



Wisynco Group Limited

Financial Statements
30 June 2024

Wisynco Group Limited

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Independent auditor's report

To the Members of Wisynco Group 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 Wisynco Group Limited (the Company) and its subsidiaries (together 'the Group') and the stand-alone financial position of the Company as at 30 June 2024, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with 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 30 June 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the company statement of financial position as at 30 June 2024;
- the company statement of comprehensive income for the year then ended;
- the company statement of changes in equity for the year then ended;
- the company statement of cash flows for the year then ended; and
- the notes to the financial statements, 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.

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.

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.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment for the Group's shareholding in associated company (Group and Company) <i>Refer to notes 2(b)(ii), 4(b) and 17 to the consolidated and stand-alone financial statements for disclosures of related accounting policies and balances.</i> At 30 June 2024, the investment in JP Snacks Caribbean Limited was carried at \$380 million or 1% of total assets for the Group and \$416.8 million or 1% of total assets for the Company. Management engaged an expert to perform a value-in-use (VIU) calculation to determine a value for the recoverable amount for its investment in the associate, as required by IAS 36, "Impairment of non-financial assets". Based on the assessment, management determined there was no impairment. We focused on this area due to its subjectivity and key inputs and assumptions which are dependent on a number of estimates, specifically the pre-tax discount rate, terminal value growth rate and gross profit margins.	Our approach with the assistance of our valuation experts, involved the following procedures amongst others: • Evaluated the competence and objectivity of management's experts. • Evaluated the appropriateness of the valuation methodology utilised to determine the recoverable amount in accordance with IAS 36. • Agreed the base year financial information used to generate forecast cash flows to current year results and compared historical forecasts to actual results to assess the performance of the business and the accuracy of management's forecasting. • Obtained an understanding of management's budgeting process and reconciled key cash flow forecast inputs, such as revenue and gross margins, to approved budgets. • Tested the mathematical accuracy of management's model. • Tested management's assumptions as follows: ○ Pre-tax discount rate - evaluated management's inputs against independent third party economic and industry data and, where applicable, company specific data;

Key audit matter	How our audit addressed the key audit matter
	○ Terminal value growth rate - evaluated management's terminal value growth by assessing the feasibility of management's plans to increase revenue over the forecast period and assessing the terminal value growth rate against long-term GDP growth rate forecasts; and ○ Gross profit margins - evaluated management's expected gross profit margin over the period by reference to historical gross profit margins and by evaluating the potential impact of management's cost saving mechanisms; and ○ Considered the sensitivity of the recoverable amount by factoring a discount for lack of marketability. Based on the procedures performed, management's assumptions and judgements in relation to the recoverable amount of the investment in associate, in our view, were not unreasonable and no adjustment for impairment was required.

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 Garfield Reece.

PricewaterhouseCoopers
Chartered Accountants
Kingston, Jamaica
29 August 2024

Wisynco Group Limited

Consolidated Statement of Comprehensive Income

Year ended 30 June 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$'000	2023 \$'000
Revenue	5	54,269,846	48,705,454
Cost of sales		(35,885,475)	(31,850,418)
Gross Profit		18,384,371	16,855,036
Other operating income	6	296,824	252,781
Selling and distribution expenses		(10,643,498)	(9,160,849)
Administration expenses		(2,130,937)	(1,789,583)
Operating Profit		5,906,760	6,157,385
Finance income	9	616,433	444,487
Finance costs	10	(33,316)	(131,347)
Impairment loss on investment in associated company	17	-	(105,369)
Share of results of associated company	17	(39,927)	(52,103)
Profit before Taxation		6,449,950	6,313,053
Taxation	11	(1,262,584)	(1,390,478)
Net Profit		5,187,366	4,922,575
Other Comprehensive Income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign subsidiary		(11,371)	6,606
Share of other comprehensive income of associate	17	3,235	3,691
<i>Items that will not be reclassified to profit or loss</i>			
Unrealised losses on investment securities	19	(23,583)	(45,754)
Total Comprehensive Income		5,155,647	4,887,118
Earnings Per Stock Unit attributable to stockholders of the Group	12		
Basic and Fully Diluted		\$1.38	\$1.31
		\$1.38	\$1.31

Wisynco Group Limited

Consolidated Statement of Financial Position

30 June 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$'000	2023 \$'000
Non-Current Assets			
Property, plant and equipment	14	15,421,682	7,560,385
Intangible assets	15	-	1,639
Investment in associate	17	380,088	416,780
Loans receivable	18	311,215	272,195
Investment securities	19	3,983,835	1,304,141
		<u>20,096,820</u>	<u>9,555,140</u>
Current Assets			
Inventories	20	6,472,551	6,151,108
Receivables and prepayments	21	4,663,736	5,451,499
Investment securities	19	301,590	1,105,844
Cash and short-term deposits	22	5,275,832	10,129,216
		<u>16,713,709</u>	<u>22,837,667</u>
Current Liabilities			
Trade and other payables	23	8,003,822	6,330,489
Short-term borrowings	24	903,285	1,014,872
Lease liabilities	25	130,292	114,808
Taxation payable		415,528	798,186
		<u>9,452,927</u>	<u>8,258,355</u>
Net Current Assets			
		<u>7,260,782</u>	<u>14,579,312</u>
		<u>27,357,602</u>	<u>24,134,452</u>

Wisynco Group Limited

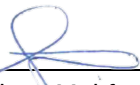
Consolidated Statement of Financial Position (Continued)

30 June 2024

(expressed in Jamaican dollars unless otherwise indicated)

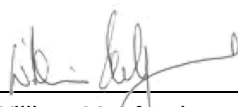
	Note	2024 \$'000	2023 \$'000
Equity			
Capital and reserves attributable to the company's equity holders			
Share capital	26	1,357,048	1,261,259
Other reserves	27	653,804	558,266
Translation reserve	28	79,959	88,095
Retained earnings	29	22,676,974	19,218,397
		<u>24,767,785</u>	<u>21,126,017</u>
Non-Current Liabilities			
Deferred tax liabilities	30	323,141	41,982
Borrowings	24	2,217,212	2,926,408
Lease liabilities	25	49,464	40,045
		<u>2,589,817</u>	<u>3,008,435</u>
		<u><u>27,357,602</u></u>	<u><u>24,134,452</u></u>

Approved for issue by the Board of Directors on and signed 29 August 2024 on its behalf by:



Andrew Mahfood

Director



William Mahfood

Director

Wisynco Group Limited

Consolidated Statement of Changes in Equity

Year ended 30 June 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Number of Shares '000	Share Capital \$'000	Other Reserves \$'000	Retained Earnings \$'000	Translation Reserve \$'000	Total Equity \$'000
Balance at 1 July 2022	3,754,125	1,258,319	515,130	15,985,222	77,798	17,836,469
Net profit	-	-	-	4,922,575	-	4,922,575
Changes in fair value of equity instruments measured at fair value through other comprehensive income (Note 19)	-	-	(45,754)	-	-	(45,754)
Share of other comprehensive income of associate (Note 17)	-	-	-	-	3,691	3,691
Exchange differences on translating foreign subsidiary	-	-	-	-	6,606	6,606
Total comprehensive income	-	-	(45,754)	4,922,575	10,297	4,887,118
Transactions with owners -						
Shares issued through Long Term Investment Plan (LTIP)	162	2,940	-	-	-	2,940
LTIP expenses, net of taxes	-	-	88,890	-	-	88,890
Dividends (Note 33)	-	-	-	(1,689,400)	-	(1,689,400)
	162	2,940	88,890	(1,689,400)	-	(1,597,570)
Balance at 30 June 2023	3,754,287	1,261,259	558,266	19,218,397	88,095	21,126,017
Net profit	-	-	-	5,187,366	-	5,187,366
Changes in fair value of equity instruments measured at fair value through other comprehensive income (Note 19)	-	-	(23,583)	-	-	(23,583)
Share of other comprehensive income of associate (Note 17)	-	-	-	-	3,235	3,235
Exchange differences on translating foreign subsidiary	-	-	-	-	(11,371)	(11,371)
Total comprehensive income	-	-	(23,583)	5,187,366	(8,136)	5,155,647
Transactions with owners -						
Shares issued through LTIP	4,290	95,789	-	-	-	95,789
LTIP expenses, net of taxes	-	-	119,121	-	-	119,121
Dividends (Note 33)	-	-	-	(1,728,789)	-	(1,728,789)
	4,290	95,789	119,121	(1,728,789)	-	(1,513,879)
Balance at 30 June 2024	3,758,577	1,357,048	653,804	22,676,974	79,959	24,767,785

Wisynco Group Limited

Consolidated Statement of Cash Flows

Year ended 30 June 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$'000	2023 \$'000
Operating Activities			
Cash inflow from operating activities	31	8,010,698	4,360,914
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	14	(8,838,306)	(2,371,688)
Purchase of investments securities	19	(3,020,843)	(1,170,720)
Proceeds from the sale of property, plant and equipment		17,181	26,812
Proceeds from the sale of investment securities		1,189,922	461,578
Dividend received		751	530
Long term receivables net		(39,020)	(59,472)
Interest received		598,069	437,921
Cash outflow from investing activities		<u>(10,092,246)</u>	<u>(2,675,039)</u>
Cash Flows from Financing Activities			
Interest paid		(207,632)	(59,123)
Proceeds from shares issued under LTIP		89,303	1,869
Long-term loans repaid	31	(899,650)	(661,950)
Lease liabilities repaid		(162,192)	(160,242)
Long-term loans received	31	-	3,200,000
Dividend paid		<u>(1,727,434)</u>	<u>(1,576,739)</u>
Cash (outflow)/inflow from financing activities		<u>(2,907,605)</u>	<u>743,815</u>
(Decrease)/Increase in cash and cash equivalents		(4,989,153)	2,429,690
Cash and cash equivalents at beginning of year		10,031,794	7,582,364
Effects of changes in foreign exchange rates on cash and cash equivalents		58,906	19,740
Cash and Cash Equivalents at End of Year	22	<u><u>5,101,547</u></u>	<u><u>10,031,794</u></u>

