinary dividends declared by a subsidiary	-	-	-	-	(185,150)	(185,150)
Balance at 31 December 2022, as restated (Note 38)	5,768,558	7,054,390	11,597,248	24,420,196	8,995,125	33,415,321
Net profit for the year	-	-	2,881,748	2,881,748	1,681,883	4,563,631
Re-measurements on post-employment benefits	-	-	267,428	267,428	250,110	517,538
Currency translation gains	-	21,875	-	21,875	-	21,875
Unrealised fair value gains on investments	-	545,728	-	545,728	-	545,728
Unrealised fair value gains on property	-	1,287,164	-	1,287,164	-	1,287,164
Total comprehensive income	-	1,854,767	3,149,176	5,003,943	1,931,993	6,935,936
Transactions with owners:						
Ordinary dividends declared by the Company (Note 13)	-	-	(1,210,354)	(1,210,354)	-	(1,210,354)
Preference dividends declared by a subsidiary	-	-	-	-	(191,452)	(191,452)
Ordinary dividends declared by a subsidiary	-	-	-	-	(115,564)	(115,564)
Balance at 31 December 2023	5,768,558	8,909,157	13,536,070	28,213,785	10,620,102	38,833,887

Seprod Limited

Consolidated Statement of Cash Flows

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Cash Flows from Operating Activities			
Cash provided by/(used in) operating activities	30	7,690,234	(119,438)
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	14	(2,684,326)	(2,151,466)
Proceeds on disposal of property, plant and equipment		76,274	72,379
Encashment of investments		-	30,000
Net cash received on acquisition of subsidiaries		-	6,099,991
Issue of shares by a subsidiary		-	52,555
Repayment of long term receivables		146,255	136,323
Interest received		108,419	77,708
Dividends received		83	50
Cash (used in)/provided by investing activities		(2,353,295)	4,317,540
Cash Flows from Financing Activities			
Long term loans received		16,829,571	5,555,527
Long term loans repaid		(15,774,276)	(3,445,943)
Lease obligation		(695,131)	(364,150)
Dividends paid		(1,517,370)	(1,346,835)
Interest paid		(3,005,551)	(1,773,728)
Cash used in financing activities		(4,162,757)	(1,375,129)
Increase in cash and cash equivalents		1,174,182	2,822,973
Net effect of foreign currency translation on cash		29,701	(2,730)
Cash and cash equivalents at beginning of year		4,469,995	1,649,752
CASH AND CASH EQUIVALENTS AT END OF YEAR		5,673,878	4,469,995

Seprod Limited

Company Statement of Comprehensive Income

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Group costs recovered from subsidiaries		1,890,129	1,408,560
Finance and other operating income	6	945,177	483,268
Administration expenses	7	(2,045,924)	(1,602,459)
Operating Profit		789,382	289,369
Finance costs	9	(1,502,132)	(748,187)
Loss before Taxation		(712,750)	(458,818)
Taxation	10	152,042	182,840
Net Loss for the year	11	(560,708)	(275,978)
Other Comprehensive Income, net of taxes			
Items that will not be reclassified to profit or loss –			
Re-measurements of post-employment benefits	10	(2,446)	15,750
Unrealized fair value gains on investments	10	545,728	367,643
Unrealized fair value gains on property	10	101,777	-
TOTAL COMPREHENSIVE INCOME		84,351	107,415

Seprod Limited
Company Statement of Financial Position
31 December 2023
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Non-current Assets			
Property, plant and equipment	14	4,898,640	4,644,063
Investments	17	1,767,162	1,221,434
Investment in subsidiaries	18	11,621,529	11,621,529
Investment in joint venture	19	434,114	434,114
Long term receivables	20	4,405,588	4,483,481
Post-employment benefit assets	21	7,737	5,600
Deferred tax assets	29	142,227	-
		23,276,997	22,410,221
Current Assets			
Trade and other receivables	24	133,189	80,428
Current portion of long term receivables	20	1,874,253	1,666,398
Tax recoverable		12,580	51,336
Due from subsidiaries		45,460,124	33,930,287
Cash and bank balances		335,559	40,762
		47,815,705	35,769,211
Current Liabilities			
Payables	25	2,982,455	1,400,075
Current portion of long term liabilities	28	5,042,081	2,311,103
Due to subsidiaries		43,239,358	31,457,422
		51,263,894	35,168,600
Net Current (Liabilities)/Assets		(3,448,189)	600,611
		19,828,808	23,010,832
Equity			
Share capital	26	5,768,558	5,768,558
Capital reserves	27	3,890,738	3,243,233
Retained earnings		451,323	2,224,831
		10,110,619	11,236,622
Non-current Liabilities			
Post-employment benefit obligations	21	105,577	98,500
Long term liabilities	28	9,612,612	11,604,006
Deferred tax liabilities	29	-	71,704
		9,718,189	11,774,210
		19,828,808	23,010,832

Approved for issue by the Board of Directors on 15 May 2024 and signed on its behalf by:

Paul B. Scott — Director

Richard Pandohie — Director

Seprod Limited

Company Statement of Changes in Equity

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Number of Shares '000	Share Capital $'000	Capital Reserves $'000	Retained Earnings $'000	Total $'000
Balance at 1 January 2022	733,488	5,768,558	2,875,590	3,585,380	12,229,528
Net loss for the year	-	-	-	(275,978)	(275,978)
Re-measurements on post-employment benefits	-	-	-	15,750	15,750
Fair value gains on investments	-	-	367,643	-	367,643
Total comprehensive income	-	-	367,643	(260,228)	107,415
Transactions with owners:					
Dividends declared (Note 13)	-	-	-	(1,100,321)	(1,100,321)
Balance at 31 December 2022	733,488	5,768,558	3,243,233	2,224,831	11,236,622
Net loss for the year	-	-	-	(560,708)	(560,708)
Re-measurements on post-employment benefits	-	-	-	(2,446)	(2,446)
Fair value gains on investments	-	-	545,728	-	545,728
Fair value gains on property	-	-	101,777	-	101,777
Total comprehensive income	-	-	647,505	(563,154)	84,351
Transactions with owners:					
Dividends declared (Note 13)	-	-	-	(1,210,354)	(1,210,354)
Balance at 31 December 2023	733,488	5,768,558	3,890,738	451,323	10,110,619

Seprod Limited

Company Statement of Cash Flows

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Cash Flows from Operating Activities			
Cash provided by operating activities	30	1,899,341	951,215
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	14	(338,396)	(653,213)
Repayment of long term receivables		127,104	104,517
Interest received		143,063	163,769
Dividends received		406,886	50
Cash provided by/(used in) investing activities		338,657	(384,877)
Cash Flows from Financing Activities			
Long term loans received		5,617,398	3,361,477
Long term loans repaid		(5,019,241)	(1,593,713)
Dividends paid	13	(1,210,354)	(1,100,321)
Interest paid		(1,360,705)	(808,405)
Cash used in financing activities		(1,972,902)	(140,962)
Increase in cash and cash equivalents		265,096	425,376
Net effect of foreign currency translation on cash		29,701	(2,730)
Cash and cash equivalents at beginning of year		40,762	(381,884)
CASH AND CASH EQUIVALENTS AT END OF YEAR		335,559	40,762

Seprod Limited

Notes to the Financial Statements
31 December 2023
(expressed in Jamaican dollars unless otherwise indicated)

1. Principal Activities and Operations

Seprod Limited (“the Company”) is incorporated and domiciled in Jamaica. The Company is publicly listed on the Jamaica Stock Exchange, and has its registered office at 3 Felix Fox Boulevard, Kingston.

The Company and its subsidiaries are collectively referred to as “the Group”.

The Company’s subsidiaries, its joint venture entity and its associate, their principal activities, their countries of incorporation and domicile and their percentage ownership (wholly owned unless otherwise indicated) are as follows:

Operations based in Jamaica

Subsidiaries	**Principal activity**	**Country of Incorporation and Domicile**
Belvedere Limited	Agriculture	Jamaica
Caribbean Products Company Limited, and its subsidiary	Manufacture and sale of oils and fats	Jamaica
- Golden Grove Sugar Company Limited	Sale of consumer products	Jamaica
Facey Commodity Holdings Limited, and its subsidiary	Investments	Barbados
- Facey Commodity Company Limited	Sale of consumer and pharmaceutical products	Jamaica
Industrial Sales Limited	Sale of consumer products	Jamaica
International Biscuits Limited	Manufacture and sale of biscuit products	Jamaica
Musson Holdings Limited, and its subsidiaries	Investments	St. Lucia
- Musson International Dairies Limited	Manufacture and sale of milk products and juices	Jamaica
- Musson International Dairies T&T Limited	Sale of milk products and juices	Trinidad and Tobago
- Musson International Dairies Republica Dominicana SRL	Sale of milk products and juices	Dominican Republic
- Serge Island Dairies Limited	Manufacture and sale of milk products and juices	Jamaica
- Serge Island Farms Limited	Dairy farming	Jamaica
St. Thomas Development Limited *	Property development	Jamaica

Joint venture entity	**Principal activity**	**Country of Incorporation and Domicile**
Jamaica Grain and Cereals Limited (50% owned by the Company)	Manufacture and sale of corn and wheat products and cereals	Jamaica

* St. Thomas Development Limited was incorporated during the year.

A former subsidiary, Jamaica Edible Oils and Fats Company Limited, was closed during the prior year. The company was dormant at the date of closure.

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1. Principal Activities and Operations (Continued)

Operations based in Trinidad and Tobago

Subsidiaries	Principal activity	Country of Incorporation and Domicile
A.S. Bryden & Sons Holdings Limited (owned 54%), and its subsidiaries **	Investments	Trinidad and Tobago
- Anthony A Pantin Limited	Dormant	Trinidad and Tobago
- A.S. Bryden & Sons Insurance Limited	Dormant	Trinidad and Tobago
- A.S. Bryden & Sons Trinidad Limited, and its subsidiaries	Sale of consumer products	Trinidad and Tobago
-ASB Business Solutions Limited	Dormant	Trinidad and Tobago
-Eve Products Limited	Dormant	Trinidad and Tobago
- Asset Rentals Limited	Dormant	Trinidad and Tobago
- Bryden pi Limited (owned 90%), and its subsidiaries	Sale of pharmaceutical and consumer products	Trinidad and Tobago
-Bpi Genethics Limited	Manufacture and sale of pharmaceutical products	Trinidad and Tobago
-Bpi Guyana Limited (owned 51%)	Sale of pharmaceutical and consumer products	Guyana
- Bryden Properties Limited	Dormant	Trinidad and Tobago
- FT Farfan Limited, and its subsidiary	Sale of industrial equipment	Trinidad and Tobago
-Ibis Construction Equipment Sales & Rental Limited (owned 75%)	Sale of industrial equipment	Guyana
- Franco Trading & Distributors Limited	Packaging and sale of consumer products	Trinidad and Tobago
- Ibis Acres Ltd	Investments in real estate	Trinidad and Tobago
- Micon Holdings Limited, and its subsidiaries ***	Investments	St. Lucia
-Micon Marketing Limited	Sale of consumer products	Trinidad and Tobago
-Facey Trading Ltd (owned 75%)	Sale of consumer products	St. Vincent
- Premium Brands Limited	Dormant	Trinidad and Tobago

Associate	Principal activity	Country of Incorporation and Domicile
Armstrong Healthcare Inc. (49% owned by Bryden Pi Limited)	Sale of pharmaceutical products	Barbados

** Effective 1 June 2022, the Company acquired 60% of the shareholding in A.S. Bryden & Sons Holdings Limited (Note 36).

*** On 1 November 2022, A.S. Bryden & Sons Holdings Limited acquired 100% of the shareholding in Micon Holdings Limited, with the consideration being the issue of new shares (Note 36). This acquisition by A.S. Bryden & Sons Holdings Limited diluted the Company's shareholding in A.S. Bryden & Sons Holdings Limited to 54%.

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2. Material Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements of the Group and the financial statements of the Company standing alone (together referred to as the financial statements) have been prepared in accordance with IFRS® Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature: IFRS Accounting Standards; IAS® Standards; and Interpretations developed by the IFRS Interpretations Committee (IFRIC® Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC® Interpretations).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Standards, interpretations and amendments to existing standards effective in the current financial year

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial period. The Group has assessed the relevance of all such new standards, interpretations and amendments and has concluded that the following are relevant to its operations:

Amendment to IAS 1, 'Presentation of Financial Statements' (effective for annual periods beginning on or after 1 January 2023). This amendment requires entities to disclose their *material* rather than their *significant* accounting policies. The amendment defines what is 'material accounting policy information' and explains how to identify when accounting policy information is material. The amendment further clarifies that immaterial accounting policy information does not need to be disclosed, but, if disclosed, should not obscure material accounting information. *IFRS Practice Statement 2, 'Making Materiality Judgements'* was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendment did not have a significant impact on the Group's financial statements.

Amendment to IAS 1, 'Presentation of Financial Statements'; IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and IFRS Practice Statement 2, 'Making Materiality Judgements' (effective for annual periods beginning on or after 1 January 2023). This amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The importance of the distinction is that changes in accounting estimates are applied prospectively to future transactions and other future events, while changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. The amendment did not have a significant impact on the Group's financial statements.

Amendment to IAS 12, 'Income Taxes' (effective for annual periods beginning on or after 1 January 2023). This amendment requires companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendment applies to lease arrangements entered into by the Group as a lessee and requires that the Group recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with right-of-use assets and lease liabilities. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. As the Group already accounts for deferred tax on such transactions consistent with the new requirements, the amendment did not have a significant impact on the Group's financial statements.

Amendment to IAS 12, 'Income Taxes' (effective for annual periods beginning on or after 1 January 2023). This amendment gives companies temporary relief from accounting for deferred taxes arising from the Minimum Tax Implementation Handbook international tax reform and also introduces targeted disclosure requirements for affected companies. The amendment did not have a significant impact on the Group's financial statements.

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2. Material Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted

At the date of authorisation of these financial statements, certain new standards, interpretations and amendments to existing standards have been issued which are mandatory for the Group's accounting periods beginning on or after 1 January 2024 or later periods, but were not effective at the date of the statement of financial position. The Group has assessed the relevance of all such new standards, interpretations and amendments, and has determined that the following may be immediately relevant to its operations, and has concluded as follows:

Amendment to IAS 1, 'Presentation of Financial Statements' (effective for annual periods beginning on or after 1 January 2024). A first amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date, such as the receipt of a waiver or a breach of covenant. The amendment further clarifies the reference to the 'settlement' of a liability. A further amendment to IAS 1 clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability and also aims to improve information an entity provides related to liabilities subject to these conditions. The Group will apply the amendments in its 2024 financial statements, the effect of which will be dependent on the conditions prevailing as at the reporting date.

Amendment to IFRS 16, 'Leases' (effective for annual periods beginning on or after 1 January 2024). Regarding the manner in which an entity accounts for a sale and leaseback after the date of the transaction, this amendment specifies that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate. The amendment is not expected to have a significant impact on the Group's financial statements.

Amendments to IFRS 7, 'Financial Instruments: Disclosures' and IAS 7, 'Statement of Cash Flows' (effective for annual periods beginning on or after 1 January 2024). These amendments specify new disclosure requirements regarding supplier financing arrangements ('SFAs'). The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk. The new disclosures include information about the following on the terms and conditions of SFAs: (a) The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented; (b) The carrying amount of the financial liabilities for which suppliers have already received payment from the finance providers; (c) The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements; (d) Non-cash changes in the carrying amounts of financial liabilities; and (e) Access to SFA facilities and concentration of liquidity risk with finance providers. In adopting the amendments, comparative information and specified opening balances are not required to be disclosed in the first year of implementation. The Group will implement the disclosure requirements in its 2024 financial statements.

Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' (effective date not yet determined). The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures and confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business', as defined in IFRS 3, 'Business Combinations'. Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively. The Group is assessing the impact of these amendments on its financial statements.

