



ANNUAL REPORT 2023

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**WI SOON
COME...**





...SPICE
UP DI TING



To be the premier manufacturer and supplier of authentic Jamaican flavours to the world.

VISION

MISSION

To create value for all stakeholders through the manufacturing and distribution of quality Jamaican products in an efficient and fun working environment.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a hybrid Annual General Meeting of Spur Tree Spices Jamaica Limited (the "Company") will be held on:

Date: Wednesday, August 14, 2024.

Time: 10:00 a.m.

Place: Courtleigh Hotel & Suites, 85 Knutsford Boulevard, Kingston 5, Jamaica,

Purpose: For the shareholders of the Company, to consider and if thought fit, approve the following Ordinary Resolutions of the Annual General Meeting

ORDINARY RESOLUTIONS 1 - 5

1. To receive the Reports of the Board of Directors, the Auditor and the Audited Accounts of the Company for the financial year ended December 31, 2023.

Resolution 1: Audited Accounts

"THAT the Audited Accounts for the year ended December 31, 2023 together with the Reports of the Board of Directors and the Auditor be and are hereby received and adopted."

2. To re-elect the retiring Directors.

The Directors retiring by rotation pursuant to the Company's Articles of Incorporation are Metry Seaga and Danielle Terrelonge, who being eligible offered themselves for re-election.

Resolution 2a: Re-appointment of Metry Seaga

"THAT the retiring Director Metry Seaga be re-elected as a director of the Company for the ensuing year."

Resolution 2b: Re-appointment of Danielle Terrelonge

"THAT the retiring Director Danielle Terrelonge, be re-elected as a director of the Company for the ensuing year."

3. To approve the payment of a dividend.

Resolution 3: Dividend Payment

"THAT a dividend payment of \$0.0150 cents per

share, paid on the 26th. day of January, 2024. to the shareholders on record as at December 22, 2023 be approve."

4. To fix the remuneration of the Directors.

Resolution 4: Directors' Remuneration

"THAT the Board of Directors of the Company be hereby authorized to fix the remuneration of the Directors of the Company."

5. SPECIAL NOTICE

The Board recommends the appointment of a new Auditor in accordance with section 154(5) of the Companies Act of Jamaica, and a Special Notice is hereby given of the appointment of a new Auditor to replace BDO as Auditor of the Company.

Resolution 5: Appointment of New Auditor

"THAT Messrs. Baker Tilly Strachan Lafayette, (Baker Tilly), a firm of Chartered Accountants of 10 Cargill Avenue, Kingston 10, Jamaica, be appointed Auditor of the Company, with effect from the conclusion of the 2024 Annual General Meeting (AGM), until the conclusion of the next AGM, to replace Messrs. BDO, who will not be re-appointed as Auditor."

AND

"THAT that the Directors of the Company will fix the remuneration of the new Auditor.

Dated this 29th. day of May, 2024

BY ORDER OF THE BOARD



Company Secretary

A [Proxy Form](#) accompanies this Notice of the Annual General Meeting.

Note: A shareholder entitled to attend and vote at this Annual General Meeting is entitled to appoint one or more proxies to attend and vote in his/her behalf. A proxy need not be a member of the Company.



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CORPORATE DATA

Directors

Chairman

Non-Executive Director / Chairman
Mr. Metry Seaga

Executive Directors

Mr. Albert Bailey (CEO)
Mr. Harrinarine Jagnarine

Non-Executive Directors

Mr. Anand James
Ms. Yana Samuels
Mr. Stephen Ricketts
Ms. Danielle Terrelonge

Mentor

Mrs. Tania Waldron-Gooden

Company Secretary

Ms. Ruth Jospheh

List of Senior Officers

Rani Badaloo Marketing Manager
Venetia Thomas Chief Accountant
Tamara Samms Inventory Manager
Sereta McDonald Production Manager
Fiona Downs Quality Assurance Manager
Rorie Atkinson Chief Design Officer