Wisynco Group Limited

Company Statement of Comprehensive Income

Year ended 30 June 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$'000	2023 \$'000
Revenue	5	54,248,974	48,693,012
Cost of sales		<u>(35,779,672)</u>	<u>(31,813,064)</u>
Gross Profit		18,469,302	16,879,948
Other operating income	6	278,771	241,372
Selling and distribution expenses		(10,767,373)	(9,233,120)
Administration expenses		<u>(2,147,682)</u>	<u>(1,801,254)</u>
Operating Profit		5,833,018	6,086,946
Finance income	9	616,433	444,487
Finance costs	10	(33,316)	(131,347)
Impairment loss on investment in associated company	17	<u>-</u>	<u>(169,389)</u>
Profit before Taxation		6,416,135	6,230,697
Taxation	11	<u>(1,262,584)</u>	<u>(1,390,478)</u>
Net Profit		5,153,551	4,840,219
Other Comprehensive Income			
<i>Items that will not be subsequently reclassified to profit or loss</i>			
Unrealised losses on investment securities	19	<u>(23,583)</u>	<u>(45,754)</u>
Total Comprehensive Income		<u><u>5,129,968</u></u>	<u><u>4,794,465</u></u>

Wisynco Group Limited

Company Statement of Financial Position

30 June 2024

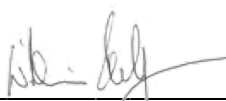
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$'000	2023 \$'000
Non-Current Assets			
Property, plant and equipment	14	15,421,682	7,560,385
Intangible assets	15	-	1,639
Investment in subsidiary	16	11,375	11,375
Investment in associate	17	416,780	416,780
Loans receivable	18	311,215	272,195
Investment securities	19	3,983,835	1,304,141
		<u>20,144,887</u>	<u>9,566,515</u>
Current Assets			
Inventories	20	6,472,551	6,151,108
Receivables and prepayments	21	4,638,935	5,399,608
Investment securities	19	301,590	1,105,844
Cash and short-term deposits	22	4,877,921	9,802,879
		<u>16,290,997</u>	<u>22,459,439</u>
Current Liabilities			
Trade and other payables	23	7,976,585	6,285,364
Short-term borrowings	24	903,285	1,014,872
Lease liabilities	25	130,292	114,808
Taxation payable		415,527	798,186
		<u>9,425,689</u>	<u>8,213,230</u>
Net Current Assets			
		<u>6,865,308</u>	<u>14,246,209</u>
		<u>27,010,195</u>	<u>23,812,724</u>
Shareholders' Equity			
Share capital	26	1,357,048	1,261,259
Other reserves	27	653,804	558,266
Retained earnings		22,409,526	18,984,764
		<u>24,420,378</u>	<u>20,804,289</u>
Non-Current Liabilities			
Deferred tax liabilities	30	323,141	41,982
Borrowings	24	2,217,212	2,926,408
Lease liabilities	25	49,464	40,045
		<u>2,589,817</u>	<u>3,008,435</u>
		<u>27,010,195</u>	<u>23,812,724</u>

Approved for issue by the Board of Directors on and signed 29 August 2024 on its behalf by:


Andrew Mahfood

Director


William Mahfood

Director

Wisynco Group Limited

Company Statement of Changes in Equity

Year ended 30 June 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Number of Shares '000	Share Capital \$'000	Other Reserves \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2022		3,754,125	1,258,319	515,130	15,833,945	17,607,394
Net profit		-	-	-	4,840,219	4,840,219
Changes in fair value of equity instruments measured at fair value through other comprehensive income	19	-	-	(45,754)	-	(45,754)
Total comprehensive income		-	-	(45,754)	4,840,219	4,794,465
Transactions with owners -						
Amount held as treasury shares						
Shares issued through Long Term Investment Plan (LTIP)		162	2,940	-	-	2,940
LTIP expenses, net of taxes		-	-	88,890	-	88,890
Dividends	33	-	-	-	(1,689,400)	(1,689,400)
		162	2,940	88,890	(1,689,400)	(1,597,570)
Balance at 30 June 2023		3,754,287	1,261,259	558,266	18,984,764	20,804,289
Net profit		-	-	-	5,153,551	5,153,551
Changes in fair value of equity instruments measured at fair value through other comprehensive income	19	-	-	(23,583)	-	(23,583)
Total comprehensive income		-	-	(23,583)	5,153,551	5,129,968
Transactions with owners -						
Amount held as treasury shares						
Shares issued through LTIP		4,290	95,789	-	-	95,789
LTIP expenses, net of taxes		-	-	119,121	-	119,121
Dividends	33	-	-	-	(1,728,789)	(1,728,789)
		4,290	95,789	119,121	(1,728,789)	(1,513,879)
Balance at 30 June 2024		3,758,577	1,357,048	653,804	22,409,526	24,420,378

Wisynco Group Limited

Company Statement of Cash Flows

Year ended 30 June 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$'000	2023 \$'000
Operating Activities			
Cash provided by operating activities	31	7,902,285	4,289,092
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	14	(8,838,306)	(2,371,688)
Proceeds from the sale of property, plant and equipment		17,181	26,812
Purchase of investments securities	19	(3,020,843)	(1,170,720)
Proceeds from the sale of investment securities		1,189,922	461,578
Long term receivables net		(39,020)	(59,472)
Dividend received		751	530
Interest received		598,069	437,921
Cash outflow from investing activities		<u>(10,092,246)</u>	<u>(2,675,039)</u>
Cash Flows from Financing Activities			
Interest paid		(207,632)	(59,123)
Proceeds from shares issued under LTIP		89,303	1,869
Long-term loans repaid	31	(899,650)	(661,950)
Lease liabilities repaid		(162,192)	(160,242)
Long-term loans received	31	-	3,200,000
Dividend paid		<u>(1,727,434)</u>	<u>(1,576,739)</u>
Cash (outflow)/inflow from financing activities		<u>(2,907,605)</u>	<u>743,815</u>
(Decrease)/Increase in cash and cash equivalents		(5,097,566)	2,357,868
Cash and cash equivalents at beginning of year		9,705,457	7,327,752
Effects of changes in foreign exchange rates on cash and cash equivalents		95,745	19,837
Cash and Cash Equivalents at End of Year	22	<u><u>4,703,636</u></u>	<u><u>9,705,457</u></u>

Wisynco Group Limited

Notes to the Financial Statements

30 June 2024

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activities

- (a) Wisynco Group Limited (the Company) is a limited liability company, incorporated and domiciled in Jamaica. The parent company is Wisynco Group (Caribbean) Limited, a Barbados International Business Company. The ultimate controlling party of the Company is Evesam Investments Holdings Limited, a company incorporated in the Cayman Islands. The registered office of the Company is located at Lakespen, St Catherine. The Company's ordinary shares are listed on the Jamaica Stock Exchange (JSE).
- (b) The Company together with the wholly owned subsidiary, Indies Insurance Company Limited, incorporated and resident in St. Lucia as well as associate JP Snacks Caribbean Limited is referred to as "the Group".
- (c) The principal activities of the Group are the bottling and distribution of water and beverages, the distribution and retailing of food items and the provision of insurance services.

2. Material Accounting Policies

(a) Basis of preparation

These financial statements have been prepared in accordance with and comply with IFRS Accounting Standards and interpretations of IFRS Interpretations Committee (IFRIC IC) applicable to companies reporting under IFRS Accounting Standards. The financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets.

The preparation of financial statements in conformity with IFRS Accounting Standards 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 actions, 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 financial statements, are disclosed in Note 4.

Standards, interpretations and amendments to published standards effective in current year

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of all such new standards, interpretations and amendments and has put into effect the following, which are immediately relevant to its operations.

Wisynco Group Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards effective in current year (continued)

- Narrow amendments to IAS 1, Practice statement 2 and IAS 8
- Amendments to IAS 12- deferred tax related to assets and liabilities arising from a single transaction

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Standards, interpretations and amendments to published standards that are not yet effective

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which were not yet effective for the Group at the statement of financial position date, and which the Group has not early adopted. The Group has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be relevant to its operations, and has concluded as follows:

Amendment to IAS 7 and IFRS 7 - Supplier finance (effective for annual periods beginning on or after 1 July 2024). This amendment requires disclosure to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. The adoption of this amendment is not expected to have a significant impact on the Group.

Amendments to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after 1 July 2024). This amendment relates to an entity that has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The Group is currently assessing the impact of these amendments.

Wisynco Group Limited

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(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards effective in current year (continued)

IFRS 19 Subsidiaries without Public Accountability Disclosures (effective for annual periods beginning on or after 1 July 2027). This standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. The adoption of this amendment is not expected to have a significant impact on the Group.

IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 July 2027). This standard will focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures);
- and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Group is currently assessing the impact of these amendments.

The Group has concluded that all other standards, interpretations and amendments to existing standards, which are published but not yet effective are either relevant to its operations but will have no material impact on adoption; or are not relevant to its operations and will therefore have no material impact on adoption or contain inconsequential clarifications that will have no material impact when they come into effect.

Wisynco Group Limited

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2. Material Accounting Policies (Continued)

(b) Basis of consolidation

(i) *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses the existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The Group applies the acquisition method 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 to the former owners of the acquiree 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. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that are deemed to be an asset or liability are recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate 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 over the fair value of the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Wisynco Group Limited

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(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(b) Basis of consolidation (continued)

(i) Subsidiaries (continued)

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, the accounting policies of the subsidiary have been changed to ensure consistency with the policies adopted by the Group.

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

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

The Group's subsidiary is as follows:

Entity	Financial Reporting Year-end	Country of Incorporation	Nature of Business	Group's percentage interest	
				2024	2023
Indies Insurance Company Limited	30 June	St. Lucia	Captive insurance	100	100

Wisynco Group Limited

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(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(b) Basis of consolidation (continued)

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the investee's profit or loss, other comprehensive income and changes recognised directly in equity after the date of acquisition. The Group's investment in associates includes goodwill and other intangible assets identified on acquisition, net of any amortisation and accumulated impairment losses.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income and reserves are recognised in other comprehensive income and reserves respectively. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount as part of the 'share of results of associated companies' in the statement of comprehensive income.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the statement of comprehensive income.

In the Company's statement of financial position, investment in associates is shown at cost.

The Group's associated company is as follows:

	Financial Reporting Year-End	Country of Incorporation	Nature of Business	Group's Percentage Interest	
				2024	2023
JP Snacks Caribbean Limited and its subsidiaries	31 December	Cayman Islands	Manufacturing and distribution	30.0	30.0

Wisynco Group Limited

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2. Material Accounting Policies (Continued)

(c) Revenue and income recognition

Group revenue comprises revenue of the group and its subsidiary. Revenue is shown net of General Consumption Tax or applicable sales tax, returns, rebates and discounts and after eliminating sales within the Group.

Revenue comprises amounts charged to customers in respect of the sale of water and beverages, general food items and fast food items.