Amendment to IAS 21, 'The Effects of Changes in Foreign Exchange Rates' (effective for annual periods beginning on or after 1 January 2025). An entity is impacted by this amendment when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. The Group is not impacted by this amendment.

IFRS S1, 'General requirements for disclosure of sustainability-related financial information' (effective for annual periods beginning on or after 1 January 2024). This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain. The Group will apply the disclosure requirements of the new standard in its 2024 financial statements.

IFRS S2, 'Climate-related disclosures' (effective for annual periods beginning on or after 1 January 2024). This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities. The Group will apply the disclosure requirements of the new standard in its 2024 financial statements.

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2. Material Accounting Policies (Continued)

(b) Basis of consolidation

Consolidation of subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Intercompany transactions, balances and unrealised gains and losses on transactions between the Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Loans to subsidiaries that are intended to provide subsidiaries with a long-term source of additional capital are considered additions to the Company's investment. Accordingly, these loans are included in Investment in Subsidiaries on the Company's statement of financial position.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as equity transactions; i.e., as transactions with owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

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

Joint ventures and Associates

The Group's interests in joint ventures and associates are accounted for using the equity accounting method. Under the equity accounting method, investments in joint ventures and associates are carried in the consolidated statement of financial position at cost as adjusted for the post acquisition changes in the Group's share of the net assets of the joint venture and associate, less any impairment.

The Group's share of its joint ventures' and associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. Losses of the joint venture in excess of the Group's interest are not recognised unless the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate. Unrealised gains on transactions between the Group and its joint ventures and associates are eliminated to the extent of the Group's interest in the joint ventures and associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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2. Material Accounting Policies (Continued)

(c) Revenue and income recognition

Sales of goods

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is shown net of General Consumption Tax, returns, rebates and discounts and after eliminating sales within the Group.

Revenue is recognised when control of the goods has been established – being when the goods are delivered to the customer, the customer has full discretion over the channel and price to sell the goods and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been transported to a specific predetermined location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed or the Group has objective evidence that all criteria for acceptance have been satisfied. A receivable is recognised when the goods are delivered, at which point in time the consideration is deemed unconditional and only the passage of time is required before the payment is due.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Dividend income

Dividend income is recognised when the right to receive payment is established.

(d) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of primary economic environment in which the entity operates, referred to as the functional currency. The functional currency of each entity is the same as its presentation currency. The consolidated financial statements are presented in Jamaican dollars, which is the Company's functional currency.

The foreign exchange differences arising from the translation of the results and financial position of the Group's entities that have a functional currency other than Jamaican dollars are recognised in other comprehensive income. Such exchange differences are recognised in profit or loss where the related Group entity is sold or partially sold.

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from such transactions and from the translation of foreign currency monetary assets and liabilities at the year-end exchange rates are recognised in profit or loss.

Translation differences resulting from changes in the amortised cost of foreign currency monetary assets are recognised in profit or loss. Other changes in the fair value of financial investments are recognised in other comprehensive income. Translation differences on non-monetary financial investments are reported as a component of the fair value gain or loss in other comprehensive income.

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2. Material Accounting Policies (Continued)

(e) Property, plant and equipment

Prior to 31 December 2021, all items of property, plant and equipment are carried at historical cost less accumulated depreciation and impairment losses, with the exception of land which is not depreciated.

As of 31 December 2021, land and buildings are initially recorded at cost and are subsequently shown at market value based on triennial (or earlier) valuations by external independent valuers, less subsequent depreciation of buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount. Increases in carrying amounts arising on revaluation are credited to other comprehensive income and shown in property revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged to other comprehensive income and debited against capital reserve; all other decreases are charged to profit or loss.

All other items of property, plant and equipment continue to be carried at historical cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the straight-line basis at such rates as will write off the carrying value of the assets over the period of their expected useful lives. The expected useful lives are as follows:

Buildings	30 – 50 years
Plant, equipment and furniture	3 – 40 years
Motor vehicles	3 - 5 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining profit.

Repairs and maintenance expenditure is charged to profit or loss during the financial period in which it is incurred.

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2. Material Accounting Policies (Continued)

(f) Intangible assets

Goodwill

Goodwill is recorded at cost and represents the excess of the fair value of the consideration paid over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. For the purposes of impairment testing, goodwill is allocated to cash-generating units that benefit from the business combination in which the goodwill arose. Impairment losses on goodwill are not reversed.

Distribution network

Distribution network obtained by the Group in a business combination are recognised at fair value at the acquisition date. This intangible asset is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses are not subsequently reversed.

Supplier relationships, trade names and brands

Supplier relationships, trade names and brands obtained by the Group in a business combination are recognised at fair value at the acquisition date. These intangible assets are deemed to have a finite useful life, and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the carrying values over their estimated useful lives. The expected useful lives are as follows: Supplier relationships - 12 years; Trade names - 20 years; and Brands - 10 to 15 years. Amortisation of intangible assets is included in administration and other operating expenses in the statement of comprehensive income.

(g) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the greater of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identified cash flows. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(h) Financial assets

Classification

The Group classifies its financial assets in the following measurement categories: those to be measured subsequently at fair value (either through profit or loss or through other comprehensive income); and those to be measured at amortised cost. The classification depends on the business model used for managing the financial assets and, in respect of debt instruments, the contractual terms of the cash flows.

Recognition and measurement

Debt instruments held for the collection of contractual cash flows, where those represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in the statement of comprehensive income using the effective interest rate method. Any gains or losses arising on derecognition are recognised directly in profit or loss. Impairment losses are presented as a separate line in the statement of comprehensive income.

Debt instruments that are held for the collection of contractual cash flows and for the selling of financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Interest income and impairment gains and losses are recognised in profit or loss. When the debt instrument is derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss. Interest income from these financial assets is included in the statement of comprehensive income using the effective interest rate method. Any gains or losses arising on derecognition are recognised directly in profit or loss. Impairment losses are presented as a separate line in the statement of comprehensive income.

Debt instruments that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. Gains and losses on such instruments are recognised in profit or loss in the period in which they arise.

Equity instruments held for trading are measured at fair value through profit or loss. Other equity instruments are held at fair value through other comprehensive income. When the equity instrument is derecognised, the cumulative gains or losses previously recognised in other comprehensive income are not reclassified to profit or loss. Dividends on equity instruments are recognised in profit or loss when the Group's rights to receive payments are established.

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2. Material Accounting Policies (Continued)

(h) Financial assets (continued)

Impairment

Application of the General Model to financial assets other than trade receivables

Under this model, the Group assesses, on a forward-looking basis, the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and at fair value through other comprehensive income. The ECL will be recognized in profit or loss before a loss event has occurred. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The probability-weighted outcome considers multiple scenarios based on reasonable and supportable forecasts. The impairment amount represents the single best outcome; the time value of money; and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The impairment model uses a three-stage approach based on the extent of credit deterioration since origination:

Stage 1 – 12-month ECL applies to all financial assets that have not experienced a significant increase in credit risk since origination and are not credit impaired. The ECL will be computed using a 12-month PD – the probability of default occurring over the next 12 months.

Stage 2 – When a financial asset experiences a significant increase in credit risk subsequent to origination but is not credit impaired, it is considered to be in Stage 2. This requires the computation of ECL based on lifetime PD – the probability of default occurring over the remaining estimated life of the financial asset. Provisions are higher in this stage because of an increase in risk and the impact of a longer time horizon being considered compared to 12 months in Stage 1.

Stage 3 – Financial assets that have an objective evidence of impairment are included in this stage. Similar to Stage 2, the allowance for credit losses will continue to capture the lifetime ECL.

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

Assessment of significant increase in credit risk

To assess whether the credit risk on a financial asset has increased significantly since origination, the Group compares the risk of default occurring over the expected life of the financial asset at the reporting date to the corresponding risk of default at origination, using key risk indicators that are used in the Group's existing risk management processes. At each reporting date, the assessment of a change in credit risk will be individually assessed for those considered individually significant. This assessment is symmetrical in nature, allowing credit risk of financial assets to move back to Stage 1 if the increase in credit risk since origination has reduced and is no longer deemed to be significant.

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. Measurements of ECLs at each reporting period reflect reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions.

Expected life

When measuring ECL, the Group considers the maximum contractual period over which the Group is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment options and extension and rollover options. For certain revolving credit facilities that do not have a fixed maturity, the expected life is estimated based on the period over which the Group exposed to credit risk and where the credit losses would not be mitigated by management actions.

Application of the Simplified Approach to trade receivables

For trade receivables other than those deemed specifically impaired, the Group applies the simplified approach which requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using a lifetime ECL. As a practical expedient, a provision matrix is utilised in determining the lifetime ECLs for trade receivables. The lifetime ECLs are determined by taking into consideration historical rates of default for each category of aged receivables as well as the estimated impact of forward-looking information.

(i) Biological assets

Livestock – Livestock is measured at its fair value less point of sale costs. Fair value is determined based on market prices of assets of similar age, breed and genetic merit. Changes in fair value are recognised in profit or loss.

Forage – Sugar cane and hay are measured at their fair value, less estimated point of sale costs. Fair value is determined based on market prices of components of animal feed being substituted. Changes in fair value are recognised in profit or loss.

Seprod Limited

Notes to the Financial Statements

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2. Material Accounting Policies (Continued)

(j) Inventories

Inventories are stated at the lower of cost or net realisable value, cost being determined using the weighted average cost method. The cost of finished goods and work in progress includes cost of raw materials used, direct labour and an appropriate proportion of overhead expenses. The cost of merchandise for resale are determined using weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of selling expenses.

(k) Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(l) Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable, and are measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset is recognised at the date of derecognition. Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of comprehensive income.

(m) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(n) Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(o) Borrowings

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

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

(p) Provisions

Provisions for legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Seprod Limited

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2. Material Accounting Policies (Continued)

(q) Leases

As lessee, the Group mainly leases various warehouses and retail stores. Rental contracts are typically made for fixed periods of 1 to 10 years, but may have extension options which are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

As of 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Group under residual value guarantees,
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Seprod Limited

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2. Material Accounting Policies (Continued)

(r) Income taxes

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax assets and liabilities are offset in the statement of financial position when there is a legally enforceable right to set off current tax assets against current tax liabilities. Currently enacted tax rates are used in the determination of deferred income tax. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is charged or credited to profit or loss, except where it relates to items charged or credited to other comprehensive income or equity, in which case, deferred tax is also dealt with in other comprehensive income or equity.

(s) Employee benefits

Pension obligations

Defined benefit plan

The Group operates a defined benefit plan, the assets of which are generally held in a separate trustee-administered fund. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

The amount recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the statement of financial position date less the fair value of plan assets. 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 Government of Jamaica bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to 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 equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in income.

Defined contribution plan

The employees of the Group also participate in an Individual Retirement Scheme operated by an independent insurance Company. The Group makes fixed contributions to the scheme for participating employees. The Group has no obligation for the benefits provided under the scheme as these are payable by, and accounted for by the insurance Company. Accordingly, the Group recognises a cost equal to its contributions payable in respect of each accounting period in the statement of comprehensive income.

Other post-employment benefits

The Group provides post-employment healthcare benefits to its 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 the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity 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.

Profit share scheme

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Company's equity holders after certain adjustments.

Seprod Limited

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2. Material Accounting Policies (Continued)

(t) Ordinary share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds. Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's directors.

(u) Preference shares

Preference shares are classified as equity as, under the terms of the preference shares, the company has no cash obligation. Dividend distribution to preference shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's directors.

(v) Segment reporting

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

3. Financial Risk Management

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

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

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. The Board has established committees/departments for managing and monitoring risks, as follows:

Central treasury department

The central treasury department is responsible for managing the Group's financial assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group. Group treasury identifies, evaluates and manages financial risks in close co-operation with the Group's operating units.

Audit Committee

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the Audit Committee.

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3. Financial Risk Management (Continued)

The carrying values of the Group's financial instruments are as follows:

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Financial Assets				
Investments, at fair value through other comprehensive income	1,767,162	1,221,434	1,767,162	1,221,434
Long term receivables, at fair value through profit or loss	57,258	84,157	37,773	48,526
At cost or amortised cost –				
Long term receivables	1,247,116	1,330,183	6,242,068	6,101,353
Trade and other receivables	21,894,970	18,647,032	16,065	9,959
Due from subsidiaries	-	-	45,460,124	33,930,287
Cash and bank balances	5,673,878	4,469,995	335,559	40,762
	28,815,964	24,447,210	52,053,816	40,082,361
	30,640,384	25,752,801	53,858,751	41,352,321
Financial Liabilities				
At cost or amortised cost –				
Due to subsidiaries	-	-	43,239,358	31,457,422
Trade and other payables	19,720,637	18,396,905	2,186,844	918,698
Long term liabilities	34,572,610	33,012,555	14,654,693	13,915,109
Lease obligation	1,860,366	2,098,293	-	-
	56,153,613	53,507,753	60,080,895	46,291,229

The most important types of risk are credit risk, liquidity risk and market risk. Market risk for the Group includes currency risk, interest rate and other price risk.

(a) Credit risk

The Group takes on exposure to credit risk, which is the risk that its customers, clients or counterparties will cause a financial loss for the Group by failing to discharge their contractual obligations. Credit risk is the most important risk for the Group's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from the Group's receivables from customers and its holdings of investments. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and industry segments.

Investments

The Group limits its exposure to credit risk by investing mainly in liquid securities, with counterparties that have high credit quality, and in Government of Jamaica securities. Accordingly, management does not expect any counterparty to fail to meet its obligations.

Long term receivables

The Group limits its exposure to credit risk arising on loans to employees for the purchase of the Company's shares by holding a contractual right to deduct the interest and principal on the loan from the employees' remuneration, and by holding a contractual right to the shares that were acquired from the proceeds of the loan in the event that the employment contract is terminated and the loan is not repaid.

The Group has limited exposure to credit risk arising on receivables from its joint venture entity as the Group jointly controls the entity. The Group also has significant purchases from the entity, the payables arising from which may be set off against the long term receivables.

Cash and bank balances

Cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any financial institution.

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The executive committee has established a credit policy under which each customer is analysed individually for creditworthiness prior to the Group offering them a credit facility. Credit limits are assigned to each customer, which represents the maximum credit allowable without approval from the Board. Customer credit risk is monitored according to their credit characteristics such as whether it is an individual or company, industry, aging profile, and previous financial difficulties. The Group has procedures in place to restrict customer orders if the order will exceed their credit terms. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group on a prepayment basis.

To measure expected credit losses, trade receivables are grouped by customer sector (based on shared risk characteristics) as well as by aging buckets. Lifetime expected credit losses are determined by taking into consideration historical rates of default for the totals of each customer segment of aged receivables as well as the estimated impact of forward looking information. In determining historical rates of default, trade receivables greater than 120 days past due are used as a proxy for historical losses. On this basis, the Group's loss allowance for trade receivables was determined as follows:

2023

	Within 30 days	31 to 60 days	61 to 90 days	91 to 120 days	> than 120 days	Total
Trade receivables	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Supermarket chains	3,333,994	2,108,679	581,214	169,331	148,862	6,342,080
Retailers & wholesalers	1,371,715	598,671	217,465	73,832	181,152	2,442,835
Distributors	990,478	497,433	299,947	125,073	280,318	2,193,249
Manufacturers	121,336	48,307	39,902	6,204	36,064	251,813
Others	2,285,896	1,549,032	917,451	767,099	2,828,259	8,347,737
	8,103,419	4,802,122	2,055,979	1,141,539	3,474,655	19,577,714
Average expected loss rates	**%**	**%**	**%**	**%**	**%**	
	0.57%	0.46%	1.56%	1.91%	24.06%	
Loss allowance	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
	46,383	22,094	32,035	21,848	835,890	958,250

2022

	Within 30 days	31 to 60 days	61 to 90 days	91 to 120 days	> than 120 days	Total
Trade receivables	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Supermarket chains	3,028,081	1,717,086	547,443	136,181	339,168	5,767,959
Retailers & wholesalers	1,170,324	554,579	74,150	19,303	191,327	2,009,683
Distributors	665,083	432,532	158,600	86,804	115,939	1,458,958
Manufacturers	141,670	38,751	31,512	(10,970)	49,115	250,078
Others	2,956,245	1,560,631	864,825	491,975	1,358,174	7,231,850
	7,961,403	4,303,579	1,676,530	723,293	2,053,723	16,718,528
Average expected loss rates	**%**	**%**	**%**	**%**	**%**	
	0.01%	0.43%	0.69%	3.58%	47.49%	
Loss allowance	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
	36,120	18,425	11,569	25,877	975,303	1,067,294

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3. **Financial Risk Management (Continued)**

(a) Credit risk (continued)

Trade receivables (continued)

The movement in the provision for impairment of trade receivables is as follows:

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
At start of year	1,067,294	415,103	-	-
On acquisition of subsidiaries	-	640,629	-	-
Recovered during the year	(141,818)	-	-	-
Provided during the year	213,637	47,179	-	-
Written off during the year	(180,863)	(35,617)	-	-
At end of year	958,250	1,067,294	-	-

The creation and release of provision for impaired receivables have been included in "net impairment gains and losses on trade receivables" in profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The majority of the Group's trade receivables are receivable from customers in Jamaica.