Attorney-At-Law

Myers, Fletcher & Gordon
Simone Bowie Jones (Partner)
21 East Street, Kingston

Bankers

National Commercial Bank Ja. Ltd.
32 Trafalgar Road, Kingston 10

First Global Bank Limited
28-48 Barbados Avenue, Kingston 5

Auditor

BDO Chartered Accountants,
26 Beechwood Avenue, Kingston 5

Spur Tree Spices Jamaica Limited

Registered Office Address
Unit 6B1 Garmex Freezone,
76 Marcus Garvey Drive
Kingston 13
Jamaica, W.I.
website: <https://spurtreejamaica.com>
telephone: (876)758-5263

ABOUT • SPUR TREE SPICES

At Spur Tree Spices, our dedication to quality and innovation drives our mission for continuous growth and expansion within the food manufacturing industry. We prioritise consumer solutions, evident in our crafted food products, designed to elevate flavours and deliver an authentic Jamaican taste experience. Committed to excellence, we use only the finest ingredients to meet the diverse needs of our customers.

As an export-oriented Company, Spur Tree Spices proudly serves customers worldwide through a robust distribution network, fostering a reputation for unparalleled quality and reliability. Our global presence extends our reach beyond borders, enabling us to transcend local markets and forge strategic partnerships with leading retailers and distributors.

Maintaining our commitment to excellence, Spur Tree Spices has upheld its Safe Quality Food (SQF) certification for the past 6 years, a testament to our dedication to food safety and quality management. This achievement reinforces our commitment to delivering the highest standards of excellence to our customers worldwide.

In January 2022, Spur Tree Spices achieved a significant milestone by listing on the Jamaica Stock Exchange Junior Market (JSE). The successful listing reflected our company's strength and opened opportunities for strategic growth and expansion.

We take immense pride in representing Brand Jamaica on a global scale and contributing to our Country's prosperity through our export-driven strategy. Our commitment to supporting local farmers and communities

is not just a business strategy, but a deep-rooted social responsibility. Our product innovation and creativity ensure that we deliver quality and convenience to our customers' kitchens while supporting local economies and showcasing our cultural heritage.

At Spur Tree Spices, we are driven by a relentless pursuit of improvement and evolution to meet the ever-changing needs of our customers and the market. As we continue our journey, we remain steadfast in our dedication to serving our customers to the best of our abilities, ensuring that their satisfaction is at the heart of everything we do. We do all this while staying true to our Jamaican heritage and values, which are the foundation of our success.







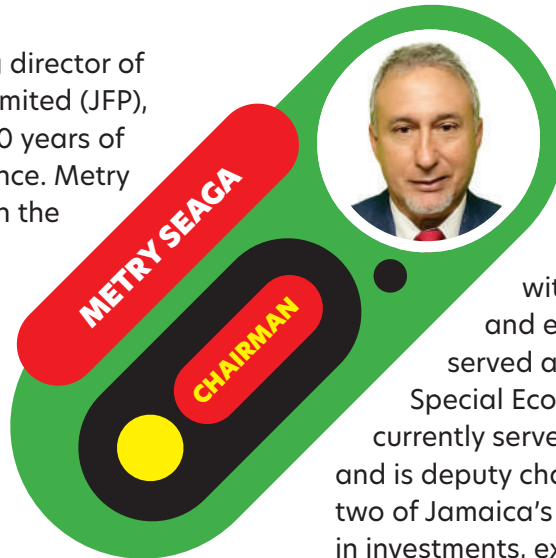
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BOARD OF DIRECTORS