Sales of goods

Revenue is recognised as performance obligations are satisfied, that is, over time or at a point in time. Where a customer contract contains multiple performance obligations, the transaction price is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services being provided to the customer.

Certain contracts with customers provide a right of return, free goods, volume discounts, and other incentives. Accumulated experience is used to estimate and provide for customer returns and sales incentives using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

Interest and dividend income

Interest income is recorded on an accrual basis using the effective interest method. Dividends are recognised when the right to receive payments is established.

Other operating income

Other operating income primarily comprising rebates received and the sale of miscellaneous items is recognised as it accrues unless collectability is in doubt.

Wisynco Group Limited

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2. Material Accounting Policies (Continued)

(d) Foreign currency translation

Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currency are translated using the closing exchange rate. Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in profit or loss.

Functional and presentation currency

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

(e) Property, plant and equipment

Property, plant and equipment are stated at historical or deemed cost less depreciation.

The carrying values of property, plant and equipment are written off on a straight-line basis over their expected useful lives using the following rates:

Buildings	2½ - 3 ⅓%
Furniture, fixtures and equipment	10 - 50%
Motor vehicles	20%
Leasehold improvements	Shorter of the life of the lease or the useful life of the asset

Land is not depreciated.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

Repairs and maintenance expenses are charged to profit or loss during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

(f) Intangible assets

Computer software

Computer software is recorded at cost. This cost is amortised over a period of three years.

Wisynco Group Limited

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2. Material Accounting Policies (Continued)

(g) Impairment of non-current assets

Property, plant and equipment and other non-current assets 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 higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

(h) Financial instruments

Classification of financial instruments

The Group classifies financial assets and liabilities as those measured at fair value through other comprehensive income (FVOCI) or measured at amortised cost in accordance with IFRS 9 'Financial Instruments'.

The classification is based on the business model used to manage the financial instruments as well as the terms of the contractual cashflows.

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

The Group reclassifies debt investments only when its business model for managing those assets changes.

Measurement of financial instruments

Debt instruments

Measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into the following measurement category:

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest (SPPI), are measured at amortised cost. Interest income from these financial assets is included in profit or loss using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in arriving at net profit in the statement of comprehensive income.

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2. Material Accounting Policies (Continued)

(h) Financial instruments (continued)

Measurement of financial instruments (continued)

Equity instruments

The Group measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Impairment of financial instruments

The Group determines impairment of financial instruments using the expected credit loss (ECL) model. The Group incorporates forward-looking information and applies both the general model and the simplified approach when calculating ECLs.

Application of the General Model

The Group has applied the 'general model' as required under IFRS 9 for debt instruments other than trade receivables. Under this model, the Group is required to assess on a forward-looking basis the ECL associated with its debt instrument assets carried at amortised cost. The ECL will be recognised 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. Under current guidance, 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.

ECL is calculated as the product of the Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

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 that represents the PD 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 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 will be included in this stage. Similar to Stage 2, the allowance for credit losses will continue to capture the lifetime ECL.

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2. Material Accounting Policies (Continued)

(h) Financial instruments (continued)

Impairment of financial instruments (continued)

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

Assessment of Significant Increase in Credit Risk

The assessment of a significant increase in credit risk is done on a relative basis. 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 and at the segment level for retail exposures. 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. Measurement 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.

The Group uses three scenarios that are probability-weighted to determine ECL.

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.

Application of the Simplified Approach

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, 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 segment of aged receivables as well as the estimated impact of forward-looking information.

Wisynco Group Limited

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2. Material Accounting Policies (Continued)

(i) Inventories

Inventories are stated at the lower of cost and net realisable value.

The cost of raw materials is determined using the weighted average cost method. The cost of work in progress and manufactured finished goods is determined using standard raw material cost, plus budgeted cost of labour and factory overheads, which approximates actual cost. The cost of goods purchased for resale is the suppliers' invoice price applied on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Impairment of trade receivables is determined using the simplified approach based on the requirements of IFRS 9 as outlined in Note 2(h) above.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the profit or loss in selling and distribution expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in profit or loss.

(k) Cash and cash equivalents

Cash and cash equivalents are carried on the statement of financial position at cost. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise investment securities with less than 90 days maturity from the date of acquisition including cash balances, short term deposits, securities purchased under agreements to resell and bank overdrafts.

(l) Payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables are initially recognised at fair value and subsequently stated at amortised cost.

Wisynco Group Limited

Notes to the Financial Statements

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2. Material Accounting Policies (Continued)

(m) Leases

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. Each lease payment is allocated between the liability 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. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

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 payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;

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 incremental borrowing rate. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point.

Potential future increases in variable lease payments based on an index or rate 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.

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 are recognised on a straight-line basis as an expense in the statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less.

Wisynco Group Limited

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2. Material Accounting Policies (Continued)

(m) Leases (continued)

The lease term is determined as the non-cancellable period of the lease and also takes account of extension and termination options if reasonably certain to be exercised. The extension and termination options held are exercisable only by the Group and not by the respective lessor. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

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

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of warehouses, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

As lessor

When assets are sold under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned income. Lease income is recognised over the term of the lease so as to reflect a constant periodic rate of return.

Wisynco Group Limited

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2. Material Accounting Policies (Continued)

(n) Borrowings and borrowings costs

Borrowings are recognised at the proceeds received; net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective yield method.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(o) Income taxes

Taxation expense in the statement of comprehensive income comprises current and deferred tax charges.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The Group's liability for current tax is calculated at tax rates that have been enacted at the year-end.

Deferred tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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.

Wisynco Group Limited

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2. Material Accounting Policies (Continued)

(o) Income taxes (continued)

IFRS 16 'Leases' requires that the lessee recognises a right-of-use asset and a lease liability. The lease payments made by the Group are tax-deductible on a cash basis. Consequently, the tax bases of the right-of-use assets and lease liabilities are nil. The result is a taxable temporary difference in relation to the right-of-use asset and a deductible temporary difference in relation to the lease liability.

IAS 12 'Income Taxes' provides that an entity does not recognise a deferred tax asset or a deferred tax liability to the extent that it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit. This is referred to as the initial recognition exception.

IAS 12 'Income Taxes' does not specifically address the tax effects of right-of-use assets and lease liabilities. There are two principal approaches to the deferred tax accounting. The choice of approach is a matter of accounting policy, to be applied on a consistent basis. The Group's accounting policy choice considers the asset and the liability separately. With this approach, the Group applies the initial recognition exemption separately to the right-of-use asset and lease liability. The lease transaction will not affect accounting or taxable profit on initial recognition and consequently there is no deferred tax accounting throughout the entire lease term. Instead, the temporary differences related to the right-of-use asset and the lease liability affect the effective tax rate and are disclosed as reconciling items when explaining the relationship between tax expense and accounting profit.

(p) Employee benefits

Pension obligations

The Company participates in a defined contribution plan whereby it pays contributions to a privately administered fund. Once the contributions have been paid, the Company has no further payment obligations. The regular contributions constitute net periodic costs for the year in which they are due and are included in staff costs.

Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date. The Company recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve months after the year-end are discounted to present value.

Profit-sharing plans

A liability for employee benefits in the form of profit-sharing plans is recognised when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

- (i) There is a formal plan and the amounts to be paid are determined before the time of issuing the financial statements; or
- (ii) Past practice has created a valid expectation by employees that they will receive a profit-sharing and the amount can be determined before the time of issuing the financial statements.

Liabilities for profit-sharing plans are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

Wisynco Group Limited

Notes to the Financial Statements

30 June 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(p) Employee benefits (continued)

Leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

LTIP payments

The Group operates an equity-settled, incentive scheme. Senior executives and key management are awarded stock options. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense in staff costs. The total amount expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of non-marketing conditions. When options are exercised, the proceeds net of any transactions costs or the value transferred are credited to share capital.

(q) Provisions

Provisions 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 a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed; the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(r) Dividends

Dividends are recorded as a deduction from equity in the period in which they are approved.

(s) 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 the performance of the operating segments, has been identified as the Chief Executive Officer who makes strategic decisions.

Wisynco Group Limited

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(expressed in Jamaican dollars unless otherwise indicated)

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 practices.

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The Board has established a Group Finance Department for managing and monitoring risks. This department is responsible for managing the Group's assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group. It identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

(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 an 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, investment activities and amounts loaned to related parties. The Group structures the levels of credit risk it undertakes by placing terms and limits on the amount of risk accepted in relation to a single counterparty or group of related counterparties.

Credit review process

The Group has a credit department whose responsibility involves regular analysis of the ability of customers and other counterparties to meet trade, interest, capital and other repayment obligations.

Wisynco Group Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

(i) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit department has established a credit policy under which each customer is analysed individually for creditworthiness prior to the Group offering them a credit facility. Risky customers are required to provide a banker's guarantee and credit limits are assigned to each customer, which represents the maximum credit allowable without approval from the credit department; these are reviewed semi-annually. The Group has procedures in place to restrict customer orders if the order will exceed their credit limits. Customers that fail to meet the Group's benchmark creditworthiness may transact business with the Group on a prepayment basis.

Customers' credit risks are monitored according to their credit characteristics such as whether the customer is an individual or company, industry, ageing profile, and previous financial difficulties. Trade and other receivables relate mainly to the Group's wholesale, retail and food service customers.

The Group's average credit period on the sale of goods is 30 days. The Group has provided fully for all receivables based on an estimate of amounts that would be irrecoverable, determined by taking into consideration past default experience, current economic conditions and expected receipts and recoveries once impaired.

(ii) Investments

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

(iii) Loans receivable

The Group's exposure for credit risk for loans receivable is limited to related party JP Snacks Caribbean Limited; which management does not expect to fail to meet its obligations.

Wisynco Group Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Maximum exposure to credit risk

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Receivables	4,562,685	5,358,857	4,538,433	5,306,981
Cash and short-term deposits	5,275,832	10,129,216	4,877,921	9,802,879
Investment securities	4,161,716	2,282,325	4,161,716	2,282,325
Loans receivable	311,215	272,195	311,215	272,195
	<u>14,311,448</u>	<u>18,042,593</u>	<u>13,889,285</u>	<u>17,664,380</u>

The table above represents a worst-case scenario of credit risk exposure at 30 June. During the year, the Group did not renegotiate any trade receivables.