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3. Financial Risk Management (Continued)

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

Liquidity risk management process
The Group's liquidity management process, as carried out within the Group and monitored by the central treasury department, includes: (i) monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required; (ii) maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow; (iii) maintaining committed lines of credit; (iv) optimising cash returns on investments; and (v) managing the concentration and profile of debt maturities.

Undiscounted contractual cash flows of financial liabilities
The maturity profile of financial liabilities, based on contractual undiscounted payments, is as follows:

	The Group					
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 years $'000	Total $'000
	2023					
Long term liabilities	1,323,509	1,131,792	10,465,368	23,886,369	5,274,467	42,081,505
Lease obligation	11,381	20,386	465,364	1,130,789	1,946,846	3,574,766
Trade and other payables	19,720,637	-	-	-	-	19,720,637
	21,055,527	1,152,178	10,930,732	25,017,158	7,221,313	65,376,908
	2022					
Long term liabilities	1,258,223	613,559	7,170,155	21,186,377	8,995,287	39,223,601
Lease obligation	38,987	103,122	301,225	1,885,555	1,502,225	3,831,114
Trade and other payables	18,396,905	-	-	-	-	18,396,905
	19,694,115	716,681	7,471,380	23,071,932	10,497,512	61,451,620

	The Company					
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 years $'000	Total $'000
	2023					
Long term liabilities	983,833	954,482	4,100,579	7,282,103	5,189,942	18,510,939
Due to subsidiaries	43,239,358	-	-	-	-	43,239,358
Other payables	2,186,844	-	-	-	-	2,186,844
	46,410,035	954,482	4,100,579	7,282,103	5,189,942	63,937,141
	2022					
Long term liabilities	969,353	917,774	1,263,138	11,400,924	2,130,313	16,681,502
Due to subsidiaries	31,457,422	-	-	-	-	31,457,422
Other payables	918,698	-	-	-	-	918,698
	33,345,473	917,774	1,263,138	11,400,924	2,130,313	49,057,622

Assets available to meet all of the liabilities and to cover financial liabilities include cash and investments.

Seprod Limited

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3. Financial Risk Management (Continued)

(c) Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the Group treasury department which carries out extensive research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using sensitivity analysis.

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

Currency risk

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

The Group is exposed to foreign exchange risk arising from currency exposures held by entities in jurisdictions that have floating exchange rates, primarily with respect to the US dollar, Euro, Pound Sterling and the Canadian dollar. Foreign exchange risk arises primarily from transactions for purchases and sales and investing and financing activities.

The statement of financial position for the Group at 31 December 2023 includes aggregate net foreign assets/(liabilities) held in jurisdictions that have floating exchange rates of (US$44,374,000), Euro$364,000, £133,000 and Canadian$3,000 (2022 – aggregate net foreign assets/(liabilities) of (US$35,464,000), Euro$32,000, £99,000 and Canadian$2,000).

The statement of financial position for the Company at 31 December 2023 includes aggregate net foreign assets of US$39,000, Euro$364,000, £32,000 and Canadian$3,000 (2022 – aggregate net foreign assets of US$3,932,000, Euro$32,000, £42,000 and Canadian$2,000), in respect of such transactions.

The above amounts for the Group and the Company include financial investments of US$11,400,000 (2022 – US$8,000,000) in respect of which foreign exchange gains and losses are reported in other comprehensive income.

The Group manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The Group further manages this risk by maximising foreign currency earnings and holding foreign currency balances.

The following table indicates the effect on profit before taxation and on other items of equity arising from changes in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year-end based on management's assessment of the possible change in foreign exchange rates. The sensitivity was primarily as a result of foreign exchange gains and losses on translation of US dollar-denominated long term receivables, trade receivables, investment securities, payables and long term liabilities.

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Effect on profit before taxation -				
US$				
4% devaluation (2022 – 4%)	(346,188)	(265,180)	(72,356)	(27,692)
1% revaluation (2022 – 1%)	86,547	66,295	18,089	6,923
Other currencies				
4% devaluation (2022 – 4%)	3,528	908	2,756	504
1% revaluation (2022 – 1%)	(882)	(227)	(689)	(126)
Effect on other items of equity -				
US$				
4% devaluation (2022 – 4%)	70,036	47,988	70,036	47,988
1% revaluation (2022 – 1%)	(17,509)	(11,997)	(17,509)	(11,997)

Seprod Limited

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

Interest rate risk

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

Seprod Group's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial bearing liabilities.

The Group's interest rate risk arises from long term borrowings and other debt instruments. The sensitivity of the profit or loss is the effect of the assumed changes in interest rates on profit before taxation based on floating rate borrowing and other debt instruments. The sensitivity of other components of equity is calculated by revaluing fixed rate investments for the effects of the assumed changes in interest rates.

The following table indicates the sensitivity to a reasonably possible change in interest rates in respect of Jamaican dollar and United States dollar denominated instruments, with all other variables held constant, on profit before taxation and other components of equity.

Change in basis points	Effect on Profit before Taxation	Effect on Other Components of Equity	Change in basis points	Effect on Profit before Taxation	Effect on Other Components of Equity
2023	2023	2023	2022	2022	2022
JMD / USD	$'000	$'000	JMD / USD	$'000	$'000
The Group					
+25/+25	(2,136)	-	+100/+100	(8,544)	-
-25/-25	2,136	-	-50/-50	4,272	-
The Company					
+25/+25	-	-	+100/+100	-	-
-25/-25	-	-	-50/-50	-	-

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3. Financial Risk Management (Continued)

(c) Market risk (continued)
Interest rate risk (continued)
The following tables summarise the exposure to interest rate risk. It includes the financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

The Group

	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-Interest Bearing $'000	Total $'000
				2023			
Financial assets							
Investments	-	-	-	-	-	1,767,162	1,767,162
Long term receivables	93,849	-	164,566	1,045,959	-	-	1,304,374
Trade and other receivables	-	-	-	-	-	21,894,970	21,894,970
Cash and bank	5,673,878	-	-	-	-	-	5,673,878
	5,767,727	-	164,566	1,045,959	-	23,662,132	30,640,384
Financial liabilities							
Long term liabilities	1,193,036	913,557	8,525,512	19,422,487	4,439,745	78,273	34,572,610
Lease obligation	10,362	18,567	43,706	690,128	1,097,603	-	1,860,366
Payables	-	-	-	-	-	19,720,637	19,720,637
	1,203,398	932,124	8,569,218	20,112,615	5,537,348	19,798,910	56,153,613
Total interest repricing gap	4,564,329	(932,124)	(8,404,652)	(19,066,656)	(5,537,348)	3,863,222	(25,513,229)
				2022			
Financial assets							
Investments	-	-	-	-	-	1,221,434	1,221,434
Long term receivables	-	-	233,368	1,180,972	-	-	1,414,340
Trade and other receivables	-	-	-	-	-	18,647,032	18,647,032
Cash and bank	4,469,995	-	-	-	-	-	4,469,995
	4,469,995	-	233,368	1,180,972	-	19,868,466	25,752,801
Financial liabilities							
Long term liabilities	1,799,014	1,871,412	1,196,472	16,851,239	11,188,008	106,410	33,012,555
Lease obligation	9,698	17,182	82,425	708,206	1,280,782	-	2,098,293
Payables	-	-	-	-	-	18,396,905	18,396,905
	1,808,712	1,888,594	1,278,897	17,559,445	12,468,790	18,503,315	53,507,753
Total interest repricing gap	2,661,283	(1,888,594)	(1,045,529)	(16,378,473)	(12,468,790)	1,365,151	(27,754,952)

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3. **Financial Risk Management (Continued)**

(c) **Market risk (continued)**
Interest rate risk (continued)

	The Company						
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-Interest Bearing $'000	Total $'000
	2023						
Financial assets							
Investments	-	-	-	-	-	1,767,162	1,767,162
Long term receivables	93,849	-	159,252	3,483,376	922,212	1,621,152	6,279,841
Receivables	-	-	-	-	-	16,065	16,065
Due from subsidiaries	-	-	-	-	-	45,460,124	45,460,124
Cash and bank	335,559	-	-	-	-	-	335,559
	429,408	-	159,252	3,483,376	922,212	48,864,503	53,858,751
Financial liabilities							
Long term liabilities	861,906	787,450	3,314,452	5,172,867	4,439,745	78,273	14,654,693
Payables	-	-	-	-	-	2,186,844	2,186,844
Due to subsidiaries	-	-	-	-	-	43,239,358	43,239,358
	861,906	787,450	3,314,452	5,172,867	4,439,745	45,504,475	60,080,895
Total interest repricing gap	(432,498)	(787,450)	(3,155,200)	(1,689,491)	(3,517,533)	3,360,028	(6,222,144)
	2022						
Financial assets							
Investments	-	-	-	-	-	1.221,434	1.221,434
Long term receivables	-	-	217,223	4,483,481	-	1,449,175	6,149,879
Receivables	-	-	-	-	-	9,959	9,959
Due from subsidiaries	-	-	-	-	-	33,930,287	33,930,287
Cash and bank	40,762	-	-	-	-	-	40,762
	40,762	-	217,223	4,483,481	-	36,610,855	41,352,321
Financial liabilities							
Long term liabilities	851,285	791,118	562,290	9,911,640	1,692,366	106,410	13,915,109
Payables	-	-	-	-	-	918,698	918,698
Due to subsidiaries	-	-	-	-	-	31,457,422	31,457,422
	851,285	791,118	562,290	9,911,640	1,692,366	32,482,530	46,291,229
Total interest repricing gap	(810,523)	(791,118)	(345,067)	(5,428,159)	(1,692,366)	4,128,325	(4,938,908)

Price risk
Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group is exposed to equity price risk because of investments held by the Group classified on the statement of financial position either as available-for-sale or at fair value through profit or loss. The Group manages its price risk by trading these instruments when appropriate to reduce the impact of any adverse price fluctuations.

Based on its holding of investments as at 31 December 2023 and 2022, there is no significant impact on the Group's stockholders' equity at either year end arising from changes in equity prices.

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3. **Financial Risk Management (Continued)**

(d) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board of Directors monitors the return on capital, which the Group defines as net operating income, excluding non-recurring items, divided by total stockholders' equity. The Board of Directors also monitors the level of dividends to stockholders.

(e) Fair value estimates

Fair values of financial instruments re-measured at their fair value after initial recognition

Financial instruments classified in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price.

At 31 December 2023, the Group and the Company had quoted equity securities classified in Level 1 amounting to $16,285,000 (2022 – $21,718,000).

Financial instruments classified in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. Specific valuation techniques used to value such financial instruments include: (i) quoted market prices or dealer quotes for similar instruments; and (ii) other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

At 31 December 2022 and 2023, the Group had no securities classified in Level 2.

Financial instruments classified in Level 3

If one or more of the significant inputs for valuation is not based on observable market data, the financial instrument is included in Level 3, and fair value is determined using discounted cash flow analysis.

At 31 December 2023, The Group and the Company had unquoted equity securities with a fair value of $1,750,877,000 (2022 – $1,199,716,000) classified as fair value through other comprehensive income and categorised as Level 3.

The movement in these instruments is as follows:

	2023 $'000	2022 $'000
At start of year	1,199,716	832,500
Fair value gains and losses	531,426	382,410
Foreign exchange gains and losses	19,735	(15,194)
At end of year	1,750,877	1,199,716

The following unobservable inputs were used to measure the Company's Level 3 financial instruments:

Unobservable Inputs	Range of unobservable inputs (weighted average)	Relationship of unobservable inputs to fair value
Discount rate	12% (2022 – 12%)	If the discount rate increases the fair value decreases
Terminal growth rate	3% (2022 – 3%)	If the terminal growth rate increases the fair value increases
Market participant minority discount	20% (2022 – 20%)	If the market participant minority discount increases the fair value decreases

There were no transfers between levels during the year.

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3. Financial Risk Management (Continued)

(e) Fair value estimates (continued)

Fair values of financial instruments not re-measured at fair value after initial recognition

The following methods and assumptions have been used in determining fair values for instruments not re-measured at their fair value after initial recognition:

The face value, less any estimated credit adjustments, for financial assets and liabilities with a maturity of less than one year are estimated to approximate their fair values. These financial assets and liabilities include cash and bank balances, trade and other receivables (Note 24) and payables (Note 25).

The carrying values of long term receivables (Note 20) approximate their fair values, as these receivables are carried at amortised cost and the interest rates are reflective of current market rates for similar transactions.

The carrying values of long term loans (Note 28) approximate their fair values, as these loans are carried at amortised cost reflecting their contractual obligations and the interest rates are reflective of current market rates for similar transactions.

Fair values of property

As of 31 December 2021, the Group measures its land and buildings at fair value on a triennial (or earlier) basis. Management, through an independent valuation expert used the income capitalisation approach to determine the fair value of all of the land and buildings. This method takes into consideration a number of factors that require estimation and judgement. The key factors include: estimation of rental income; determination of a capitalisation factor; and determination of the discount rate.

The Group classifies its land and buildings in Level 3 due to the unobservable inputs used in the determination of fair value for those assets. As at 31 December 2023, the carrying values of land and buildings (inclusive of work in progress) classified as level 3 amounted to: $6,385,160,000 and $8,934,057,000 (2022 – $5,447,269,000 and $8,197,055,000), respectively, for the Group; and $1,770,000,000 and $ 2,126,000,000 (2022 – $1,485,000,000,000 and $2,152,925,000), respectively, for the Company.

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3. Financial Risk Management (Continued)

(e) Fair value estimates (continued)

Fair values of biological assets

The Group measures the biological assets at fair value at each reporting date. In measuring the fair value of biological assets various management estimates and judgements are required. The Group classifies its biological assets in Level 3 due to the unobservable inputs used in the determination of fair value for those assets, as described below.

Livestock

Estimates and judgements in determining the fair value of livestock relate to the market prices, use of animals and age of animals. Market prices of the animals are obtained from other players in the industry.

Forage

Subsequent to the discontinuation of the sugar manufacturing operation in July 2019, estimates and judgements in determining the fair value of sugar cane related to the ingredients in animal feed for which the sugar cane is used as a substitute. The ingredients in animal feed that are substituted and the related cost are determined independently by animal feed manufacturers and contracted farmers.

The fair value of hay is are determined independently by animal feed manufacturers and contracted farmers.

The movement in the fair value of livestock is as follows:

	2023	2022
	$'000	**$'000**
Opening balance	458,981	444,773
Decreases due to sales	(97,497)	(79,899)
Gains for the period included in profit or loss	86,438	94,107
Closing balance	447,922	458,981
Gains for the period included in profit or loss for assets held at the end of the reporting period	86,438	94,107
Change in unrealised gains for the period included in profit or loss for assets held at the end of the reporting period	54,637	24,413

The movement in the fair value of forage is as follows:

	2023	2022
	$'000	**$'000**
Opening balance	51,254	154,683
Losses for the period included in profit or loss	(17,036)	(103,429)
Closing balance	34,218	51,254
Losses for the period included in profit or loss for assets held at the end of the reporting period	(17,036)	(103,429)
Change in unrealised losses for the period included in profit or loss for assets held at the end of the reporting period	(17,036)	(103,429)

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3. Financial Risk Management (Continued)

(e) Fair value estimates (continued)

Fair values of biological assets (continued)

The following unobservable inputs were used in determining the fair value of the Group's livestock, using a market approach for valuation.

Fair Value at 2023

Unobservable Inputs	Range of unobservable inputs (weighted average)	Relationship of unobservable inputs to fair value
Dairy livestock price	$39,100- $170,000 ($105,039,000) per animal	The higher the market price, the higher the fair value.
Other livestock price	$5,100- $178,398 ($108,144) per animal	The higher the market price, the higher the fair value.
Hay grass yield – per acre	10 bales per acre	The higher the hay grass yield, the higher the fair value.
Hay price	$2,800 per bale	The higher the market price, the higher the fair value.

Fair Value at 2022

Unobservable Inputs	Range of unobservable inputs (weighted average)	Relationship of unobservable inputs to fair value
Dairy livestock price	$39,100- $170,000 ($111,096) per animal	The higher the market price, the higher the fair value.
Other livestock price	$5,100- $178,398 ($155,086) per animal	The higher the market price, the higher the fair value.
Hay grass yield – per acre	10 bales per acre	The higher the hay grass yield, the higher the fair value.
Hay price	$2,800 per bale	The higher the market price, the higher the fair value.

The following unobservable inputs were used in determining the fair value of the Group's sugar cane, using a market approach for valuation.

Fair Value at 2023

Unobservable Inputs	Range of unobservable inputs (weighted average)	Relationship of unobservable inputs to fair value
Price of fodder being substituted	$7,000 per metric tonne	The higher the price of fodder being substituted, the higher the fair value.

Fair Value at 2022

Unobservable Inputs	Range of unobservable inputs (weighted average)	Relationship of unobservable inputs to fair value
Price of fodder being substituted	$7,000 per metric tonne	The higher the price of fodder being substituted, the higher the fair value.

4. Critical Accounting Estimates and Judgments in Applying Accounting Policies

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Income taxes
Estimates are required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for possible tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were originally recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Post-employment benefit obligations
The present value of the pension and other post-employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (or income) for post-employment benefits include the discount rate. Any changes in these assumptions will impact the carrying amount of post-employment benefit obligations. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the post-employment benefit obligations. In determining the appropriate discount rate, the Group considers the 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 obligation. Other key assumptions for post-employment benefit obligations are based in part on current market conditions. Sensitivity disclosures in relation to changes in assumptions are disclosed in Note 21.

Fair value of biological assets
Livestock
In the process of applying the Group's accounting policies, management determines fair values of biological assets based on prices in the local market, less the transport and other costs of getting the assets to the market. The fair value is sensitive to certain assumptions used in the computation, the primary assumption being the price of the animals.

For the valuation of biological assets at the year end, if the price per animal had changed by 5% with all other variables constant, the fair value would change accordingly by $21,555,000.

Forage
The sugar cane in the fields is used primarily as a substitute for components of animal feed. In doing the valuation for sugar cane, the Group first determines a price per tonne of cane based on the prices per tonne of the components of animal feed that will be substituted. This price per tonne of fully grown cane is used as the base for determining the fair value for the cane in each field, at the various stages in the cane harvest cycle. In valuing the cane for each cane field in each cane farm, the Group estimates each field's yield, by estimating the tonnes of cane to be reaped, per hectare of cane planted. The value of the cane considers the stage of growth of the cane, using certain assumptions regarding the relationship between the stage of growth of the cane and the cane's value. The fair value is sensitive to the assumptions used in the computation, the primary assumptions being the prices per tonne of the components of animal feed that will be substituted.

For the valuation of biological assets at the year end, if the price of hay had changed by 5%, with all other variables constant, the fair value would have changed accordingly by $1,711,000.

Fair value of unquoted equity securities
The fair value of securities not quoted in an active market are determined using valuation techniques. The Group exercises judgement and estimates on the quantity and quality of cashflow projections used. Where no market data is available, the Group values positions using its own models, which are usually based on valuation methods and techniques generally recognised as standard for this purpose. The inputs into these models are primarily discounted cash flows. The models used to determine fair values are reviewed by external experts. The fair value is sensitive to the assumptions used in the computation, the primary assumptions being the discount rate of 12%, terminal growth rate of 3% and a market participant minority discount of 20% and investee's future cash flows.

For the valuation of unquoted ordinary shares at the year-end: if the discount rate had increased/decreased by 1% with all other variables constant, the fair value would decrease/increase from US$11,400,000 to US$8,670,000/US$14,878,000; and if the terminal growth rate had increased/decreased by 0.5% with all other variables constant, the fair value would increase/decrease from US$11,400,000 to US$12,645,000/US$10,338,000.

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4. Critical Accounting Estimates and Judgments in Applying Accounting Policies (Continued)

Fair value of property

Land and buildings are carried at fair value. The Group uses independent professional valuers to value its land and buildings triennially. These fair values are derived using the income capitalisation approach, which takes into consideration a number of factors, primarily the estimation of rental income; determination of a capitalisation factor; and determination of the discount rate. Rental rates of the subject properties are adjusted to reflect the market rent for properties of similar size, location and condition. The higher the rental rate the higher the fair value. The higher the capitalisation rate the lower the fair value.

Goodwill

The Group test annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2(f). The assessment of goodwill impairment involves the determination of the value in use. Determination of value in use involves the estimation of future cash flows from the business taking into consideration the growth rates, inflation rates and the discount rate. Any changes in these variables would impact the value in use calculations.

A 1% increase in the discount rates and a 1% reduction in revenue growth would not result in an impairment of goodwill.

Joint venture

The joint venture agreements in relation to Jamaica Grain and Cereals Limited require unanimous consent from all parties for all relevant activities. The partners have rights to the net assets of the arrangement. This entity is therefore classified as a joint venture and the Group recognises its share of the results for the year.

Business combinations

Business combinations are accounted for using the acquisition method. The Group determines the identifiable assets and liabilities using the Purchase Price Allocation method. Under this method, the Group makes estimates about future cash flows which are derived based on factors such as revenue growth, future margins, attrition rates, and discount rates in determining the fair values of the identifiable intangible assets. A similar approach to determine the identifiable assets and liabilities is used for associates and joint ventures.

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5. Business Segments

The Group is organised into two main business segments: Manufacturing – This incorporates the operations for manufacturing and sale of oils and fats, corn and wheat products, cereals, milk products, juices and biscuits; and Distribution – The merchandising of consumer goods.

	2023			
	Manufacturing	Distribution	Eliminations	Group
	$'000	$'000	$'000	$'000
External revenue	11,987,236	100,162,221	-	112,149,457
Inter-segment revenue	16,849,967	-	(16,849,967)	-
Total revenue	28,837,203	100,162,221	(16,849,967)	112,149,457
Segment result	1,672,056	6,655,603	-	8,327,659
Unallocated corporate income				367,436
Operating profit				8,695,095
Segment assets	21,585,019	56,174,788	-	77,759,807
Unallocated corporate assets				26,805,336
Total consolidated assets				104,565,143
Segment liabilities	6,646,503	37,236,099	-	43,882,602
Unallocated corporate liabilities				18,848,654
Total consolidated liabilities				65,731,256
Other segment items –				
Capital expenditure	1,009,570	1,674,756	-	2,684,326
Unallocated capital expenditure				-
Total capital expenditure				2,684,326
Depreciation	655,071	1,144,294	-	1,799,365
Unallocated depreciation				125,194
Total depreciation				1,924,559

	2022			
	Manufacturing	Distribution	Eliminations	Group
	$'000	$'000	$'000	$'000
External revenue	13,249,511	65,184,325	-	78,433,836
Inter-segment revenue	14,647,783	-	(14,647,783)	-
Total revenue	27,897,294	65,184,325	(14,647,783)	78,433,836
Segment result	1,821,321	4,173,837	-	5,995,158
Unallocated corporate income				(20,619)
Operating profit				5,974,539
Segment assets	21,159,893	49,220,581	-	70,380,474
Unallocated corporate assets				24,116,563
Total consolidated assets				94,497,037
Segment liabilities	8,989,500	34,090,893	-	43,080,393
Unallocated corporate liabilities				18,522,029
Total consolidated liabilities				61,602,422
Other segment items –				
Capital expenditure	907,207	1,244,259	-	2,151,466
Unallocated capital expenditure				-
Total capital expenditure				2,151,466
Depreciation	643,107	801,277	-	1,444,384
Unallocated depreciation				52,854
Total depreciation				1,497,238

The Distribution segment includes revenues of $58,968,159,000 (2022 - $28,742,640,000) earned by the operations based in Trinidad and Tobago. The operations based in Jamaica earned export revenues of $5,301,706,000 (2022 - $3,239,754,000).

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6. Finance and Other Operating Income

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Dividend income from subsidiaries	-	-	421,946	202,688
Dividend income on quoted investments	83	50	83	50
Gain/(loss) on disposal of property, plant and equipment	9,472	(367)	-	(457)
Interest income from subsidiaries	-	-	238,596	237,575
Other interest income	108,419	77,708	76,444	39,071
Net foreign exchange gains and losses	1,294,880	1,161,361	137,701	(52,515)
Rental income from subsidiaries	-	-	35,078	35,087
Other rental income	55,136	219,272	258	257
Other	409,945	304,708	35,071	21,512
	1,877,935	1,762,732	945,177	483,268

7. Expenses by Nature

Total direct, selling, administration and other operating expenses:

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Advertising and promotion	1,502,823	934,989	37,664	16,548
Amortisation of intangible assets	430,995	367,494	-	-
Auditors' remuneration	151,096	119,906	38,767	35,182
Cost of inventories recognised as an expense	77,088,968	52,508,000	-	-
Delivery charges	1,385,619	1,152,884	-	-
Depreciation of property, plant and equipment	1,488,560	1,201,822	125,194	52,854
Depreciation of right of use assets	435,999	295,416	-	-
Donations	24,575	36,632	24,575	36,069
Feed, chemicals and veterinary supplies	639,956	660,853	-	-
Insurance	805,296	482,098	83,582	39,625
Loss on disposal of subsidiary (Note 18)		-	-	77,061
Motor vehicle expenses	490,663	306,602	26,177	19,969
Net impairment losses on trade receivables	213,637	47,179	-	-
Non-recoverable GCT	123,167	106,369	16,498	8,529
Professional services	588,232	354,387	145,590	199,429
Raw and packaging material	676,137	716,199	-	-
Repairs and maintenance	1,645,083	1,374,666	37,667	26,326
Security	481,416	305,034	116,293	45,491
Staff costs (Note 8)	11,385,486	7,077,234	1,112,307	807,643
Supplies	7,884	9,636	2,514	2,584
Utilities	2,006,668	2,155,806	98,149	67,251
Other	3,760,037	4,008,823	180,947	167,898
	105,332,297	74,222,029	2,045,924	1,602,459

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8. Staff Costs

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Wages and salaries	9,702,648	5,143,350	748,399	567,721
Statutory contributions	879,299	542,920	82,382	51,072
Pension – defined benefit (Note 21)	214,345	164,642	560	4,100
Pension – defined contribution (Note 21)	127,006	168,494	21,823	16,002
Other post-employment benefits (Note 21)	(485,693)	162,515	12,142	10,600
Other	947,881	895,313	247,001	158,148
	11,385,486	7,077,234	1,112,307	807,643

9. Finance Costs

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Net foreign exchange gains and losses	119,198	(165,530)	118,095	(164,018)
Interest expense –				
Long term liabilities	2,506,013	1,642,490	1,100,182	815,735
Lease obligation	135,309	112,851	-	-
Other	471,313	188,173	232,386	65,494
Amortisation of deferred financing fees	68,947	59,492	51,469	30,976
	3,300,780	1,837,476	1,502,132	748,187

10. Taxation Expense

Taxation is based on the profit for the year adjusted for tax purposes and comprises income tax at 25%.

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Current taxation	638,201	1,058,057	-	-
	638,201	1,058,057	-	-
Deferred taxation (Note 29)	354,596	88,876	(152,042)	(182,840)
	992,797	1,146,933	(152,042)	(182,840)

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10. Taxation Expense (Continued)

The tax on the Group's and the Company's profit/(loss) differ from the theoretical amounts that would arise using the applicable tax rate as follows:

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Profit/(loss) before taxation	5,605,408	4,243,615	(712,750)	(458,818)
Tax calculated at a tax rate of 25%	1,401,353	1,060,904	(178,188)	(114,705)
Adjusted for the effect of:				
Effect of different tax rates in acquired entities	(369,381)	(314,937)	-	-
Investment income not subject to tax	(84,761)	(171,623)	(138,403)	(123,540)
Employment tax credit	(74,360)	(57,909)	-	-
Expenses not deductible	350,257	121,912	174,553	76,409
Results of joint venture included net of tax	(52,773)	(26,638)	-	-
Tax losses in respect of which no deferred tax is recognised	193,000	341,385	-	-
Urban Renewal tax credits	(401,150)	-	(25,283)	-
Other charges and credits	30,612	193,839	15,279	(21,004)
	992,797	1,146,933	(152,042)	(182,840)

Tax charge relating to components of other comprehensive income are as follows:

	The Group		
	Before Tax	Tax Effect	After Tax
	$'000	$'000	$'000
	2023		
Currency translation gains and losses	21,875	-	21,875
Re-measurements of post-employment benefit obligations	495,134	22,404	517,538
Unrealised fair value gains on investments	545,728	-	545,728
Unrealised fair value gains on property	1,350,115	(62,951)	1,287,164
Other comprehensive income	2,412,852	(40,547)	2,372,305
	2022		
Currency translation gains and losses	(13,417)	-	(13,417)
Re-measurements of post-employment benefit obligations	(273,101)	113,108	(159,993)
Unrealised fair value gains on investments	367,643	-	367,643
Other comprehensive income	81,125	113,108	194,233

	The Company		
	Before Tax	Tax Effect	After Tax
	$'000	$'000	$'000
	2023		
Re-measurements of post-employment benefit obligations	(3,261)	815	(2,446)
Unrealised fair value gains on investments	545,728	-	545,728
Unrealised fair value gains on property	40,703	61,074	101,777
Other comprehensive income	583,170	61,889	645,059
	2022		
Re-measurements of post-employment benefit obligations	21,000	(5,250)	15,750
Unrealised fair value gains on investments	367,643	-	367,643
Other comprehensive income	388,643	(5,250)	383,393

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11. Net Profit Attributable to Stockholders of the Company

Net profit attributable to stockholders of the Company (Note 12) is dealt with as follows in the financial statements:

	2023 $'000	2022 $'000
The Company	(560,708)	(275,978)
Less dividend income from subsidiaries	(421,946)	(202,688)
	(982,654)	(478,666)
Subsidiaries	5,335,192	3,290,106
Joint venture and associate	211,093	106,552
	4,563,631	2,917,992

12. Earnings per Stock Unit Attributable to Stockholders of the Company

Earnings per stock unit is calculated by dividing the net profit attributable to stockholders of the Company by the weighted average number of ordinary stock units in issue, as follows.

	2023 $'000	2022 $'000
Net profit attributable to stockholders of the Company		
Continuing operations	2,930,728	2,322,663
Discontinued operations	(48,980)	(178,690)
	2,881,748	2,143,973
Weighted average number of ordinary stock units ('000)	733,488	733,488
Basic earnings per stock unit ($)		
Continuing operations	4.00	3.17
Discontinued operations	(0.07)	(0.25)
	3.93	2.92

The Company has no dilutive potential ordinary shares.