Loss allowance

	2024			2023		
	Gross Carrying Amount \$'000	Loss Allowance \$'000	Expected loss rate	Gross Carrying Amount \$'000	Loss Allowance \$'000	Expected loss rate
0 to 30 days	2,672,478	-	-	2,438,993	2,111	.09%
31 to 60 days	909,303	8,941	.99%	612,738	14,895	2.4%
60 to 90 days	193,581	10,648	5.5%	140,176	7,323	5.2%
90 days or more	<u>1,920</u>	<u>1,920</u>	100	<u>5,367</u>	<u>5,367</u>	100%
Gross amount	<u>3,777,282</u>	<u>21,509</u>		<u>3,197,274</u>	<u>29,696</u>	

Wisynco Group Limited

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Movements on the provision for impairment of trade receivables are as follows:

	The Group and Company	
	2024	2023
	\$'000	\$'000
At 1 July	29,696	34,026
Provision for receivables impairment	12,974	5,972
Bad debt written off	(9,146)	(5,557)
Bad debt recovered	(12,015)	(4,745)
At 30 June	<u>21,509</u>	<u>29,696</u>

For loans receivable and amounts due from related parties, the impairments losses were not deemed material for the current year.

Credit exposure for trade receivables

The following table summarises the Group's and Company's credit exposure for trade receivables at their carrying amounts:

	The Group and Company	
	2024	2023
	\$'000	\$'000
Retail	1,972,579	1,824,584
Wholesale	1,292,716	851,195
Hotels and Restaurants	266,701	316,391
Export	245,286	205,104
	<u>3,777,282</u>	<u>3,197,274</u>
Less: Provision for credit losses	(21,509)	(29,696)
	<u>3,755,773</u>	<u>3,167,578</u>

Investment securities and loan receivables

The Group's bond portfolio contains one security which experienced a significant increase in credit risk during the year. That bond therefore experienced a stager migration and was classified as a stage 3 bond. All other investments remained classified as Stage 1. The ECL for the stage 3 bond was determined using a lifetime PD, while the ECLs for all other investments were determined using a 12 month PD.

Wisynco Group Limited

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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 Group Finance Department, includes:

- (i) Monitoring future cash flows and liquidity on a regular 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 committed lines of credit; and
- (iii) Optimising cash returns on investment.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates.

The Group is contingently liable to its bankers in respect of guarantees in the ordinary course of business totaling approximately \$64,500,000 (2023 - \$64,500,000).

Wisynco Group Limited

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(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Financial liabilities cash flows

The tables below summarise the maturity profile of the Group's and Company's financial liabilities at 30 June based on contractual undiscounted payments at contractual maturity dates.

	The Group					Total \$'000
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	
	\$'000	\$'000	\$'000	\$'000	\$'000	
	2024					
Liabilities						
Borrowings	209,246	208,505	650,126	2,589,474	-	3,657,351
Lease liabilities	29,541	32,654	73,419	52,267	-	187,881
Trade and other payables	5,172,446	1,525,174	923,537	-	-	7,621,157
Total financial liabilities	5,411,233	1,766,333	1,647,082	2,641,741	-	11,466,389

	The Group					Total \$'000
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	
	\$'000	\$'000	\$'000	\$'000	\$'000	
	2023					
Liabilities						
Borrowings	149,894	169,943	904,334	3,297,093	164,978	4,686,242
Lease liabilities	12,995	25,258	80,846	45,434	-	164,533
Trade and other payables	3,843,901	1,597,997	488,373	-	-	5,930,271
Total financial liabilities	4,006,790	1,793,198	1,473,553	3,342,527	164,978	10,781,046

Assets available to meet all the liabilities and to cover financial liabilities include cash and short-term deposits.

Wisynco Group Limited

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(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

	The Company					Total
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2024					
Liabilities						
Borrowings	209,246	208,505	650,126	2,589,474	-	3,657,351
Lease liabilities	29,541	32,654	73,419	52,267	-	187,881
Trade and other payables	5,135,689	1,525,174	923,537	-	-	7,584,400
Total financial liabilities	5,374,476	1,766,333	1,647,082	2,641,741	-	11,429,632
	2023					
	The Company					Total
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2023					
Liabilities						
Borrowings	149,894	169,943	904,334	3,297,093	164,978	4,686,242
Lease liabilities	12,995	25,258	80,846	45,434	-	164,533
Trade and other payables	3,843,901	1,597,997	196,955	-	-	5,638,853
Total financial liabilities	4,006,790	1,793,198	1,182,135	3,342,527	164,978	10,489,628

Assets available to meet all the liabilities and to cover financial liabilities include cash and short-term deposits.

Wisynco Group Limited

Notes to the Financial Statements

30 June 2024

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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 Finance Department. Market risk exposures are measured using sensitivity analysis.

(i) **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 primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

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.

Concentrations of currency risk

The Group and Company have accounts receivable, cash and deposits, long term receivable net of accounts payable and lease liabilities denominated in United States dollars, amounting to an asset of J\$5,144,144,000 and J\$4,670,576,000 at 30 June 2024 (2023 - J\$7,717,080,000 and 7,253,389,000) respectively. The Group and Company also have cash and deposits net of accounts payable denominated in Euros, amounting to an asset of J\$442,216,000 (2023 - J\$621,730,969).

Wisynco Group Limited

Notes to the Financial Statements

30 June 2024

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity

The following tables indicate the currencies to which the Group and Company had significant exposure on their monetary assets and liabilities and forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a reasonably expected change in foreign currency rates.

The Group				
	% Change in Currency Rate	Effect on Profit before Taxation	% Change in Currency Rate	Effect on Profit before Taxation
	%	2024 \$'000	%	2023 \$'000
Currency:				
USD - revaluation	(51,441)	+1	+1	(77,171)
USD - devaluation	205,765	-4	-4	308,683
EURO - revaluation	4,422	+1	+1	(6,217)
EURO - devaluation	(17,688)	-4	-4	24,869

The Company				
	% Change in Currency Rate	Effect on Profit before Taxation	% Change in Currency Rate	Effect on Profit before Taxation
	%	2024 \$'000	%	2023 \$'000
Currency:				
USD - revaluation	(46,706)	+1	+1	(72,534)
USD - devaluation	186,823	-4	-4	290,135
EURO - revaluation	4,422	+1	+1	(6,217)
EURO - devaluation	(17,688)	-4	-4	24,869

Wisynco Group Limited

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(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) *Interest rate risk*

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The Group'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 liabilities.

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.

Wisynco Group Limited

Notes to the Financial Statements

30 June 2024

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	The Group						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non- Interest Bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2024						
Assets							
Investment securities		-	301,590	3,860,126	-	123,709	4,285,425
Receivables	-	-	-	-	-	4,562,685	4,562,685
Cash and short-term deposits	5,275,349	-	-	-	-	483	5,275,832
Long-term receivable	1,392	-	8,007	301,816	-	-	311,215
Total financial assets	5,276,741	-	309,597	4,161,942	-	4,686,877	14,435,157
Liabilities							
Borrowings	192,085	177,800	526,612	2,224,000	-	-	3,120,497
Lease Liabilities	16,707	43,990	69,595	49,464	-	-	179,756
Trade and other payables	-	-	-	-	-	7,621,157	7,621,157
Total financial liabilities	208,792	221,790	596,207	2,273,464	-	7,621,157	10,921,410
Total interest repricing gap	5,067,949	(221,790)	(286,610)	1,888,478	-	(2,934,280)	3,513,747
Cumulative interest repricing	5,067,949	4,846,159	4,559,549	6,448,027	6,448,027	3,513,747	

Wisynco Group Limited

Notes to the Financial Statements

30 June 2024

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	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						
Assets							
Investment securities	-	-	1,980,116	302,209	-	127,660	2,409,985
Receivables	-	-	-	-	-	5,358,857	5,358,857
Cash and short-term deposits	5,626,513	4,502,220	-	-	-	483	10,129,216
Long-term receivable	1,847	1,189	10,877	252,765	5,517	-	272,195
Total financial assets	5,628,360	4,503,409	1,990,993	554,974	5,517	5,487,000	18,170,253
Liabilities							
Borrowings	132,859	121,258	751,963	2,775,200	160,000	-	3,941,280
Trade and other payables	-	-	-	-	-	5,930,271	5,930,271
Lease liabilities	12,187	23,823	76,980	41,863	-	-	154,853
Total financial liabilities	145,046	145,081	828,943	2,817,063	160,000	5,930,271	10,026,404
Total interest repricing gap	5,483,314	4,358,328	1,162,050	(2,262,089)	(154,483)	(443,271)	8,143,849
Cumulative interest repricing	5,483,314	9,841,642	11,003,692	8,741,603	8,587,120	8,143,849	

Wisynco Group Limited

Notes to the Financial Statements

30 June 2024

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non- Interest Bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2024						
Assets							
Investment securities	-	-	301,590	3,860,126	-	123,709	4,285,425
Receivables	-	-	-	-	-	4,538,433	4,538,433
Cash and short-term deposits	4,877,438	-	-	-	-	483	4,877,921
Long term receivable	1,392	-	8,007	301,816	-	-	311,215
Total financial assets	4,878,830	-	309,597	4,161,942	-	4,662,625	14,012,994
Liabilities							
Borrowings	192,085	177,800	526,612	2,224,000	-	-	3,120,497
Lease liabilities	16,707	43,990	69,595	49,464	-	-	179,756
Trade and other payables	-	-	-	-	-	7,584,400	7,584,400
Total financial liabilities	208,792	221,790	596,207	2,273,464	-	7,584,400	10,884,653
Total interest repricing gap	4,670,038	(221,790)	(286,610)	1,888,478	-	(2,921,775)	3,128,341
Cumulative interest repricing	4,670,038	4,448,248	4,161,638	6,050,116	6,050,116	3,128,341	

Wisynco Group Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non- Interest Bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2023						
Assets							
Investment securities	-	-	1,980,116	302,209	-	127,660	2,409,985
Receivables	-	-	-	-	-	5,306,981	5,306,981
Cash and short-term deposits	5,626,513	4,175,883	-	-	-	483	9,802,879
Long term receivable	1,847	1,189	10,877	252,765	5,517	-	272,195
Total financial assets	5,628,360	4,177,072	1,990,993	554,974	5,517	5,435,124	17,792,040
Liabilities							
Borrowings	132,859	121,258	751,963	2,775,200	160,000	-	3,941,280
Lease liabilities	12,187	23,823	76,980	41,863	-	-	154,853
Trade and other payables	-	-	-	-	-	5,638,853	5,638,853
Total financial liabilities	145,046	145,081	828,943	2,817,063	160,000	5,638,853	9,734,986
Total interest repricing gap	5,483,314	4,031,991	1,162,050	(2,262,089)	(154,483)	(203,729)	8,057,054
Cumulative interest repricing	5,483,314	9,515,305	10,677,355	8,415,266	8,260,783	8,057,054	

Interest rate sensitivity

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

(iii) 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 equity investments held and classified on the statement of financial position as FVOCI. The Group manages its price risk by trading these instruments when appropriate to reduce the impact of any adverse price fluctuations.