13. Ordinary Dividends Declared by the Company

	2023 $'000	2022 $'000
Interim dividends –		
50 cents per stock unit – 11 April 2022	-	366,774
50 cents per stock unit – 9 September 2022	-	366,774
50 cents per stock unit – 30 November 2022	-	366,773
55 cents per stock unit – 27 March 2023	403,451	-
55 cents per stock unit – 21 August 2023	403,451	-
55 cents per stock unit – 1 December 2023	403,452	-
	1,210,354	1,100,321

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14. Property, Plant and Equipment

	The Group					
	Freehold Land & Site Improvements $'000	Buildings $'000	Plant, Equipment & Furniture $'000	Motor Vehicles $'000	Work in Progress $'000	Total $'000
			2023			
Cost -						
At 1 January 2023	5,447,269	8,272,444	11,639,315	1,125,062	1,298,129	27,782,219
Additions	-	13,513	893,483	400,618	1,376,712	2,684,326
Disposals	-	-	(114,804)	(180,705)	(45,333)	(340,842)
Write-offs/Adjustments	2,691	280,960	(646,484)	(26,009)	(32,309)	(421,151)
Transfers	-	334,091	1,803,608	2,844	(2,140,543)	-
Revaluation	935,200	61,753	-	-	-	996,953
At 31 December 2023	6,385,160	8,962,761	13,575,118	1,321,810	456,656	30,701,505
Accumulated Depreciation -						
At 1 January 2023	-	75,389	6,487,731	440,297	-	7,003,417
Charge for the year	-	154,437	1,072,644	261,479	-	1,488,560
On disposals	-	-	(117,891)	(156,286)	-	(274,177)
Write-offs/Adjustments	-	12,690	(404,758)	(29,767)	-	(421,835)
Revaluation	-	(213,812)	-	-	-	(213,812)
At 31 December 2023	-	28,704	7,037,726	515,723	-	7,582,153
Net Book Value -						
At 31 December 2023	6,385,160	8,934,057	6,537,392	806,087	456,656	23,119,352
			2022			
Cost -						
At 1 January 2022	3,643,310	4,874,500	8,958,228	495,473	1,681,001	19,652,512
On acquisition of subsidiaries	1,803,959	2,220,765	1,381,656	461,334	17,733	5,885,447
Additions	-	32,972	736,226	335,212	1,047,056	2,151,466
Disposals	-	(78,735)	(65,117)	(163,847)	(3,751)	(311,450)
Write-offs/Adjustments	-	309,465	97,889	(3,110)	-	404,244
Transfers	-	913,477	530,433	-	(1,443,910)	-
At 31 December 2022	5,447,269	8,272,444	11,639,315	1,125,062	1,298,129	27,782,219
Accumulated Depreciation -						
At 1 January 2022	-	-	5,342,701	381,734	-	5,724,435
Charge for the year	-	154,124	864,435	183,263	-	1,201,822
On disposals	-	(78,735)	(36,987)	(122,982)	-	(238,704)
Write-offs/Adjustments	-	-	317,582	(1,718)	-	315,864
At 31 December 2022	-	75,389	6,487,731	440,297	-	7,003,417
Net Book Value -						
At 31 December 2022	5,447,269	8,197,055	5,151,584	684,765	1,298,129	20,778,802

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14. Property, Plant and Equipment (Continued)

	The Company					
	Freehold Land & Site Improvements $'000	Buildings $'000	Plant, Equipment & Furniture $'000	Motor Vehicles $'000	Work in Progress $'000	Total $'000
			2023			
Cost -						
At 1 January 2023	1,485,000	2,163,377	654,009	109,212	531,998	4,943,596
Additions	-	-	24,971	19,407	294,018	338,396
Adjustments	-	6,718	7,273	-	(13,001)	990
Transfers	-	241,715	358,283	-	(599,998)	-
Revaluation	285,000	(285,810)	-	-	-	(810)
At 31 December 2023	1,770,000	2,126,000	1,044,536	128,619	213,017	5,282,172
Accumulated Depreciation -						
At 1 January 2023	-	10,452	206,780	82,301	-	299,533
Charge for the year	-	31,061	75,156	18,977	-	125,194
Adjustments	-	-	318	-	-	318
Revaluation	-	(41,513)	-	-	-	(41,513)
At 31 December 2023	-	-	282,254	101,278	-	383,532
Net Book Value -						
At 31 December 2023	1,770,000	2,126,000	762,282	27,341	213,017	4,898,640
			2022			
Cost -						
At 1 January 2022	1,485,000	1,282,000	261,445	87,505	1,177,284	4,293,234
Additions	-	-	395,415	21,707	236,091	653,213
Disposals	-	-	(2,851)	-	-	(2,851)
Transfers	-	881,377	-	-	(881,377)	-
At 31 December 2022	1,485,000	2,163,377	654,009	109,212	531,998	4,943,596
Accumulated Depreciation -						
At 1 January 2022	-	-	181,885	67,188	-	249,073
Charge for the year	-	10,452	27,289	15,113	-	52,854
Relieved on disposals	-	-	(2,394)	-	-	(2,394)
At 31 December 2022	-	10,452	206,780	82,301	-	299,533
Net Book Value -						
At 31 December 2022	1,485,000	2,152,925	447,229	26,911	531,998	4,644,063

Certain of the Group's property, plant and equipment have been pledged as security for its borrowings (Note 28).

As at 31 December 2023, land and buildings were revalued by a professional independent valuer. The revaluation surplus of $1,350,115,000 for the Group and $40,703,000 for the Company, net of deferred tax charge/(credit) of $62,951,000 for the Group and ($61,074,000) for the Company, was credited to capital reserves in shareholders' equity.

If land and buildings were stated on a historical cost basis at 31 December 2023, the carrying amounts would be:
- land at a cost of $1,395,809,000 (2022 – $1,395,809,000) for the Group and $156,158,000 (2022 – $156,158,000) for the Company; and
- buildings at a cost of $5,110,303,000 (2022 – $4,762,699,000) for the Group and $985,840,000 (2022 – $737,407,000) for the Company, net of accumulated depreciation of $887,804,000 (2022 – $733,367,000) for the Group and $157,756,000 (2022 – $126,695,000) for the Company.

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15. Right of Use Assets and Related Lease Obligation

The movement in the right of use assets is as follows:

	The Group		
	Buildings $'000	Motor Vehicles $'000	Total $'000
		2023	
At 1 January 2023	1,813,689	43,025	1,856,714
Additions	285,626	35,166	320,792
Disposals	-	(137)	(137)
Charge for the year	413,524	22,475	435,999
At 31 December 2023	1,685,791	55,579	1,741,370
		2022	
At 1 January 2022	99,604	43,874	143,478
On acquisition of subsidiaries	1,666,925	-	1,666,925
Additions	314,261	29,309	343,570
Disposals	-	(1,843)	(1,843)
Charge for the year	(267,101)	(28,315)	(295,416)
At 31 December 2022	1,813,689	43,025	1,856,714

The related lease obligation recognised in the statement of financial position is as follows:

	The Group	
	2023 $'000	2022 $'000
Current obligations	393,370	377,761
Non-current obligations	1,466,996	1,720,532
	1,860,366	2,098,293

The movement in the lease obligation is as follows:

	The Group	
	2023 $'000	2022 $'000
Balance at start of year	2,098,293	159,809
On acquisition of subsidiaries	-	1,849,568
Additions	320,792	343,570
Disposals	-	(1,843)
Foreign exchange gains and losses	1,103	(1,512)
Interest charged and expensed (Note 9)	135,309	112,851
Lease payments	(695,131)	(364,150)
Balance at end of year	1,860,366	2,098,293

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16. Intangible Assets

	The Group					
	Goodwill $'000	Distribution network $'000	Customer & Supplier relationships $'000	Trade name $'000	Brands $'000	Total $'000
Cost -						
At 1 January 2022	4,794,911	2,090,000	1,340,000	404,000	1,233,277	9,862,188
On acquisition of subsidiaries	1,116,839	-	2,141,300	880,900	1,023,040	5,162,079
At 31 December 2022, as restated, and 2023	5,911,750	2,090,000	3,481,300	1,284,900	2,256,317	15,024,267
Accumulated amortisation -						
At 1 January 2022	-	-	363,146	65,692	502,182	931,020
Charge for the year	-	-	178,045	46,995	142,454	367,494
At 31 December 2022	-	-	541,191	112,687	644,636	1,298,514
Charge for the year	-	-	214,982	67,212	148,801	430,995
At 31 December 2023	-	-	756,173	179,899	793,437	1,729,509
Net Book Value -						
At 31 December 2023	5,911,750	2,090,000	2,725,127	1,105,001	1,462,880	13,294,758
At 31 December 2022, as restated	5,911,750	2,090,000	2,940,109	1,172,213	1,611,681	13,725,753

The allocation of goodwill is as follows:

	The Group	
	2023 $'000	Restated 2022 $'000
A.S. Bryden and Sons Holdings Limited	1,017,217	1,017,217
Facey Commodity Company Limited	4,464,452	4,464,452
Micon Holdings Limited	99,622	99,622
Musson Holdings Limited	330,459	330,459
	5,911,750	5,911,750

Musson Holdings Limited is in the Manufacturing segment, while the other entities are in the Distribution segment.

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

	Revenue Growth Rate	EBITDA to Revenue	Discount Rate
A.S. Bryden and Sons Holdings Limited and Micon Holdings Limited	7.1% to 15.9%	N/A	11.4% to 18.3%
Facey Commodity Company Limited	10.27% to 14.9%, gradually declining to 6% by 2033	5.7% to 8.3%	13%
Musson Holdings Limited	6%	6%	16%

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17. Investments

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Quoted equity securities denominated in Jamaican dollars	16,285	21,718	16,285	21,718
Unquoted equity securities denominated in US dollars	1,750,877	1,199,716	1,750,877	1,199,716
	1,767,162	1,221,434	1,767,162	1,221,434

Unquoted equity securities denominated in US dollars

At 31 December 2023, the Company owns 42,214 (2022 – 42,214) of the issued ordinary shareholding in Facey Group Limited, a related company. This represents an 11.6% (2022 – 11.6%) holding. As the shares are unlisted, fair values were determined using cash flows discounted at a market interest rate and a risk premium specific to the unlisted security.

18. Investment in Subsidiaries

	2023	**2022**
	$'000	**$'000**
Balance at 1 January	11,621,529	7,863,313
Disposal of Jamaica Edible Oils and Fats Company Limited	-	(162,843)
Acquisition of A.S. Bryden and Sons Holdings Limited	-	3,921,059
Balance at 31 December	11,621,529	11,621,529

All subsidiaries are included in the consolidation. The proportion of the voting rights in each subsidiary does not differ from the proportion of ordinary shares held.

There was no gain or loss on disposal recognised by the Group. The loss on disposal of subsidiary recognised by the Company (Note 7) was determined as follows:

	2023	**2022**
	$'000	**$'000**
Write-off of investment in subsidiary	-	162,843
Write off of intercompany balance due from subsidiary	-	(85,782)
	-	77,061

Non-controlling interest as at and for the year ended 31 December 2023 is attributable to the acquisition of A.S. Bryden and Sons Holdings Limited during the prior year.

The movement in non-controlling interest is as follows:

		Restated
	2023	**2022**
	$'000	**$'000**
Balance at the beginning of the year	8,995,125	-
On acquisition of A.S. Bryden and Sons Holdings Limited	-	2,662,779
Preference shares issued, forming a part of the purchase consideration	-	3,191,020
Effect of acquisition of Micon Holdings Limited	-	892,455
Effect of issue of shares by A.S. Bryden and Sons Holdings Limited to acquire Micon Holdings Limited	-	1,749,656
Effect of issue of shares by Ibis Construction Equipment Sales & Rental Limited	-	52,555
Share of profit or loss	1,681,883	774,019
Share of other comprehensive income	250,110	(80,845)
Preference dividends paid by A.S. Bryden and Sons Holdings Limited	(191,452)	(61,364)
Share of ordinary dividends paid by A.S. Bryden and Sons Holdings Limited	(115,564)	(185,150)
Balance at the end of the year	10,620,102	8,995,125

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18. Investment in Subsidiaries (Continued)

Summarised financial information for A.S. Bryden and Sons Holdings Limited, before intercompany eliminations, is as follows:

Summarised statement of comprehensive income

	2023 $'000	2022 $'000
Revenue	58,968,159	28,742,640
Depreciation	961,262	644,069
Amortisation	225,055	126,040
Net profit	3,216,090	1,736,316

Summarised statement of financial position

	2023 $'000	2022 $'000
Non-current assets:		
Property, plant and equipment	6,278,908	5,875,488
Right of use assets	1,596,568	1,665,430
Intangible assets	5,292,852	5,793,815
Other non-current assets	2,585,016	1,707,612
	15,753,344	15,042,345
Current assets:		
Inventories	15,494,594	13,545,712
Cash and cash equivalents	3,394,892	2,701,028
Receivables and other current assets	15,648,395	11,555,932
	34,537,881	27,802,672
Non-current liabilities:		
Non-current portion of long term liabilities	(11,776,989)	(12,735,261)
Other non-current liabilities	(3,893,900)	(3,930,010)
	(15,670,889)	(16,665,271)
Current liabilities:		
Payables	(12,143,034)	(8,226,153)
Current portion of long term liabilities	(5,198,276)	(2,985,929)
Other current liabilities	(719,785)	(991,093)
	(18,061,095)	(12,203,175)
Net assets	16,559,241	13,976,571

Summarised statement of cash flows

	2023 $'000	2022 $'000
Cash flows from operating activities	3,001,155	4,170,866
Cash flows from investing activities	(1,046,707)	2,543,248
Cash flows from financing activities	(1,474,093)	(6,798,570)

19. Investment in Joint Venture and Associate

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Investment in joint venture	1,123,721	774,359	434,114	434,114
Investment in associate	358,570	351,187	-	-
	1,482,291	1,125,546	434,114	434,114

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19. Investment in Joint Venture and Associate (Continued)

Investment in joint venture
The Company owns 50% of Jamaica Grain and Cereals Limited, a former subsidiary that manufactures and sells corn and wheat products and cereals. The carrying value of the investment approximates 50% of the carrying value of the net assets of the joint venture entity.

The movement in investment in joint venture is as follows:

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Balance at the beginning of the year	774,359	697,063	434,114	434,114
Share of profit	210,012	77,296	-	-
Share of other comprehensive income – revaluation of property	139,350	-	-	-
Balance at the end of the year	1,123,721	774,359	434,114	434,114

Summarised financial information for the joint venture is as follows:
Summarised statement of comprehensive income

	2023	2022
	$'000	$'000
Revenue	6,955,694	6,909,502
Depreciation	143,455	140,677
Net profit	420,023	154,592

Summarised statement of financial position

	2023	2022
	$'000	$'000
Property, plant and equipment and right of use assets	3,375,016	3,180,018
Current assets:		
Inventories	1,174,089	1,480,843
Cash and cash equivalents	630,959	263,061
Receivables and other current assets	3,634,138	2,440,372
	5,439,186	4,184,276
Non-current liabilities:		
Due to joint venture partners	(1,177,623)	(1,155,596)
Long term loan	(1,178,147)	(1,309,263)
Other non-current liabilities	(427,004)	(301,938)
	(2,782,774)	(2,766,797)
Current liabilities:		
Due to joint venture partners	(3,133,331)	(2,448,197)
Current portion of long term loan	(510,066)	(515,713)
Payables and other current liabilities	(146,339)	(90,618)
	(3,789,736)	(3,054,528)
Net assets	2,241,692	1,542,969

Summarised statement of cash flows

	2023	2022
	$'000	$'000
Cash flows from operating activities	714,634	(130,376)
Cash flows from investing activities	(8,187)	(43,933)
Cash flows from financing activities	(338,549)	(266,251)

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19. Investment in Joint Venture and Associate (Continued)

Investment in associate
The Group owns 49% of Armstrong Healthcare Inc., a company that sells healthcare items. The carrying value of the investment approximates 49% of the carrying value of the net assets of the associate.