Wisynco Group Limited

Notes to the Financial Statements

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(iii) Price risk (continued)

The table below summarises the impact of (decreases)/increase on the Company's other components of equity. The analysis is based on the assumption that the equity prices had increased by 6% and decreased by 3% (2023 - 6% increase and decrease by 3%) with all other variables held constant.

	Equity Securities	
	Effect on Other Components of Equity	Effect on Other Components of Equity
	2024 \$'000	2023 \$'000
Change in index:		
Decrease of 3% (2023 – 3%)	(3,711)	(3,830)
Increase of 6% (2023 – +6%)	7,423	7,660

(d) Capital management

The Group manages its capital resources according to the following objectives:

- (i) To continue as a going concern in order to provide benefits for stakeholders;
- (ii) To maintain a strong capital base which is sufficient for the future development of the Group's operations; and
- (iii) To comply with capital requirements as stipulated by loan covenants.

The Group is exposed to externally imposed capital requirements as a result of loans issued by specific financial institutions as follows:

	Required	Actual 2024	Actual 2023
Minimum current assets to current liabilities	1.20:1	1.73:1	2.73:1
Minimum earnings before interest, taxation depreciation and amortisation	2.1	8.05	7.09
Maximum debt to earnings before interest, taxation depreciation and amortisation	2.33:1	0.41:1	0.55:1
Minimum interest cover	2.9 times	34 times	55 times
Minimum debt service coverage margin	2.0 times	8.0 times	6.27 times

Wisynco Group Limited

Notes to the Financial Statements

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3. Financial Risk Management (Continued)

(e) Fair value estimation

Financial instruments that are measured in the statement of financial position at fair value are classified by level in one of the following fair value measurement hierarchy:

- Level 1 includes those instruments which are measured based on quoted prices in active markets for identical assets or liabilities.
- Level 2 includes those instruments which are measured using inputs other than quoted prices within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 includes those instruments which are measured using valuation techniques that include inputs for the instrument that are not based on observable market data (unobservable inputs).

The Group's financial instruments are classified as amortised cost and FVOCI as disclosed in Note 19.

The amounts included in the financial statements for cash and short-term deposits, receivables and payables, and due to parent company reflect their approximate fair values because of the short-term maturity of these instruments.

The fair value of corporate bonds, long-term borrowings and long-term receivables approximates carrying value as the contractual cash flows are at current market interest rates that are available to the Group for similar financial instruments.

There were no transfers between the Levels.

The Group and Company				
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
	2024			
Investment securities – Quoted equities	123,709	-	-	123,709
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
	2023			
Investment securities – Quoted equities	127,660	-	-	127,660

Wisynco Group Limited

Notes to the Financial Statements

30 June 2024

(expressed in Jamaican dollars unless otherwise indicated)

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Group's accounting policies.

In the process of applying the Group's accounting policies, management has not made any judgements that would cause a significant impact on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

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 initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Impairment of investment in associate

In assessing impairment of the Group's investments of its associated company, JP Snacks Caribbean Limited, management has used a value-in-use (VIU) methodology to determine the recoverable amount. The VIU methodology requires management to estimate discount rates, gross profit margins and a terminal value growth rate in determining the recoverable amount. These estimates are unobservable, and the recoverable amount is sensitive to changes in these estimates (Note 17).

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5. Revenue

Revenues can be disaggregated as follows:

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Export	1,171,180	1,135,710	1,171,180	1,135,710
Local	52,394,632	46,853,263	52,394,632	46,853,263
Related parties	683,162	704,039	683,162	704,039
Revenue transferred at a point in time	54,248,974	48,693,012	54,248,974	48,693,012
Other revenue	20,872	12,442	-	-
	<u>54,269,846</u>	<u>48,705,454</u>	<u>54,248,974</u>	<u>48,693,012</u>

6. Other Operating Income

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Bad debts recovered	5,136	4,126	5,136	4,126
Commission income	18,053	11,409	-	-
Discount received	24,110	32,106	24,110	32,106
Gain on disposal of property, plant and equipment	17,178	26,586	17,178	26,586
Management fees (Note 13(d))	10,250	10,223	10,250	10,223
Other	103,499	75,340	103,499	75,340
Rebates	46,055	34,440	46,055	34,440
Rental income (Note 13(d))	33,616	27,350	33,616	27,350
Storage income	38,927	31,201	38,927	31,201
	<u>296,824</u>	<u>252,781</u>	<u>278,771</u>	<u>241,372</u>

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7. Expenses by Nature

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Advertising costs	868,775	762,361	868,775	762,361
Audit fees	28,820	20,067	25,047	16,950
Bad debt expense	12,974	31,533	12,974	31,533
Commissions	204,828	189,134	204,828	189,134
Cost of inventory recognised as expense	30,586,523	27,530,467	30,586,523	27,530,467
Delivery and motor vehicle expenses	2,817,170	2,449,380	2,817,170	2,449,380
Directors' fees	22,700	16,200	22,700	16,200
Insurance	54,777	45,462	451,128	322,574
Other operating expenses	2,131,469	1,674,738	1,773,703	1,447,331
Property expenses, including depreciation	3,835,625	3,093,352	3,835,625	3,093,352
Royalties (Note 13 (d))	25,393	24,900	25,393	24,900
Staff costs (Note 8)	7,424,776	6,335,149	7,424,776	6,335,149
Utilities	646,080	628,107	646,085	628,107
	<u>48,659,910</u>	<u>42,800,850</u>	<u>48,694,727</u>	<u>42,847,438</u>

8. Staff Costs

	<u>The Group and Company</u>	
	2024	2023
	\$'000	\$'000
Wages and salaries	5,869,510	5,016,346
Statutory contributions	655,467	604,974
Other	518,288	407,956
Pension contributions (Note 32)	231,843	195,710
LTIP expenses	147,087	109,599
Termination costs	2,581	564
	<u>7,424,776</u>	<u>6,335,149</u>

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9. Finance Income

	The Company	
	2024	2023
	\$'000	\$'000
Dividend income	1,057	530
Interest income	607,271	443,957
Foreign exchange gain	8,105	-
	<u>616,433</u>	<u>444,487</u>

10. Finance Costs

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Interest expense -				
Bank borrowings	24,043	59,859	24,043	59,859
Leases (Note 25)	7,269	14,263	7,269	14,263
	<u>31,312</u>	<u>74,122</u>	<u>31,312</u>	<u>74,122</u>
Foreign exchange loss	-	51,911	-	51,911
Net foreign exchange loss on foreign currency leases	-	3,508	-	3,508
Other	2,004	1,806	2,004	1,806
	<u>33,316</u>	<u>131,347</u>	<u>33,316</u>	<u>131,347</u>

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11. Taxation

The taxation charge is computed on the profit for the year, adjusted for tax purposes, and comprises income tax at 25%:

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current income tax	1,119,538	1,286,700	1,119,538	1,286,700
Prior year (over-accrual)/ under-accrual	(166,079)	74,972	(166,079)	74,972
Deferred income tax (Note 30)	309,125	28,806	309,125	28,806
	<u>1,262,584</u>	<u>1,390,478</u>	<u>1,262,584</u>	<u>1,390,478</u>

The tax on the Group's and Company's profit differs from the theoretical amount that would arise using the statutory tax rate as follows:

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Profit before tax	<u>6,449,950</u>	<u>6,313,053</u>	<u>6,416,135</u>	<u>6,230,697</u>
Tax calculated at applicable tax rate	1,612,488	1,578,263	1,604,034	1,557,674
Adjusted for the effects of:				
Expenses not deductible for tax purposes	15,670	35,897	15,670	51,903
Share of results of associate	9,981	13,025	-	-
Employment tax credit	(195,051)	(291,484)	(195,051)	(291,484)
Prior year (over-accrual)/ under-accrual	(166,079)	74,972	(166,079)	74,972
Other	(14,425)	(20,195)	4,010	(2,587)
Tax expense	<u>1,262,584</u>	<u>1,390,478</u>	<u>1,262,584</u>	<u>1,390,478</u>

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11. Taxation (Continued)

The tax credit/(charge) relating to other comprehensive income and equity is as follows:

	2024			2023		
	Before tax \$'000	Tax credit \$'000	After tax \$'000	Before tax \$'000	Tax charge \$'000	After tax \$'000
Exchange differences on translation of foreign subsidiary	(11,371)	-	(11,371)	6,606		6,606
Share of other comprehensive income of associate	3,235	-	3,235	3,691	-	3,691
Unrealised losses on investment securities	(23,583)	-	(23,583)	(45,754)	-	(45,754)
LTIP expenses, net of taxes	147,087	(27,966)	119,121	109,599	(20,709)	88,890
	<u>115,368</u>	<u>(27,966)</u>	<u>87,402</u>	<u>74,142</u>	<u>(20,709)</u>	<u>53,433</u>
Deferred tax (Note 30)		<u>(27,966)</u>			<u>(20,709)</u>	

The company portion relating to other comprehensive income and equity is \$27,966,000 (2023- \$20,709,000)

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12. Earnings Per Stock Unit Attributable to Ordinary Stockholders

Earnings per stock unit is calculated on net profit and is based on the weighted average number of ordinary stock units in issue during both years.

	2024	2023
Net profit attributable to ordinary stockholders (\$'000)	5,187,366	4,922,575
Weighted average number of ordinary stock units in issue ('000)	<u>3,755,675</u>	<u>3,754,144</u>
Basic earnings per stock unit (\$)	<u>1.38</u>	<u>1.31</u>

The diluted earnings per stock unit is calculated by adjusting the weighted average number of ordinary stock units outstanding to assume conversion of all dilutive potential ordinary stock units.

	2024	2023
Net profit attributable to ordinary stockholders (\$'000)	<u>5,187,366</u>	<u>4,922,575</u>
Weighted average number of ordinary stock units in issue ('000)	3,755,675	3,754,144
Effect of dilutive potential ordinary stock units ('000)	<u>16,181</u>	<u>5,802</u>
	<u>3,771,856</u>	<u>3,759,946</u>
Diluted earnings per stock unit (\$)	<u>1.38</u>	<u>1.31</u>

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13. Related Party Transactions and Balances

Parent Entities:

The group is controlled by the following entities:

Entity	Type	Country of Incorporation	Group's percentage interest	
			2024	2023
Wisynco Group Caribbean Limited	Immediate parent	Barbados	74	74
Evesam Investments Holdings Limited	Ultimate parent	Cayman Islands	36	36

Subsidiary:

Interest in subsidiary is set out in Note 2(b)(i).

Associate:

Interests in associates are set out in Note 2(b)(ii) and Note 17.

Affiliates:

Affiliates comprise companies in which the immediate parent has some share ownership. The following entities are affiliates of the Group:

Convenient Brands Limited
Trade Winds Citrus Limited
Worthy Park Estate Limited
Seville Development Corporation Limited

The Group and Company entered into the following significant transactions with related parties during the year:

(a) Sale of goods and services

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Convenient Brands Limited	696,551	717,048	675,649	704,606
JP Snacks Caribbean Limited	1,700	19,811	1,700	19,811
Trade Winds Citrus Limited	1,598	647	1,598	647
Worthy Park Estate Limited	1,683	-	1,683	-
Key management	2,532	1,819	2,532	1,819
	<u>704,064</u>	<u>739,325</u>	<u>683,162</u>	<u>726,883</u>

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13. Related Party Transactions and Balances (Continued)

(b) Purchases of goods and services

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Trade Winds Citrus Limited	7,096,944	6,162,321	7,096,944	6,162,321
Antillean Foods Inc	671,519	654,742	671,519	654,742
Worthy Park Estate Limited	4,565,771	5,596,655	4,565,771	5,596,655
	<u>12,334,234</u>	<u>12,413,718</u>	<u>12,334,234</u>	<u>12,413,718</u>

(c) Expenses

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Insurance Expense				
Indies Insurance Company Limited	<u>-</u>	<u>-</u>	<u>417,145</u>	<u>281,779</u>
Interest expense				
Seville Development Corporation Limited	<u>939</u>	<u>370</u>	<u>939</u>	<u>370</u>
Rebates				
Convenient Brands Limited	<u>2,334</u>	<u>4,044</u>	<u>2,334</u>	<u>4,044</u>
	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Royalties				
Trade Winds Citrus Limited	<u>25,393</u>	<u>24,900</u>	<u>25,393</u>	<u>24,900</u>

Wisynco Group Limited

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13. Related Party Transactions and Balances (Continued)

(d) Income

	The Group and Company	
	2024	2023
	\$'000	\$'000
Interest Income		
JP Snacks Caribbean Limited	5,790	5,684
Antillean Foods Inc.	4,608	676
	<u>10,398</u>	<u>6,360</u>
Management Fees		
Convenient Brands Limited	<u>10,250</u>	<u>10,223</u>
Rental Income		
Worthy Park Estates Limited	<u>33,616</u>	<u>27,350</u>

(e) Year-end balances

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Receivables (Note 21)				
Receivables from affiliates -				
Convenient Brands Limited	76,239	60,245	76,239	60,245
Trade Winds Citrus Limited	40,031	14,275	40,031	14,275
JP Snacks Caribbean Limited	5,656	30,575	5,656	30,575
Worthy Park Estates Limited	15,595	8,226	15,595	8,226
Other affiliates	<u>807</u>	<u>3,575</u>	<u>807</u>	<u>3,575</u>
Included in receivables and prepayments	<u>138,328</u>	<u>116,896</u>	<u>138,328</u>	<u>116,896</u>
Long term receivable from associate				
Antillean Foods Inc (Note 18)	94,543	63,565	94,543	63,565
JP Snacks Caribbean Limited (Note 18)	<u>216,672</u>	<u>208,630</u>	<u>216,672</u>	<u>208,630</u>
	<u>311,215</u>	<u>272,195</u>	<u>311,215</u>	<u>272,195</u>

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13. Related Party Transactions and Balances (Continued)

(e) Year-end balances (continued)

	The Group and Company	
	2024	2023
	\$'000	\$'000
Payables (Note 23)		
Payables to affiliate -		
Convenient Brands Limited	180	103
Seville Development Corporation Limited	30,048	29,218
Trade Winds Citrus Limited	595,890	574,278
Worthy Park Estates Limited	468,238	348,954
Other Affiliates	11,803	30
	<u>1,106,159</u>	<u>952,583</u>
Payable to associate		
JP Snacks Caribbean Limited	48,256	49,414
Included in trade and other payables	<u>1,154,415</u>	<u>1,001,997</u>

(f) Key management compensation

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Salaries and other short-term employee benefits	726,082	648,199	726,082	648,199
Statutory contributions	66,288	58,410	66,288	58,410
Pension benefits	31,275	28,893	31,275	28,893
	<u>823,645</u>	<u>735,502</u>	<u>823,645</u>	<u>735,502</u>
Directors' emoluments –				
Management remuneration (included above)	<u>505,011</u>	<u>487,783</u>	<u>505,011</u>	<u>487,783</u>
Fees	<u>22,700</u>	<u>16,200</u>	<u>22,700</u>	<u>16,200</u>

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13. Related Party Transactions and Balances (Continued)

(g) Dividends declared

	The Group and Company	
	2024	2023
	\$'000	\$'000
Parent company	1,277,045	1,249,283
Key management	29,635	29,087
	<u>1,306,680</u>	<u>1,278,370</u>

Included in dividends declared are dividends accrued as noted below

(h) Dividends accrued

	The Group and Company	
	2024	2023
	\$'000	\$'000
Parent company	638,522	638,522
Key management	14,706	14,642
	<u>653,228</u>	<u>653,164</u>

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14. Property, Plant and Equipment

	The Group and Company						
	Land and Buildings	Furniture, Fixtures & Equipment	Motor Vehicles	Leasehold Improvements	Right of use assets	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost -							
At 1 July 2022	4,075,202	7,957,759	1,065,166	65,234	452,556	138,807	13,754,724
Additions	12,207	505,361	295,921	2,000	123,617	1,432,582	2,371,688
Disposals	-	-	(85,798)	-	-	-	(85,798)
At 30 June 2023	4,087,409	8,463,120	1,275,289	67,234	576,173	1,571,389	16,040,614
Additions	26,412	1,096,591	369,358	-	180,753	7,345,945	9,019,059
Transfers	481,631	3,006,726	-	-	-	(3,488,357)	-
Disposal	-	-	(41,370)	-	-	-	(41,370)
At 30 June 2024	4,595,452	12,566,437	1,603,277	67,234	756,926	5,428,977	25,018,303
Depreciation -							
At 1 July 2022	850,692	5,537,532	795,926	11,801	281,949	-	7,477,900
Charge for the year	111,877	662,635	154,723	15,515	143,151	-	1,087,901
Relieved on disposal	-	-	(85,572)	-	-	-	(85,572)
At 30 June 2023	962,569	6,200,167	865,077	27,316	425,100	-	8,480,229
Charge for the year	113,222	719,828	147,919	11,506	165,284	-	1,157,759
Relieved on disposal	-	-	(41,367)	-	-	-	(41,367)
At 30 June 2024	1,075,791	6,919,995	971,629	38,822	590,384	-	9,596,621
Net Book Value -							
30 June 2024	3,519,661	5,646,442	631,648	28,412	166,542	5,428,977	15,421,682
30 June 2023	3,124,840	2,262,953	410,212	39,918	151,073	1,571,389	7,560,385

The categorisation of right-of-use assets is detailed in Note 25.

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15. Intangible Assets

	The Group and Company Computer Software \$'000
Cost -	
At 1 July 2022	<u>190,181</u>
At 30 June 2023 and 30 June 2024	<u>190,181</u>
Amortisation -	
At 1 July 2022	183,270
Charge for the year	<u>5,272</u>
At 1 July 2023	188,542
Charge for the year	<u>1,639</u>
At 30 June 2024	<u>190,181</u>
Net Book Amount	
30 June 2024	<u><u>-</u></u>
30 June 2023	<u><u>1,639</u></u>

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16. Investment in Subsidiaries

	The Company	
	2024	2023
	\$'000	\$'000
Indies Insurance Company – 100%		
50,000 Ordinary shares, fully paid	<u>11,375</u>	<u>11,375</u>

17. Investment in Associate

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
At beginning of year	416,780	570,561	416,780	586,169
Impairment adjustment	-	(105,369)	-	(169,389)
Amounts recognised in other comprehensive income	3,235	3,691	-	-
Amounts recognised in profit and loss	(39,927)	(52,103)	-	-
Amounts recognised in the statement of financial position	<u>380,088</u>	<u>416,780</u>	<u>416,780</u>	<u>416,780</u>

Investment in associate for the current year comprise amounts recognised in the statement of financial position relating to ownership of 30% of the issued share capital of JP Snacks Caribbean Limited (consolidated) which was acquired on 29 April 2019. JP Snacks Caribbean Limited is the parent company and provides administrative services to its subsidiary Antillean Foods Inc. Antillean Foods Inc. manufactures and sells tropical snacks.

JP Snacks Caribbean Limited and its subsidiary Antillean Foods Inc. are private companies and there is no quoted market price available for its shares.

There are no contingent liabilities relating the Group's interest in JP Snacks Caribbean Limited (consolidated).

The Group's share of intangible assets related to JP Snacks Caribbean Limited includes trademarks, brands, customer relationships with an estimated useful life of 25, 5 and 10 years respectively, as well as goodwill.

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17. Investment in Associate (Continued)

The summarised information for JP Snacks Caribbean Limited (consolidated) that was accounted for using the equity method as at 30 June 2024 is as follows:

Summarised statement of financial position

	2024 \$'000	2023 \$'000
Current		
Cash and cash equivalents	47,292	92,627
Other current assets (excluding cash)	506,562	471,870
Total current assets	553,854	564,497
Other current liabilities (including trade payables)	290,915	270,111
Total current liabilities	290,915	270,111
Non-current		
Intangible assets	360,255	416,693
Total non-current assets	826,781	814,503
Total non-current liabilities	950,920	847,780
Net assets	138,800	261,109

Summarised income statement

	Group	
	2024 \$'000	2023 \$'000
Revenue	2,201,342	1,715,082
Depreciation	(55,522)	(67,779)
Amortisation	(60,509)	(59,594)
Interest expense	(33,933)	(25,755)
Loss before income tax	(133,090)	(194,424)
Loss after tax	(133,090)	(194,424)
Total comprehensive income for the year	(134,626)	(190,733)

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17. Investment in Associate (Continued)

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associate

	2024 \$'000	2023 \$'000
Summarised financial information		
Share Capital	577,580	577,580
Opening Accumulated deficit	(456,112)	(245,890)
Net Loss for the period	(133,090)	(194,424)
Other reserve at the end of the period	150,422	123,843
Total shareholder's equity	138,800	261,109
Interest in associate (%)	30%	30%
Interest in associate (J\$)	41,640	78,332
Carrying value	380,088	416,780

Reconciliation of investment in associate to the Company's share of net assets:

	The Group	
	2024 \$'000	2023 \$'000
Share of net assets	41,640	78,332
Goodwill	338,448	338,448
Carrying value	380,088	416,780

An impairment assessment was conducted by comparing the recoverable amount of the Group's investment in JP Snacks Caribbean Limited to the carrying amount as at 30 June 2024. Management has determined that the investment in JP Snacks Caribbean Limited is not impaired as the recoverable amount determined exceeded the carrying value. The recoverable amount of the investment was determined based on VIU calculations as discussed in Note 4(b).