The movement in investment in associate is as follows:

	The Group	
	2023	**2022**
	$'000	**$'000**
Balance at the beginning of the year	351,187	-
On acquisition of subsidiary	-	321,931
Adjustments to opening net asset value	6,302	-
Share of profit or loss	1,081	29,256
Balance at the end of the year	358,570	351,187

Summarised financial information for the associate is as follows:
Summarised statement of comprehensive income

	2023	**2022**
	$'000	**$'000**
Revenue	1,549,786	934,306
Depreciation	4,830	3,312
Net profit	83,444	59,685

Summarised statement of financial position

	2023	**2022**
	$'000	**$'000**
Property, plant and equipment and other non-current assets	103,201	15,150
Current assets:		
Inventories	508,346	520,141
Cash and cash equivalents	11,684	22,984
Receivables and other current assets	441,094	576,240
	961,124	1,119,365
Current liabilities:		
Bank overdraft	108,652	131,895
Payables and other current liabilities	223,905	285,935
	332,557	417,830
Net assets	731,768	716,685

Summarised statement of cash flows

	2023	**2022**
	$'000	**$'000**
Cash flows from operating activities	(15,042)	(5,231)
Cash flows from investing activities	(87,860)	(2,369)

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20. Long Term Receivables

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
(a) Facey Commodity Company Limited	-	-	922,212	922,212
(b) Musson International Dairies Limited	-	-	2,451,588	2,399,783
(c) Jamaica Grain and Cereals Limited	583,626	569,864	583,626	569,864
(d) Musson (Jamaica) Limited	663,490	760,319	663,490	760,319
(e) Employee loans	57,258	84,157	37,773	48,526
(f) Bercyn Farms Limited -				
(i) Mobilisation loan for farming operations	-	-	-	-
(ii) Advance for replanting and farming operations	-	-	-	-
	1,304,374	1,414,340	4,658,689	4,700,704
Interest receivable	-	-	1,621,152	1,449,175
	1,304,374	1,414,340	6,279,841	6,149,879
Less: Current portion	(258,415)	(233,368)	(1,874,253)	(1,666,398)
	1,045,959	1,180,972	4,405,588	4,483,481

(a) This receivable from subsidiary of J$922,212,000 is scheduled to be received at maturity on 1 October 2029. The agreement attracts interest of 8% per annum, payable monthly.

(b) This receivable from subsidiary of US$15,892,000 is scheduled to be received at maturity on 31 December 2025. The agreement attracts interest of 6% per annum.

(c) This receivable from joint venture of US$3,800,000 is repayable at maturity on 31 December 2027. The agreement attracts interest of 3.07% per annum, payable annually.

(d) This related party receivable of US$4,320,000 (2022 – US$5,070,000) is scheduled to be received in annual instalments of US$1 million for the years 2023 to 2026, with a final instalment of US$670,000 in 2027. The agreement attracts interest of 3% per annum.

(e) This receivable represents loans granted to employees as part of a scheme to assist employees in purchasing shares in the Company. The receivable is due on 31 October 2025 and attracts interest at 7.5%, payable monthly.

(f) (i) This loan was granted as part of the farm management contract for Golden Grove Sugar Company Limited. The principal is repayable in periodic discretionary installments until maturity in November 2019. The agreement attracts interest of 10% per annum.

(ii) This represents crop advances, as well as balance receivable from the sale of spares, farming equipment and other supplies. The principal is repayable in periodic discretionary installments until maturity in November 2020. The agreement does not attract interest.

The outstanding balances on these receivables from Bercyn Farms Limited were deemed fully impaired on discontinuation of the sugar manufacturing operations in July 2019 (Note 34). At the date of discontinuation, the carrying values of these receivables amounted to $132,538,000.

As at 31 December 2023, $28,985,000 (2022 – $25,980,000) of these receivables were recovered.

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21. Post-employment Benefits

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Assets/(liabilities) recognised in the statement of financial position -				
Pension schemes -				
Defined benefit plan – Jamaica-based operations	7,737	5,600	7,737	5,600
Defined benefit plan – Trinidad-based operations	626,727	669,093	-	-
	634,464	674,693	7,737	5,600
Medical benefits -				
Defined benefit plan – Jamaica-based operations	(105,577)	(98,500)	(105,577)	(98,500)
Defined benefit plan – Trinidad-based operations	(199,042)	(1,556,916)	-	-
	(304,619)	(1,655,416)	(105,577)	(98,500)
Expense recognised in profit or loss (Note 8) -				
Pension schemes -				
Defined benefit plan – Jamaica-based operations	560	4,100	560	4,100
Defined benefit plan – Trinidad-based operations	213,785	160,542	-	-
	214,345	164,642	560	4,100
Medical benefits -				
Defined benefit plan – Jamaica-based operations	12,142	10,600	12,142	10,600
Defined benefit plan – Trinidad-based operations	(497,835)	151,915	-	-
	(485,693)	162,515	12,142	10,600
Gains/(losses) recognised in other comprehensive income (Note 10) -				
Pension schemes -				
Defined benefit plan – Jamaica-based operations	2,188	(15,900)	2,188	(15,900)
Defined benefit plan – Trinidad-based operations	98,371	(294,101)	-	-
	100,559	(310,001)	2,188	(15,900)
Medical benefits -				
Defined benefit plan – Jamaica-based operations	(5,449)	36,900	(5,449)	36,900
Defined benefit plan – Trinidad-based operations	841,225	-	-	-
	835,776	36,900	(5,449)	36,900
	936,335	(273,101)	(3,261)	21,000

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21. Post-employment Benefits (Continued)

Pension schemes

Defined contribution plans

In addition to the defined benefit pension schemes described below, employees of the Jamaica-based operations hired on or after 1 January 2002 participate in an Individual Retirement Scheme operated by an independent insurance company, and employees of the Trinidad-based operations participate in various defined contribution pension schemes. Employees participating in the scheme contribute up to 15% of pensionable earnings while the Group contributes 5%. The Group's and the Company's contribution for the year amounted to $127,006,000 (2022 – $168,494,000) and $21,823,000 (2022 – $16,002,000), respectively (Note 8).

Defined benefit plan – Jamaica-based operations

The Group operates a defined benefit scheme for employees hired prior to 1 January 2002. The scheme is administered by NCB Insurance Agency & Fund Managers Limited. The plan provides benefits to members based on average earnings for the final year of service, with the Group and employees each contributing 5% of pensionable salaries. Employee may contribute additional voluntary contribution up to 5%. The scheme was closed to new members as at 31 December 2001. As the subsidiaries make fixed contributions to the pension scheme and have no further legal or constructive obligations under the scheme, the pension asset and obligations are accounted for in the financial statements of the Company. The subsidiaries recognise a cost equal to their contributions payable in respect of each accounting period in profit or loss. Any plan surplus or funding deficiency is absorbed by the Company.

The defined benefit plan is valued by independent actuaries annually using the Projected Unit Credit Method. The latest actuarial valuation was carried out as at 31 December 2023.

The Board of the pension fund is composed of an equal number of representatives from both employer and employees. The Board of the fund is responsible for the investment policy with regard to the assets of the fund. The funds are managed by NCB Insurance Agency & Fund Managers Limited which administers the Fund and manages the investment portfolio under management agreement.

The amounts recognised in the statement of financial position are determined as follows:

	2023 $'000	2022 $'000
Present value of funded obligations	(727,345)	(616,900)
Fair value of plan assets	881,304	983,100
	153,959	366,200
Unrecognised asset due to limitation	(146,222)	(360,600)
Asset in the statement of financial position	7,737	5,600

The movement in the amounts recognised in the statement of financial position is as follows:

	2023 $'000	2022 $'000
Asset at beginning of year	5,600	25,100
Amounts recognised in profit or loss in the statement of comprehensive income	(560)	(3,200)
Amounts recognised in other comprehensive income	2,188	(15,900)
Contributions paid	509	600
Asset at end of year	7,737	5,600

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21. Post-employment Benefits (Continued)

Pension schemes (continued)

Defined benefit plan – Jamaica-based operations (continued)

The movement in the defined benefit obligation over the year is as follows:

	2023 $'000	2022 $'000
Balance at beginning of year	(616,900)	(883,300)
Current service cost	(1,320)	(2,700)
Interest cost	(76,025)	(68,100)
Re-measurements – experience gains and losses	(99,314)	267,400
Members' contributions	(1,017)	(900)
Benefits paid	67,231	70,700
Balance at end of year	(727,345)	(616,900)

As at the last valuation date, the present value of the defined benefit obligation was comprised of approximately $85,180,000 (2022 – $49,000,000) relating to active employees, and $642,165,000 (2022 – $567,900,000) relating to members in retirement.

The movement in the defined benefit asset during the year is as follows:

	2023 $'000	2022 $'000
Balance at beginning of year	983,100	1,034,300
Interest income	123,663	76,700
Re-measurement – return on plan assets, excluding amounts included in interest income	(159,754)	(58,600)
Employer's contributions	509	500
Members' contributions	1,017	900
Benefits paid	(67,231)	(70,700)
Balance at end of year	881,304	983,100

The movement in the unrecognised asset due to limitation is as follows:

	2023 $'000	2022 $'000
Unrecognised asset at beginning of year	(360,600)	(125,900)
Interest on effect of the asset limitation	(46,878)	(10,100)
Remeasurements – experience adjustments	261,256	(224,600)
Unrecognised asset at end of year	(146,222)	(360,600)

The amounts recognised in profit or loss is as follows:

	2023 $'000	2022 $'000
Current service cost	1,320	2,700
Interest costs	76,025	68,100
Interest income	(123,663)	(76,700)
Interest on effect of unrecognised asset due to limitation	46,878	10,000
Total, included in staff costs	560	4,100

Expected employer contributions to the post-employment pension plan for the year ending 31 December 2024 amount to $562,000.

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21. Post-employment Benefits (Continued)

Pension schemes (continued)
Defined benefit plan – Jamaica-based operations (continued)
Plan assets are comprised as follows:

	Quoted $'000	Unquoted $'000	Total $'000	%
		2023		
Government of Jamaica debt securities	-	162,477	162,477	18
Corporate debt securities	-	116,122	116,122	13
Real estate	-	94,954	94,954	11
Ordinary shares	370,344	6,995	377,339	43
Preference shares	-	19,806	19,806	3
Repurchase agreements	-	73,329	73,329	8
Other	-	37,277	37,277	4
	370,344	510,960	881,304	100
		2022		
Government of Jamaica debt securities	-	224,877	224,877	23
Corporate debt securities	-	135,282	135,282	14
Real estate	-	59,752	59,752	6
Ordinary shares	444,950	7,029	451,979	46
Preference shares	-	30,505	30,505	3
Repurchase agreements	-	28,599	28,599	3
Other	-	52,106	52,106	5
	444,950	538,150	983,100	100

The above assets include ordinary shares in the Company with a fair value of $90,905,000 (2022 - $97,704,000).

The significant actuarial assumptions used were a discount rate of 11% (2022 – 13%); future salary increases of 7% (2022 – 6.5%); and future pension increases of 3% (2022 – 2.50%). The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in Assumption	2023 Increase in Assumption $'000	2023 Decrease in Assumption $'000	2022 Increase in Assumption $'000	2022 Decrease in Assumption $'000
Discount rate	2023 - 1%/2022 - 1%	(59,674)	51,711	(37,900)	43,200
Future salary increases	2023 - 1%/2022 - 1%	2,675	(2,050)	1,700	(1,600)
Expected pension increase	2023 - 1%/2022 - 1%	52,986	(60,819)	41,100	(36,200)

Further, assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 60. If the assumption for life expectancy was increased/(decreased) by 1 year, the effect on the defined benefit obligation would be an increase/(decrease) of $13,175,000/($12,712,000) (2022 – $9,000,000/($9,400,000)).

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, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

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21. Post-employment Benefits (Continued)

Pension schemes (continued)

Defined benefit plans – Trinidad-based operations

The Group operates defined benefit schemes which are administered by Sagicor Life Inc. The plans provide benefits to members based on average earnings for the final year of service, with the Group and employees each contributing 5% of pensionable salaries. Employee may contribute additional voluntary contribution up to 5%.

The defined benefit plan is valued by independent actuaries annually using the Projected Unit Credit Method. The latest actuarial valuation was carried out as at 31 December 2023.

The amounts recognised in the statement of financial position are determined as follows:

	2023 $'000	2022 $'000
Present value of funded obligations	(5,377,814)	(4,856,581)
Fair value of plan assets	6,004,541	5,525,674
Asset in the statement of financial position	626,727	669,093

The movement in the amounts recognised in the statement of financial position is as follows:

	2023 $'000	2022 $'000
Asset at start of year	669,093	-
On acquisition of subsidiary	-	808,841
Amounts recognised in profit or loss in the statement of comprehensive income	(213,785)	(294,101)
Amounts recognised in other comprehensive income	(98,371)	(205,225)
Employers' contributions	269,790	359,578
Asset at end of year	626,727	669,093

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21. Post-employment Benefits (Continued)

Pension schemes (continued)

Defined benefit plans – Trinidad-based operations (continued)

The movement in the defined benefit obligation over the year is as follows:

	2023 $'000	2022 $'000
Balance at start of year	(4,856,581)	-
On acquisition of subsidiary	-	(4,546,862)
Current service cost	(243,708)	(192,244)
Interest cost	(307,004)	(210,461)
Re-measurements – experience gains and losses	(61,157)	(48,008)
Members' contributions	(129,076)	(91,592)
Benefits paid	219,719	232,586
Balance at end of year	(5,377,814)	(4,856,581)

The movement in the defined benefit asset during the year is as follows:

	2023 $'000	2022 $'000
Balance at start of year	5,525,674	-
On acquisition of subsidiary	-	5,355,703
Interest income	336,927	242,163
Re-measurement – return on plan assets, excluding amounts included in interest income	(37,214)	(291,176)
Employer's contributions	269,790	359,978
Members' contributions	129,076	91,592
Benefits paid	(219,719)	(232,586)
Balance at end of year	6,004,541	5,525,674

The expense recognised in profit or loss is as follows:

	2023 $'000	2022 $'000
Current service cost	243,708	192,244
Interest costs	307,004	210,461
Interest income	(336,927)	(242,163)
Total, included in staff costs	213,785	160,542

Expected employer contributions to the post-employment pension plan for the year ending 31 December 2024 amount to $280,531,000.

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21. Post-employment Benefits (Continued)

Pension schemes (continued)

Defined benefit plans – Trinidad-based operations (continued)

Plan assets are comprised as follows:

	2023 $'000	2022 $'000
Mortgages	562,603	604,701
Equities	885,684	867,595
Bonds	4,219,074	3,884,719
Cash	337,180	168,659
	6,004,541	5,525,674

The significant actuarial assumptions used were a discount rate of 6% (2022 – 6%); future salary increases of 4.5% (2022 – 4.5%); and future pension increases of Nil (2022 – Nil). The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		2023		2022	
	Change in Assumption	Increase in Assumption	Decrease in Assumption	Increase in Assumption	Decrease in Assumption
		$'000	$'000	$'000	$'000
Discount rate	0.5%	(183,425)	215,303	(174,380)	207,901
Future salary increases	0.5%	42,481	(40,503)	42,702	(40,864)

Further, assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a female pensioner retiring at age 60 and for a male pensioner retiring at age 65. If the assumption for life expectancy was increased by 1 year, the effect on the defined benefit obligation would be an increase of $58,374,000 (2022 – $63,166,000).

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, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

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21. Post-employment Benefits (Continued)

Other post-employment benefits
Jamaica-based operations
In addition to pension benefits, the Company offers retirees medical and life insurance benefits that contribute to the health care and life insurance coverage of employees and beneficiaries after retirement. The obligations under the medical benefit scheme are unfunded. The method of accounting and frequency of valuations are similar to those used for the pension scheme. Obligations under the medical scheme are payable by, and accounted for, by the Company as the subsidiaries do not have any legal or constructive obligations under the scheme.