The VIU calculation uses cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The key assumptions used in the estimation of value-in-use were as follows:

	The Group	
	2024	2023
Pre-tax discount rate	13.0%	14.0%
Terminal value growth rate	3.0%	3.0%
Gross profit margin	25.6%	26.0%

Wisynco Group Limited

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18. Loans Receivable

A promissory note of US\$1,230,555 was issued to JP Snacks Caribbean Limited on 29 April 2019. The note matures 29 April 2026 and interest accrues daily at an interest rate of 3% per annum payable at the maturity date. The carrying amount of \$216,673,000 (2023 - \$208,630,000) includes interest receivable of \$26,079,000 (2023 - \$20,052,000).

This represents promissory notes with a value of US\$602,000 issued to Antillean Foods Inc. The notes accrue interest daily at a rate of 6% per annum until 31 December 2024, and, commencing January 2025, monthly payments of principal and interest of US\$11,644.61 will become due until 31 December 2029, when the promissory notes mature. The notes' carrying amount of \$94,542,000 (2023 - \$63,565,000) includes interest receivable of \$1,253,000 (2023 - \$99,000).

Wisynco Group Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

19. Investment Securities

	The Group and Company	
	2024	2023
	\$'000	\$'000
Equity investment securities measured at fair value through other comprehensive income:		
Quoted	123,709	127,660
	123,709	127,660
Debt investment securities measured at amortised cost:		
Corporate bonds	4,161,716	2,282,325
Total investment securities	4,285,425	2,409,985

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19. Investment Securities (Continued)

	The Group and Company	
	2024	2023
	\$'000	\$'000
At beginning of year	2,409,985	1,712,121
Additions	3,020,843	1,170,720
Disposals	(1,189,922)	(464,350)
Foreign exchange gains	105,983	52,813
IFRS 9 impairment adjustment	(37,881)	(15,565)
Fair value changes recognized in other reserves	(23,583)	(45,754)
	4,285,425	2,409,985
Current portion	(301,590)	(1,105,844)
Non-current portion	3,983,835	1,304,141

20. Inventories

	The Group and Company	
	2024	2023
	\$'000	\$'000
Raw materials	1,914,630	1,931,855
Finished goods	519,839	295,230
Merchandise for resale	2,661,764	2,722,856
	5,096,233	4,949,941
Less: Provision for obsolete inventories	(70,306)	(64,362)
	5,025,927	4,885,579
Goods-in-transit	1,446,624	1,265,529
	6,472,551	6,151,108

Write-downs of inventories amounted to \$70,306,000 (2023-\$32,696,000). These were included were recognized as an expense during the year ended 30 June 2024 and included in cost of sales in the statement of comprehensive income.

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21. Receivables and Prepayments

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Trade receivables	3,777,282	3,197,274	3,777,282	3,197,274
Less: Provision for doubtful debts	(21,509)	(29,696)	(21,509)	(29,696)
Trade receivables, net	3,755,773	3,167,578	3,755,773	3,167,578
Prepayments	101,051	92,642	100,502	92,627
Receivables from related parties (Note 13(e))	138,328	116,896	138,328	116,896
Principal receivables	230,362	180,224	229,210	180,224
Deposits on fixed assets	85,431	1,638,007	85,431	1,638,007
Other receivables	352,791	256,152	329,691	204,276
	<u>4,663,736</u>	<u>5,451,499</u>	<u>4,638,935</u>	<u>5,399,608</u>

22. Cash and Cash Equivalents

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	2,944,996	2,423,551	2,547,569	2,097,214
Short-term deposits	2,330,836	7,705,665	2,330,352	7,705,665
	5,275,832	10,129,216	4,877,921	9,802,879
Bank overdrafts (Note 24)	(174,285)	(97,422)	(174,285)	(97,422)
	<u>5,101,547</u>	<u>10,031,794</u>	<u>4,703,636</u>	<u>9,705,457</u>

The weighted average effective interest rates on cash and short-term bank deposits at the year-end are as follows:

	2024	2023
	%	%
Short-term deposits –		
J\$	7.61	7.18
US\$	<u>4.81</u>	<u>4.97</u>

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(expressed in Jamaican dollars unless otherwise indicated)

23. Payables

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Trade payables	4,488,982	2,980,415	4,488,982	2,980,415
Statutory contributions payable	132,511	124,639	132,511	124,639
Dividend payable (Note 33)	864,841	863,486	864,841	863,486
Accrued expenses	868,692	800,410	861,775	800,410
Payables to related parties (Note 13 (e))	1,154,415	1,001,997	1,154,415	1,001,997
Other payables	494,381	559,542	474,061	514,417
	<u>8,003,822</u>	<u>6,330,489</u>	<u>7,976,585</u>	<u>6,285,364</u>

24. Borrowings

(a) Composition of borrowings

	The Group and Company	
	2024	2023
	\$'000	\$'000
Total borrowings -		
Bank loans -		
Long term	2,946,212	3,843,858
Bank overdraft	174,285	97,422
	<u>3,120,497</u>	<u>3,941,280</u>
Current -		
Bank overdraft (Note 22)	(174,285)	(97,422)
Current portion of long-term loans	(729,000)	(917,450)
Total current borrowings	<u>(903,285)</u>	<u>(1,014,872)</u>
Non-current borrowings	<u>2,217,212</u>	<u>2,926,408</u>

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(expressed in Jamaican dollars unless otherwise indicated)

24. Borrowings (Continued)

(a) Composition of borrowings (continued)

	The Group and Company	
	2024	2023
	\$'000	\$'000
Non-current -		
(i) Bank of Nova Scotia (6% - 2024)	-	72,500
(ii) National Commercial Bank (6.18% -2024)	-	152,000
(iii) Bank of Nova Scotia (5.65%, 2024)	-	141,490
(iv) National Commercial Bank (5.5% -2027)	233,000	284,757
(v) Bank of Nova Scotia (6% - 2028)	2,713,212	3,193,111
	2,946,212	3,843,858
Less: Current portion	(729,000)	(917,450)
	2,217,212	2,926,408

Non-current borrowings

- (i) This loan was unsecured and attracted interest at a fixed rate of 6.0% per annum. It was repayable over six years at \$36,250,000 per quarter after an initial moratorium period of up to 15 months from the initial disbursement. The loan was repaid during the year.
- (ii) This loan was unsecured and attracted interest at a fixed rate of 6.18% per annum. It was repayable over seven years at \$76,000,000 per quarter after an initial moratorium period of up to 9 months from the initial disbursement. The loan was repaid during the year.
- (iii) This loan was unsecured and attracted interest at a fixed rate of 5.65% per annum. It was repayable over 5 years at \$35,437,500 per quarter after an initial moratorium period of up to 15 months. The carrying value includes unamortised commitment fees of nil (2023 - \$260,000). The loan was repaid during the year.
- (iv) This loan is unsecured and attracts interest at a fixed rate of 5.5% per annum. It is repayable over seven years at \$17,800,000 per quarter. The carrying value includes unamortised commitment fees of \$1,232,000 (2023 - \$1,643,000).
- (v) This loan is unsecured and attracts interest at a fixed rate of 6.0% per annum. It is repayable over six years at \$160,000,000 per quarter after an initial moratorium period of up to 15 months from the initial disbursement. The carrying value includes unamortised commitment fees of \$5,556,000 (2023 - \$6,889,000).

Wisynco Group Limited

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24. Borrowings (Continued)

(b) Interest rate risk exposure

The weighted average effective interest rates on borrowings at the year-end were as follows:

	The Group and Company	
	2024	2023
	%	%
Current -		
Bank overdraft	17.75 – 23.75	17.75 – 35.75
Bank borrowings	5.50 – 6.00	5.50 – 6.18
Non-current -		
Bank borrowings	5.50 – 6.00	5.50 – 6.18

25. Leases

This note provides information for leases where the Group is a lessee.

(a) Amounts recognised in the statement of financial position

	The Group and Company	
	30 June	30 June
	2024	2023
	\$'000	\$'000
Right-of-use assets		
Land and buildings (Note 14)	166,542	151,073
Lease liabilities		
Current	130,292	114,808
Non-current	49,464	40,045
	179,756	154,853

The right-of-use assets in the statement of financial position relate to warehouse spaces leased for the storage of inventory.

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Notes to the Financial Statements

30 June 2024

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25. Leases (Continued)

(b) Lease liabilities

	The Group and Company
	\$'000
1 July 2022	168,028
Additions	128,874
Lease payments	(160,242)
Interest expense	14,685
Foreign exchange translation	3,508
1 July 2023	154,853
Additions	180,753
Lease payments	(162,192)
Interest expense	7,269
Foreign exchange translation	(927)
30 June 2024	179,756

Income arising from the sub-lease of right-of-use assets to a related party amounted to \$33,616,000 (2023 - \$27,350,000) (Notes 6 and 13).

(c) Amounts recognised in the statement of profit or loss

Included in profit or loss are the following amounts relating to right-of-use assets and lease liabilities:

	The Group and Company	
	2024	2023
	\$'000	\$'000
Depreciation charge on right-of-use assets		
Land and buildings (Note 14)	165,284	143,151
Interest expense	7,269	14,263

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26. Share Capital

	2024 \$'000	2023 \$'000
Authorised –		
4,000,000,000 (2023 – 4,000,000,000) Ordinary stock units		
Issued and fully paid –		
3,758,577,000 (2023 – 3,754,287,000) Ordinary stock units at no par value	<u>1,357,048</u>	<u>1,261,259</u>

During the year, an additional 4,290,000 shares were issued increasing the Group's total issued ordinary stock units to 3,758,577,000.