The movement in the defined benefit obligation over the year is as follows:

	2023 $'000	2022 $'000
Balance at beginning of year	(98,500)	(134,600)
Amounts recognised in the profit or loss in the statement of comprehensive income (Note 8):		
Current service cost	-	(200)
Interest expense	(12,142)	(10,400)
	(12,142)	(10,600)
Amounts recognised in other comprehensive income: Re-measurements – experience gains and losses	(5,449)	36,900
Contributions by employer: Benefits paid	10,514	9,800
Balance at end of year	(105,577)	(98,500)

As at the last valuation date, the present value of the defined benefit obligation was comprised of approximately $2,943,000 (2022 – $2,200,000) relating to active employees, and $102,634,000 (2022 – $96,300,000) relating to members in retirement.

Expected employer contributions to the post-employment plan for the year ending 31 December 2024 amount to $11,000,000.

In addition to the assumptions used for pension schemes, the main actuarial assumption is long-term increase in health cost of 7.5% (2022 – 8%) per annum. The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		2023		2022	
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**	**Increase in Assumption**	**Decrease in Assumption**
		$'000	**$'000**	**$'000**	**$'000**
Discount rate	2023 - 1%/2022 - 1%	(8,334)	7,279	(6,700)	7,800
Medical cost	2023 - 1%/2022 - 1%	7,566	(8,541)	7,800	(6,700)

Further, if the assumption for life expectancy was increased/(decreased) by 1 year, the effect on the defined benefit obligation would be an increase/(decrease) of $3,989,000/($4,133,000) (2022 – $3,600,000/($3,400,000)).

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21. Post-employment Benefits (Continued)

Other post-employment benefits (continued)

Trinidad-based operations

In addition to pension benefits, the Company offers retirees medical and life insurance benefits that contribute to the health care and life insurance coverage of employees and beneficiaries after retirement. The obligations under the medical benefit scheme are unfunded. The method of accounting and frequency of valuations are similar to those used for the pension scheme. Obligations under the medical scheme are payable by, and accounted for, by the Company as the subsidiaries do not have any legal or constructive obligations under the scheme.

The movement in the defined benefit obligation over the year is as follows:

	2023 $'000	2022 $'000
Balance at start of year	(1,556,916)	-
On acquisition of subsidiary	-	(1,417,352)
Amounts recognised in the profit or loss in the statement of comprehensive income (Note 8):		
Current service cost	(104,972)	(104,167)
Interest expense	(93,012)	(47,748)
Past service cost	695,819	-
	497,835	(151,915)
Amounts recognised in other comprehensive income: Re-measurements – experience gains and losses	841,225	-
Contributions by employer: Benefits paid	18,814	12,351
Balance at end of year	(199,042)	(1,556,916)

As at the last valuation date, the present value of the defined benefit obligation was comprised of $Nil (2022 – $1,188,341,000) relating to active employees, and $199,042,000 (2022 – $368,575,000) relating to members in retirement.

Expected employer contributions to the post-employment plan for the year ending 31 December 2024 amount to $12,673,000.

In addition to the assumptions used for pension schemes, the main actuarial assumption is long-term increase in health cost of 5.5% (2022 – 5.5%) per annum. The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		2023		2022	
	Change in Assumption	Increase in Assumption	Decrease in Assumption	Increase in Assumption	Decrease in Assumption
		$'000	$'000	$'000	$'000
Discount rate	1%	(19,964)	23,690	(253,092)	328,141
Medical cost	1%	23,575	(20,217)	326,393	(256,289)

Further, if the assumption for life expectancy was increased by 1 year, the effect on the defined benefit obligation would be an increase of $56,419,000 (2022 – $56,419,000).

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21. Post-employment Benefits (Continued)

Risks associated with pension plans and post-employment plans

Through its defined benefit pension plans and post-employment medical plans, the Group 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. As the plan matures, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities. The Company believes that, due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of the Company's long term strategy to manage the plans efficiently. See below for more details on the Company's asset-liability matching strategy.

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 plans' bond holdings.

Inflation risk

Higher inflation will lead to higher liabilities. The majority of the plan's assets are either 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 responsibility for the management of the assets of the Fund is vested in the Board of Trustees and representatives of the fund and investment managers. They ensure that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension fund. Within this framework, the Fund's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due. The Fund actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. The Fund has not changed the processes used to manage its risks from previous periods. The Fund does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. Funding levels are monitored on an annual basis and the current agreed contribution rate is 5% of pensionable salaries.. The Company considers that the contribution rates set at the last valuation date to be sufficient to prevent a deficit and that regular contributions, which are based on service costs, will not increase significantly.

22. Biological Assets

Livestock – classified as non-current assets in the statement of financial position

	The Group	
	2023	2022
	$'000	$'000
Dairy livestock –		
2,555 (2022 – 2,619) Cows able to produce milk	242,830	249,559
2,073 (2022 – 1,756) Heifers being raised to produce milk in the future	174,033	181,026
Other livestock –		
251 (2022 – 149) Bulls raised for sale and reproduction	14,172	12,936
2 (2022 – 2) Horses	60	60
Plant – 869 (2022 – 796) acres of hay field	16,827	15,400
	447,922	458,981

5,314,000 litres (2022 – 6,379,000 litres) of milk with a fair value (less estimated point-of-sale costs) of $1,511,803,000 (2022 – $1,349,388,000) were produced during the period.

Forage – classified as current assets in the statement of financial position

At year end, the Group had 4,888 tonnes (2022 – 7,322 tonnes) of sugar cane with a value of $34,218,000 (2022 – $51,254,000).

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23. Inventories

	The Group	
	2023	**2022**
	$'000	**$'000**
Raw and packaging materials	4,410,502	4,149,343
Work in progress	147,458	1,066
Finished goods	576,056	685,792
Merchandise for resale	18,781,467	16,469,908
Goods in transit	3,910,429	5,204,367
Other	1,112,525	954,224
	28,938,437	27,464,700

24. Trade and Other Receivables

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables	19,577,714	16,718,528	-	-
Less: Provision for impairment	(958,250)	(1,067,294)	-	-
	18,619,464	15,651,234	-	-
Advances and prepayments	690,657	767,745	117,124	70,469
Due from affiliates	450,926	311,292	16,065	9,959
Other	2,824,580	2,684,506	-	-
	22,585,627	19,414,777	133,189	80,428

25. Payables

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Trade payables	15,360,199	15,532,454	-	-
Accruals	5,057,231	2,847,313	795,611	481,377
Due to affiliates	3,350,667	2,169,108	2,057,445	746,225
Other	1,009,771	695,343	129,399	172,473
	24,777,868	21,244,218	2,982,455	1,400,075

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26. Share Capital

	Number of Units		Carrying Amount	
	2023	2022	2023	2022
	'000	'000	$'000	$'000
Authorised – ordinary shares	1,000,000	780,000		
Issued and fully paid –				
Ordinary stock units	733,547	733,547	5,769,457	5,769,457
Treasury shares	(59)	(59)	(899)	(899)
	733,488	733,488	5,768,558	5,768,558

27. Capital Reserves

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Currency translation gains and losses	(47,857)	(69,732)	-	-
Fair value gains and losses on investments	1,402,937	857,209	1,402,937	857,209
Fair value gains and losses on property	6,747,055	5,459,891	2,241,317	2,139,540
Revaluation surplus on assets carried at deemed cost	312,600	312,600	105,340	105,340
Profits of subsidiaries capitalised	336,537	336,537	-	-
Redemption reserve	14,800	14,800	-	-
Realised gains on sale of investments	120,855	120,855	120,855	120,855
Other realised surplus	22,230	22,230	20,289	20,289
	8,909,157	7,054,390	3,890,738	3,243,233

28. Long Term Liabilities

The movement in long term liabilities is as follows:

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Balance at start of year	33,012,555	12,497,068	13,915,109	8,286,504
On acquisition of subsidiaries	-	14,532,435	-	-
Loan used to fund acquisition of subsidiary	-	3,921,059	-	3,921,059
Loans received, net of fees	16,829,571	5,555,527	5,617,398	3,361,477
Loan principal repayments	(15,774,276)	(3,445,943)	(5,019,241)	(1,593,713)
Foreign exchange gains and losses	464,038	(164,018)	118,095	(164,018)
Deferred fees amortised (Note 9)	68,947	59,492	51,469	30,976
Interest charged and expensed (Note 9)	2,506,013	1,642,490	1,100,182	815,735
Interest paid	(2,534,238)	(1,585,555)	(1,128,319)	(742,911)
Balance at end of year	34,572,610	33,012,555	14,654,693	13,915,109

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28. Long Term Liabilities (Continued)

Long term liabilities are comprised as follows:

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Jamaica-based operations				
(a) National Commercial Bank (Jamaica) Limited – 7%	766,600	954,280	-	-
(b) National Commercial Bank (Jamaica) Limited – 8.5%	139,578	195,607	-	-
(c) National Commercial Bank (Jamaica) Limited – 6.25%	66,859	91,725	66,859	91,725
(d) JMMB Merchant Bank Limited – 8.5%	-	71,187	-	71,187
(e) JMMB Merchant Bank Limited – 8.75%	16,745	111,815	16,745	111,815
(f) CIBC FirstCaribbean International Bank Jamaica Limited – 8.25%	434,136	627,086	-	-
(g) CIBC FirstCaribbean International Bank Jamaica Limited – 8.25%	472,500	682,500	-	-
(h) Bonds – 7.25%	2,000,000	2,000,000	2,000,000	2,000,000
(i) Bonds – 7.25%	2,200,000	2,200,000	2,200,000	2,200,000
(j) Bonds – 10.5% for first 2 years, then WATBY + 2.75%	854,350	854,350	-	-
(k) Bonds – 6.75%	1,700,000	1,700,000	1,700,000	1,700,000
(l) Bonds – 11.5%	1,800,000	1,800,000	1,800,000	1,800,000
(m) National Commercial Bank (Jamaica) Limited – 6%	-	3,859,082	-	3,859,082
(n) CIBC FirstCaribbean International Bank (Jamaica) Limited – 8.75%	3,932,641	-	3,932,641	-
(o) CIBC FirstCaribbean International Bank Jamaica Limited – LIBOR + 3%	851,403	835,477	851,403	835,477
(p) Citi – 8.23%	774,752	760,261	774,752	760,261
(q) Citi – 8.10%	464,851	456,156	464,851	456,156
(r) Citi – 8.25%	232,426	-	232,426	-
(s) Citi – 8.10%	309,901	-	309,901	-
(t) Citi – 8.25%	309,901	-	309,901	-
(u) First Global Bank Limited – 9.5%	100,000	100,000	-	-
(v) National Commercial Bank (Jamaica) Limited – 10.6%	200,000	-	-	-
Trinidad based operations				
(w) Term loans denominated in Trinidadian dollars	8,253,044	8,869,398	-	-
(x) Term loans denominated in United States dollars	4,129,052	5,646,638	-	-
(y) Term loans denominated in Guyanese dollars	362,319	453,054	-	-
(z) Revolving loans denominated in Trinidadian dollars	3,519,000	736,000	-	-
(aa) Revolving loans denominated in Guyanese dollars	711,850	179,009	-	-
Deferred financing costs	(107,776)	(277,773)	(83,059)	(77,004)
	34,494,132	32,905,852	14,576,420	13,808,699
Interest payable	78,478	106,703	78,273	106,410
	34,572,610	33,012,555	14,654,693	13,915,109
Less: Current portion	(11,185,213)	(6,031,153)	(5,042,081)	(2,311,103)
	23,387,397	26,981,402	9,612,612	11,604,006

The Company was in a technical breach of the debt service ratio covenant requirement for its bonds in issue at 31 December 2023. This was due primarily to the $2 billion bond (Note 28(h)) having a maturity date in 2024 and thereby classified as a current liability on the statement of financial position at 31 December 2023. The Company was subsequently granted waivers in respect of the technical breach and the bond was refinanced in 2024 without the use of cash.

Seprod Limited

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28. Long Term Liabilities (Continued)

A summary of the terms of the long term liabilities is as follows:

(a) Unsecured Jamaican dollar denominated loan facility of $1,755,000,000, repayable in 13 quarterly installments of $41,440,000 commencing June 2018.

(b) Jamaican dollar denominated financing agreement repayable in 32 quarterly installments of $13,969,000 commencing September 2018 and secured by property, plant and equipment acquired under the financing agreement.

(c) Jamaican dollar denominated financing agreement repayable in 54 monthly installments of $2,490,000 (inclusive of interest) commencing December 2021 and secured by property, plant and equipment acquired under the financing agreement.

(d) Unsecured Jamaican dollar denominated loan facility of $300,000,000, repayable in 60 monthly installments of $6,194,000 (inclusive of interest) commencing January 2019.

(e) Unsecured Jamaican dollar denominated loan facility of $185,000,000, repayable in 24 monthly installments of $8,430,000 (inclusive of interest) commencing February 2022.

(f) Jamaican dollar denominated loan facility repayable in 28 quarterly installments of $48,237,000 commencing December 2018 and secured by a first debenture/charge over all present and future assets and property of Facey Commodity Company Limited.

(g) Jamaican dollar denominated loan facility repayable in 22 quarterly installments of $52,500,000 commencing December 2020 and secured by a first debenture/charge over all present and future assets and property of Facey Commodity Company Limited.

(h) Unsecured Jamaican dollar denominated Bonds issued in October 2019 for a period of 5 years, due in full at maturity.

(i) Unsecured Jamaican dollar denominated Bonds issued in November 2018 for a period of 7 years, due in full at maturity.

(j) Jamaican dollar denominated Bonds issued in February 2016 for a period of 10 years, due in full at maturity and secured by the fixed and floating assets of Musson International Dairies Limited and Musson Holdings Limited.

(k) Unsecured Jamaican dollar denominated Bonds issued in July 2021 for a period of 10 years, due in full at maturity.

(l) Unsecured Jamaican dollar denominated Bonds issued in November 2022 for a period of 3 years, due in full at maturity.

(m) Unsecured US dollar denominated Bonds issued in May 2022 for a period of 2 years, due in full at maturity.

(n) Unsecured US dollar denominated loan issued in December 2023 with a moratorium of 2 years, and thereafter principal is payable in 20 quarterly instalments of US$634,500 each commencing March 2026, with a final balloon payment of US$12.69 million in December 2030.

(o) Unsecured US dollar denominated short term facility repayable 12 January 2024.

(p) Unsecured US dollar denominated short term facility repayable 29 March 2024.

(q) Unsecured US dollar denominated short term facility repayable 12 July 2024.

(r) Unsecured US dollar denominated short term facility repayable 2 April 2024.

(s) Unsecured US dollar denominated short term facility repayable 11 July 2024.

(t) Unsecured US dollar denominated short term facility repayable 4 October 2024.

(u) Unsecured Jamaican dollar denominated short term facility repayable 4 January 2024.

(v) Unsecured Jamaican dollar denominated short term facility repayable 31 May 2024.

(w) Secured and unsecured Trinidad and Tobago dollar denominated amortizing facilities, bearing interest at rates ranging from 2.75% to 7.0% and with maturities from March 2024 to June 2029.

(x) Secured and unsecured United States dollar denominated amortizing facilities, bearing interest at rates ranging from 3.42% to 15.0% and with maturities from July 2023 to June 2029.

(y) Secured Guyana dollar denominated amortizing facilities bearing interest at 6.0% and with maturities from November 2027 to February 2037.

(z) Unsecured Trinidad and Tobago dollar denominated 30 day rolling facilities bearing interest at rates ranging from 2.55% to 4.25% with option to re-draw on settlement.

(aa) Unsecured Guyana dollar denominated 30 day rolling facilities bearing interest at 6.0% with option to re-draw on settlement.

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29. Deferred Taxation

Deferred income taxes are calculated in full on temporary differences under the liability method using a tax rate of 25%. Deferred tax assets and liabilities recognised on the statement of financial position are as follows:

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Deferred tax assets	2,675,884	1,796,354	142,227	-
Deferred tax liabilities	(4,003,406)	(2,728,733)	-	(71,704)
Net liabilities	(1,327,522)	(932,379)	142,227	(71,704)

These amounts include deferred tax assets/liabilities to be recovered within 12 months of $73,703,000/$91,718,000 (2022 – $607,733,000/$26,905,000) for the Group; and net deferred tax assets/(liabilities) of $18,154,000 (2022 – $27,141,000) for the Company.

The movement in deferred taxation is as follows:

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Balance at start of year	(932,379)	(777,694)	(71,704)	(249,294)
On acquisition of subsidiaries	-	(178,917)	-	-
(Charged)/credited to profit or loss (Note 10)	(354,596)	(88,876)	152,042	182,840
(Charged)/credited to other comprehensive income (Note 10)	(40,547)	113,108	61,889	(5,250)
Balance at end of year	(1,327,522)	(932,379)	142,227	(71,704)

The deferred tax (charged)/credited to profit or loss comprises the following temporary differences:

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Accelerated tax depreciation	(67,735)	(380,939)	(19,369)	(19,992)
Right of use assets, net of related lease obligation	2,950	(1,057)	-	-
Post-employment benefits	(10,896)	(32,825)	420	1,100
Tax losses carried forward	(156,628)	332,609	154,695	167,799
Urban Renewal tax credits carried forward	293,269	-	25,283	-
Other	(415,556)	(6,664)	(8,987)	33,933
	(354,596)	(88,876)	152,042	182,840

The deferred tax assets and liabilities in the statement of financial position comprise the following temporary differences:

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Accelerated tax depreciation	(612,997)	(537,193)	(42,259)	(22,890)
Right of use assets, net of related lease obligation	76,194	73,244	-	-
Post-employment benefits	(99,786)	(119,214)	24,460	23,225
Tax losses carried forward	1,361,164	1,517,792	325,867	171,172
Urban Renewal tax credits carried forward	293,269	-	25,283	-
Intangible assets recognised on business combinations	(1,248,467)	(1,248,467)	-	-
Revaluation of property	(1,262,320)	(1,199,369)	(209,278)	(270,352)
Other	165,421	580,828	18,154	27,141
	(1,327,522)	(932,379)	142,227	(71,704)

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29. Deferred Taxation (Continued)

Subject to agreement with the tax authority in which each Group entity operates, losses available for offset against future profits of the Group and the Company amount to $7,220,263,000 and $1,303,468,000 (2022 – $8,423,508,000 and $684,686,000), respectively.

This includes tax losses of a subsidiary amounting to $4,732,500,000 (2022 – $4,732,500,000) in respect of which, historically, no deferred tax assets have been created due to the Group's uncertainty regarding its ability to utilize those losses in the future. Following a Group restructuring exercise in 2019, this subsidiary that was previously unprofitable commenced earning profits and is projected to earn profits in the future. Consequently and based on its annually updated 5-year horizon forecasts following the restructuring, the Group recognized deferred tax assets of $453,374,000 (2022 – $453,374,000) at the rate of 25% in respect of a portion of the subsidiary's total tax losses brought forward as at the date of the statement of financial position.

30. Cash Provided by/(Used in) Operating Activities

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Net profit/(loss)	4,563,631	2,917,992	(560,708)	(275,978)
Items not affecting cash resources:				
Amortisation of intangible assets	430,995	367,494	-	-
Depreciation	1,924,559	1,497,238	125,194	52,854
Net foreign exchange gain and losses	402,156	(152,207)	3,305	(91,936)
Net gains and losses on disposal of property, plant and equipment	(9,472)	367	-	457
Adjustments to property, plant and equipment	(684)	(88,380)	(672)	-
Loss on disposal of subsidiary	-	-	-	77,061
Net impairment of long term receivables	(3,005)	(3,009)	-	-
Interest income	(108,419)	(77,708)	(315,040)	(276,646)
Amortisation of deferred fees	68,947	59,492	51,469	30,976
Share of results of joint venture & associates	(211,093)	(106,552)	-	-
Interest expense	3,112,635	1,943,514	1,332,568	881,229
Post-employment benefits	(815,434)	(10,389)	1,679	4,400
Dividend income	(83)	(50)	(422,029)	(202,738)
Taxation	992,797	1,146,933	(152,042)	(182,840)
	10,347,530	7,494,735	63,724	16,839
Changes in operating assets and liabilities:				
Inventories	(1,473,737)	(8,509,378)	-	-
Trade and other receivables	(3,170,850)	(3,087,522)	(52,761)	(27,299)
Biological assets	28,095	89,221	-	-
Due from subsidiaries	-	-	(11,514,694)	(13,964,041)
Due to subsidiaries	-	-	11,781,936	14,115,042
Payables	3,549,223	5,284,729	1,634,150	811,880
	9,280,261	1,271,785	1,860,585	952,421
Taxation paid	(1,590,027)	(1,391,223)	38,756	(1,206)
Cash provided by/(used in) operating activities	7,690,234	(119,438)	1,899,341	951,215

31. Significant Non-cash Transactions

During the prior year, the Company acquired A.S. Bryden and Sons Holdings Limited. The acquisition was funded by the issue of debt and preference shares. A.S. Bryden and Sons Holdings Limited then acquired Micon Holdings Limited. This acquisition was funded by the issue of shares. The details of the acquisitions are included in Note 36.

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32. Contingencies and Commitments

(a) A subsidiary has leased sugar cane lands from the Government of Jamaica for an initial period of 50 years commencing 9 July 2009 with an option to renew for a further period of 25 years. The lease is fixed at a rate of US$53 per hectare per annum for the first 5 years, after which it will be renegotiated in accordance with the provisions of the lease contract. Based on the current rate of US$78.45 (2022 – US$75.43) per hectare per annum, the annual lease cost to the subsidiary is US$124,000 (2022 – US$119,000).

(b) At 31 December 2023, capital commitments for the Group amounted to approximately $Nil (2022 – $ Nil).

33. Litigation, Claims, Assessments and Provisions

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

34. Related Party Transactions

Sales and purchases of goods and services
During the year, the Group had sales of $235,520,000 (2022 – $15,706,000) to and purchases of $2,234,261,000 (2022 – $2,266,655,000) from Musson (Jamaica) Limited, T.Geddes Grant (Distributors) Limited and Jamaica Grain and Cereals Limited. The resulting receivables and payables in respect of these and other transactions are included in Notes 24 and 25, respectively.

A subsidiary paid cess of $9,276,000 (2022 – $6,819,000) based on the importation of copra-based and substitute products to Coconut Industry Board, a major shareholder of the Company.

Key management compensation

	2023 $'000	2022 $'000
Wages and salaries	1,210,683	902,313
Statutory contributions	41,489	20,566
Other	36,604	21,964
	1,288,776	944,843
Directors' emoluments –		
Fees	22,607	13,497
Medical insurance premiums	7,090	9,415
Management remuneration (included above)	302,981	282,742

Advances and loans
Loans to related parties are disclosed in Note 20. Interest earned on these loans by the Group amounted to $40,161,000 (2022 – $45,765,000).

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35. Assets Held for Sale and Discontinued Operations

In July 2019, the Group discontinued the sugar manufacturing operations carried on by Golden Grove Sugar Company Limited and advertised for sale certain assets directly for use in sugar manufacturing. The associated assets were reclassified from property, plant and equipment to assets held for sale in the statement of financial position. The movement in assets held for sale was as follows:

	2023 $'000	2022 $'000
Balance at start of year	285,761	285,761
Disposal	-	-
Balance at end of year	285,761	285,761

The results of the sugar manufacturing operations have been presented as a single item on the statement of comprehensive income as a net loss from discontinued operations. The details of the net loss from discontinued operations are as follows:

	2023 $'000	2022 $'000
Change in the fair value of sugar cane	(17,036)	(103,429)
Other operating income	31,913	18,641
Recovery of long term receivables	3,005	3,009
Administration and other operating expenses	(66,862)	(96,911)
Net loss from discontinued operations	(48,980)	(178,690)

The cash flows from the discontinued operations are as follows:

	2023 $'000	2022 $'000
Net cashflow from operating activities	(34,949)	(41,413)
Net cashflow from investing activities	3,005	3,009
Net cashflow from discontinued operations	(31,944)	(38,404)

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36. Business Combinations

Acquisition of A.S. Bryden and Sons Holdings Limited

Effective 1 June 2022, the Company acquired 60% of the shareholding of A.S. Bryden and Sons Holdings Limited. These operations have significantly increased the Group's profitability and have significantly expanded the Group's distribution capability and footprint throughout The Caribbean Community (Caricom).

Inclusive of its subsequent acquisition of Micon Holdings Limited, A.S. Bryden and Sons Holdings Limited contributed consolidated revenues, operating profit and net profit of $28,742,640,000, $2,736,678,000 and $1,736,316,000, respectively, for the 7 months ended 31 December 2022.

Details of net assets acquired are as follows:

	$'000
Property, plant and equipment	5,783,994
Right of use assets	1,586,218
Intangible assets	2,658,340
Investment in associates	321,931
Post-employment benefit assets	808,841
Deferred tax assets	521,410
Inventories	7,660,265
Trade and other receivables	8,793,084
Taxation recoverable	11,247
Cash and cash equivalents	5,772,540
Payables	(6,236,473)
Taxation payable	(992,726)
Post-employment benefit obligations	(1,417,352)
Long term liabilities	(14,046,422)
Lease obligations	(1,766,929)
Deferred tax liabilities	(700,327)
	8,757,641
Non-controlling interests	(2,662,779)
	6,094,862

The goodwill on acquisition was determined as follows:

	$'000
Loan used to directly fund the acquisition	3,921,059
Issue of preference shares by the acquired entity	3,191,020
	7,112,079
Fair values of net assets acquired	(6,094,862)
	1,017,217

As the acquisition was funded directly from the issue of loans and preference shares, the cash balance of the acquired entity represents the net cash inflow for the acquisition.

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36. Business Combinations (Continued)

Acquisition of Micon Holdings Limited
Effective 1 November 2022, A.S. Bryden and Sons Holdings Limited acquired the entire shareholding of Micon Holdings Limited. These operations have expanded the Group's distribution capability in Trinidad and Tobago.

The effect of the acquisition was determined provisionally in the financial statements for the year ended 31 December 2022. The comparative information in the financial statements for the year ended 31 December 2023 have been restated to reflect the final accounting for the acquisition. The effect of the restatement is detailed in Note 38.

Details of net assets acquired are as follows:

	Determined provisionally $'000	Restated $'000
Property, plant and equipment	101,453	101,453
Right of use assets	80,707	80,707
Intangible assets	-	1,386,900
Inventories	1,085,554	1,085,554
Trade and other receivables	1,059,219	1,059,219
Cash and cash equivalents	327,451	327,451
Payables	(1,261,228)	(1,261,228)
Taxation payable	(16,353)	(16,353)
Long term liabilities	(486,013)	(486,013)
Lease obligations	(82,639)	(82,639)
	808,151	2,195,051
Non-controlling interests	(371,749)	(892,455)
	436,402	1,302,596

The goodwill on acquisition was determined as follows:

	Determined provisionally $'000	Restated $'000
Total issue of shares by A.S. Bryden and Sons Holdings Limited in exchange for shareholding of Micon Holdings Limited	2,346,000	2,346,000
Proportion of issue allocable to shareholders of Seprod Limited	1,402,218	1,402,218
Fair values of net assets acquired	(436,402)	(1,302,596)
	965,816	99,622

As the acquisition was funded directly from the issue of newly created shares, the cash balance of the acquired entity represents the net cash inflow from the acquisition.

37. Post Balance Sheet Events

Proposed dividends
At a meeting held on 25 March 2024, the Board of Directors approved a dividend of $0.605 per share payable on 26 April 2024 to shareholders on record as at 17 April 2024.

Acquisition of subsidiary
Effective 1 March 2024, A.S. Bryden & Sons Holdings Limited acquired 55% of the share capital of Stansfeld Scott (Barbados) Limited, a company incorporated and domiciled in Barbados. Stansfeld Scott (Barbados) Limited is a distributor and retailer of consumer goods, inclusive of food, alcoholic beverages, non-alcoholic beverages and health supplements.

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38. Restatement

The statement of financial position as at 31 December 2022 and the statement of changes in equity for the year then ended have been restated for the effect of the following:

(a) Reclassification of preference shares issued by a subsidiary, and of dividends declared in respect of the preference shares

A.S. Bryden and Sons Holdings Limited issued preference shares at a cost of $3,191,020,000 to its former shareholders as a precursor to the acquisition by the Company (Note 36). These preference shares were previously classified in Equity Attributable to Stockholders of the Company in the statement of financial position, but have now been reclassified to Non-Controlling Interests. Dividends paid on these preference shares amounting to $61,364,000 were previously recognized as a reduction in Retained Earnings in the statement of changes in equity, but have now been reclassified as a reduction in Non-Controlling Interests.

(b) Final accounting for the acquisition of Micon Holdings Limited

Effective 1 November 2022, A.S. Bryden and Sons Holdings Limited acquired the entire shareholding of Micon Holdings Limited (Note 36). The effect of the acquisition was determined provisionally in the financial statements for the year ended 31 December 2022. The statement of financial position as at 31 December 2022 and the statement of changes in equity for the year then ended are restated to reflect the final accounting for the acquisition.

As indicated in Note 36, on a provisional basis, the Group had recognized Goodwill of $965,816,000 and Non-Controlling Interests of $371,749,000 on the acquisition. The statement of financial position as at 31 December 2022 is restated to recognize Goodwill of $99,622,000 and other Intangible Assets of $1,386,900,000 (i.e., total Intangible Assets of $1,486,522), as well as Non-Controlling Interests of $892,455,000 on the acquisition. The effect of the restatement is, therefore, an increase of $520,706,000 in the amounts recognized for Intangible Assets and Non-controlling Interests.

There was no effect of the restatement on the statement of financial position as at 31 December 2021, or on the statement of comprehensive income or statement of cash flows for the year ended 31 December 2022. The effect of the restatement on the balance sheet as at 31 December 2022 is as follows:

	As previously stated	Reclassification of preference shares issued by a subsidiary	Reclassification of preference dividends declared by a subsidiary	**Sub-total**	Final accounting for the acquisition of Micon Holdings Limited	**As restated**
	$'000	$'000	$'000	**$'000**	$'000	**$'000**
Non-current Assets						
Intangible assets	13,205,047	-	-	13,205,047	520,706	13,725,753
Other non-current assets	29,093,496	-	-	29,093,496	-	29,093,496
	42,298,543	-	-	42,298,543	520,706	42,819,249
Net Current Assets	23,682,155	-	-	23,682,155	-	23,682,155
	65,980,698	-	-	65,980,698	520,706	66,501,404
Equity Attributable to Stockholders of the Company						
Share Capital	5,768,558	-	-	5,768,558	-	5,768,558
Preference shares	3,191,020	(3,191,020)	-	-	-	-
Capital reserves	7,054,390	-	-	7,054,390	-	7,054,390
Retained earnings	11,535,884	-	61,364	11,597,248	-	11,597,248
	27,549,852	(3,191,020)	61,364	24,420,196	-	24,420,196
Non-Controlling Interests	5,344,763	3,191,020	(61,364)	8,474,419	520,706	8,995,125
	32,894,615	-	-	32,894,615	520,706	33,415,321
Non-current Liabilities	33,086,083	-	-	33,086,083	-	33,086,083
	65,980,698	-	-	65,980,698	520,706	66,501,404

NOTES

NOTES

FORM OF PROXY

I...
(Name)

of..
(Address)

being a member of Seprod Limited, hereby appoint..
(Name)

of..
(Address)

or failing him...
(Name)

of..
(Address)

as my proxy to vote for me on my behalf at the Annual General Meeting of the Company to be held on the 15th day of July, 2024, and at any adjournment thereof.

Please indicate by inserting a tick in the appropriate box, how you wish your votes to be cast. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

Resolution	For	Against
1a		
2a		
2b		
3		
4a		
4b		

....

Signature Date

Notes:

1. If the appointer is a corporation, this form must be under its common seal and under the hand of an officer or attorney duly authorised.
2. To be valid, this proxy must be lodged with the Secretary of the Company, 3 Felix Fox Boulevard, Kingston, not less than 48 hours before the time appointed for holding the meeting. A proxy need not be a member of the Company.

$100.00 stamp to be affixed

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