27. Other Reserves

	The Group and Company	
	2024	2023
	\$'000	\$'000
Realised gains	24,998	24,998
Unrealised surplus on revaluation of land and buildings	72,740	72,740
LTIP payments, net of taxes	448,944	329,823
Fair value gains on financial instruments – fair value through other comprehensive income	107,122	130,705
	<u>653,804</u>	<u>558,266</u>

Realised gains

This represents realised gains on the sale of assets.

Unrealised surplus on revaluation of land and building

This represents freehold land and buildings which were valued in 1993 by Stoppi Cairney Bloomfield and the resulting revaluation surplus of \$72,740,000 was credited to capital reserve. The revalued amounts were used as the deemed cost of these assets, upon transition to IFRS.

Fair value gains on financial instruments measured at fair value through other comprehensive income and financial instruments

This represents the fair value of quoted equity instruments.

Long Term Incentive Plan payments

The LTIP payments reserve is used to recognise the grant date fair value of options issued to employees but not exercised under the Group's LTIP (Note 35).

Wisynco Group Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

28. Translation Reserve

The translation reserve represents an accumulation of exchange differences arising on translation of the Company's foreign-controlled entity and foreign associate. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

29. Net Profit/Retained Earnings

	The Group	
	2024	2023
	\$'000	\$'000
At beginning of the year	19,218,397	15,985,222
Net profit attributable to:		
Company	5,153,551	4,840,219
Subsidiary	73,742	70,439
Associate net of impairment loss	(39,927)	11,917
	5,187,366	4,922,575
Dividends	(1,728,789)	(1,689,400)
At end of the year	22,676,974	19,218,397

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30. Deferred Income Taxes

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 25%.

The movement on the deferred income tax account is as follows:

	The Group and Company	
	2024	2023
	\$'000	\$'000
At the beginning of the year	41,982	33,885
Charged to profit or loss (Note 11)	309,125	28,806
Credited to equity	(27,966)	(20,709)
At end of the year	323,141	41,982

The movement in deferred tax assets and liabilities during the year is as follows:

Deferred tax liabilities

	The Group and Company				
	Excess of Capital Allowances over Depreciation	Unrealised Foreign Exchange Gain	Interest Receivable	Leases	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2022	124,097	12,436	3,528	644	140,705
Debited/(credited) to profit or loss	7,812	(10,503)	1,512	(1,589)	(2,768)
At 30 June 2023	131,909	1,933	5,040	(945)	137,937
Debited to profit or loss	322,596	8,586	1,828	945	333,955
At 30 June 2024	454,505	10,519	6,868	-	471,892

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30. Deferred Income Taxes (Continued)

Deferred tax assets

	Accrued vacation \$'000	Employee share option scheme	Unrealised Foreign exchange losses \$'000	Interest payable \$'000	Other \$'000	Total \$'000
At 1 July 2022	13,491	56,569	36,163	597	-	106,820
(Debited)/credited to profit or loss	2,871	-	(34,445)	-	-	(31,574)
Credited to equity	-	20,709	-	-	-	20,709
At 30 June 2023	16,362	77,278	1,718	597	-	95,955
Credited to profit or loss	2,301	-	6,040	3,715	12,774	24,830
Credited to equity	-	27,966	-	-	-	27,966
At 30 June 2024	18,663	105,244	7,758	4,312	12,774	148,751

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30. Deferred Income Taxes (Continued)

The amounts shown in the statement of financial position include the following to be recovered or settled after more than twelve months:

	<u>The Group and Company</u>	
	2024	2023
	\$'000	\$'000
Deferred tax assets to be recovered	<u>105,244</u>	<u>77,278</u>
Deferred tax liabilities to be settled	<u>454,505</u>	<u>131,909</u>

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position

	<u>The Group and Company</u>	
	2024	2023
	\$'000	\$'000
Deferred tax liabilities	<u>(323,141)</u>	<u>(41,982)</u>
At end of the year	<u>(323,141)</u>	<u>(41,982)</u>

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31. Cash Provided by Operating Activities

Cash provided by operating activities includes the following amounts:

	The Group		The Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Net profit	5,187,366	4,922,575	5,153,551	4,840,219
Items not affecting cash:				
Share of results of associates (Note 17)	39,927	52,103	-	-
Impairment loss in associates (Note 17)	-	105,369	-	169,389
Depreciation (Note 14)	1,157,759	1,087,901	1,157,759	1,087,901
Amortisation (Note 15)	1,639	5,272	1,639	5,272
Amortisation of loan commitment fees	2,004	1,805	2,004	1,805
Non-cash employee benefits expense – LTIP payments (Note 8)	147,087	109,599	147,087	109,599
Gain on sale of property, plant and equipment	(17,178)	(26,586)	(17,178)	(26,586)
Interest income (Note 9)	(607,271)	(443,957)	(607,271)	(443,957)
Dividend income (Note 9)	(1,057)	(530)	(1,057)	(530)
Interest expense (Note 10)	31,312	74,122	31,312	74,122
Taxation expense (Note 11)	1,262,584	1,390,478	1,262,584	1,390,478
Exchange gain on foreign currency balances	(83,359)	(58,552)	(108,828)	(65,255)
	7,120,813	7,219,599	7,021,602	7,142,457
Changes in operating assets and liabilities:				
Inventories	(321,443)	(735,769)	(321,443)	(735,769)
Receivables and prepayments	787,763	(1,433,902)	760,673	(1,410,876)
Trade and other payables	1,673,333	332,073	1,691,221	314,367
Cash generated from operations	9,260,466	5,382,001	9,152,053	5,310,179
Taxation paid	(1,249,768)	(1,021,087)	(1,249,768)	(1,021,087)
Cash inflow from operating activities	8,010,698	4,360,914	7,902,285	4,289,092

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31. Cash Provided by Operating Activities (Continued)

Reconciliation of movements of liabilities to cash flows arising from financing.

Amounts represent bank and other loans, excluding bank overdrafts

	The Group and Company	
	2024	2023
	\$'000	\$'000
At 1 July	3,551,703	1,172,090
Loans received	-	3,200,000
Leases repaid	(162,192)	(160,242)
Loans repaid	(899,650)	(661,950)
Amortisation of commitment fees	2,004	1,805
At 30 June	2,491,865	3,551,703

The principal non-cash transactions include the recognition of right-of-use assets (Note 14).

32. Pension Scheme

The Group participates in a defined contribution pension plan administered by Sagicor Life Jamaica Limited. Members contribute 5% of pensionable earnings which is matched by the employer. The employer also matches additional voluntary contributions, not exceeding 5%, made by members aged 45 and over who have 10 or more years of service. Pension contributions for the year are noted below for the Group and the Company.

	The Group and Company	
	2024	2023
	\$'000	\$'000
Pension contributions (Note 8)	231,843	195,710
	231,843	195,710

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33. Dividends

	2024	2023
	\$'000	\$'000
22 cents per stock unit -14 July 2023 (declared on 28 June 2023)	-	825,914
23 cents per stock unit – 4 August 2024 (declared 28 June 2024)	-	863,486
23 cents per stock unit -7 March 2024 (declared on 1 February 2024)	863,948	-
23 cents per stock unit – 12 August 2024 (declared 28 June 2024)	864,841	-
	<u>1,728,789</u>	<u>1,689,400</u>

34. Segment Reporting

The CODM regularly reviews local versus export sales, however, the local and export sales do not meet the threshold of a reportable segment under IFRS 8 and as such no separate segment information is presented. There are no individual customers that constitute more than 10% of total revenue and the CODM does not review assets and liabilities on a segment basis.

35. Long Term Incentive Plan

On October 1, 2019, the Group established a Long Term Incentive Plan administered by a committee of the Board of Directors. The Group received the approval to authorize a maximum of 5% of the total number of issued shares of no-par value, to be set aside for allocation and sale to the executive and other key management of the Company. The allocation and sale of these shares are governed by the provisions of the Company's Long-Term Incentive Plan Policy and the plan provides for an equitable adjustment of the allocated number of shares by reason of stock splits, stock dividend, recapitalization, combinations or exchanges of shares.

The plan is designed to provide long term incentives for executive and key management to deliver long-term shareholder returns. Under the plan, participants are granted options which vest when service conditions are met. Participation in the plan is at the board's discretion, responsibility for which has been delegated to the Corporate Governance and Compensation sub-committee. No individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Options are granted under the Plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary stock unit. The exercise price of options is determined by the Corporate Governance and Compensation Committee.

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35. Long Term Incentive Plan (Continued)

Options granted under the plan during the financial year 2024 are as follows:

	Average exercise price per option \$	Number of options
As at 1 July 2022	15.23	41,015,250
Granted during the year	17.45	22,956,400
Exercised during the year	11.94	(161,925)
Forfeited during the year	15.68	(676,000)
As at 30 June 2023	15.68	63,133,725
Granted during the year	16.21	31,222,000
Exercised during the year	12.64	(5,889,200)
Forfeited during the year	15.68	(1,546,800)
Expired during the year	11.94	(1,293,725)
As at 30 June 2024	17.68	85,626,000

The number of options vested and exercisable at the year-end is 32,274,000 (2023 – 15,613,250).

No options expired during the period.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Expiry Date	Exercise Price	Share options 30 June 2024	Share options 30 June 2023
1 Oct 2019	1 April 2024	7.87	-	292,000
1 Oct 2019	1 April 2024	16.00	-	5,408,325
1 Oct 2019	1 April 2025	23.00	9,413,000	9,651,000
1 Apr 2022	1 April 2027	14.06	22,861,000	25,114,000
1 Mar 2023	1 April 2029	17.45	22,130,000	22,668,400
1 May 2024	1 Jan 2030	16.21	31,222,000	-
Total			85,626,000	63,133,725

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35. Long Term Incentive Plan (Continued)

The fair value at the grant date is independently determined using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at the grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The model inputs for options granted during the year ended 30 June 2024 included:

- (a) Options vest based on defined service period.
- (b) Vested options are exercisable for a period of three years after vesting.
- (c) Exercise price: \$16.21
- (d) Grant date: 1 May 2024
- (e) Expiry date: 1 January 2030
- (f) Share price: \$20.73
- (g) Expected price volatility: 27.47% (based on historic volatility)
- (h) Expected dividend yield: 2.22%
- (i) Risk-free interest rate: 4.92%

36. Subsequent Event

The Directors confirm that there have been no material events subsequent to the end of the reporting period that have not been reflected in these financial statements.