Metry Seaga, the co-managing director of Jamaica Fibreglass Products Limited (JFP), is a businessman with nearly 40 years of business management experience. Metry started his own business, JFP, in the furniture manufacturing sector in 1986. Today, it is one of the Caribbean's premier contract manufacturers of commercial furniture. Over the years, his company has been the supplier of quality furnishing to leading brands such as Sandals Resorts, KFC, Marriott Hotels and Starbucks. Metry is a past president of the Jamaica Manufacturers Association (JMA) and is an avid advocate for the manufacturing sector to be given a more prominent role in building a better Jamaica. During his tenure



as JMA president, he oversaw the merger of the JMA and the Jamaica Exporters Association in forming the Jamaica Manufacturers and Exporters Association (JMEA), a more robust and agile organisation with a strong focus on manufacturing and export. Added to this, he previously served as the first chairman of the Jamaica Special Economic Zone Authority. Metry currently serves as chairman of e-Learning Jamaica and is deputy chairman of JAMPRO and Petrojam, two of Jamaica's important government agencies in investments, exports and energy. He is currently president of The Private Sector Organisation Of Jamaica (PSOJ) and serves as a board member of AMG Packaging and Paramount Trading, two publicly traded companies. In his limited spare time, he enjoys playing golf as a way to relax and unwind.

Certified Chartered Accountant, Albert Bailey, is a strategic thinker with over 32 years of leadership experience and a solid background in finance, operational management, and IT. He is also a Fellow Member of the Association of Chartered Certified Accountants (ACCA). Before joining Spur Tree Spices in January 2014, Albert worked with Island Grill for 14 years, initially as its financial controller, transforming the financial and accounting structure of the company and putting the business on a sustainable path to success. Albert also spearheaded the company's information technology strategy, implementing a wide area network, linking all restaurant operations to the Head Office. Assuming the position of general manager in 2003, he served in that role for 10 years, overseeing the expansion of the company to 18



restaurants. He did so while achieving and maintaining real growth in revenue and profits for the company every year, culminating in an unprecedented doubling of profits in 2012-13. He joined Spur Tree Spices in January 2014 as its Chief Executive Officer (CEO) and put together a detailed strategic plan for rapid growth of the company. As CEO, Albert oversees the strategic and operational management of Spur Tree Spices. Over the past 10 years, he has guided the growth and expansion of the business from a total revenue of J\$70 Million in 2013 to J\$1 Billion in 2022. Under his leadership, the company has consistently grown profits and undertaken strategic investments in brand and market development with special emphasis on capitalising on Jamaica's strong brand recognition in the export markets.

Many years prior to becoming an Executive Director of Spur Tree Spices, Harrinarine worked at the Caribbean Gum & Candy Ltd., where he acquired operational and sales skills. He then joined Chicken Supreme (now Island Grill) in 1989 as the restaurant manager of their flagship Twin Gates Plaza outlet. He was instrumental in introducing jerk chicken to the menu, which was an instant success and a major factor in the company's rebranding strategy. Establishing a central commissary for the marination of chicken for distribution to all Island Grill outlets, Harrinarine was a key player in building a first-world operation



for the chain of restaurants. In 2000, he joined Golden Crust Bakery and Grill as operations manager. In 2005, he returned to Jamaica and, in partnership with countryman and long-time friend, Anand James and Dennis Hawkins, established Spur Tree primarily to satisfy the growing demand for exotic Caribbean flavours in the export market. Mohan contributes to the overall strategic and operational direction of the company with a special emphasis on innovation, infrastructure, and overseas marketing, plus sourcing and installing equipment that allow the company to grow efficiencies and productivity. Mr. Jagnarine currently serves on the Remuneration Committee.



Mr. Ricketts was appointed to the Board of Spur Tree Spices in April 2022 and serves as a member of the Audit Committee.

He is a chartered accountant with over 25 years of professional experience. He holds an MBA from the Manchester Business School, a Bachelor of Science in Management Studies and Accounting from the University of the West Indies and an Associate Degree in Small Business Management from Northcentral Technical College in Wisconsin, USA. Mr. Ricketts has extensive knowledge of International Financial Reporting Standards (IFRS) and has a track



record of being a proven strategic and business development partner.

Mr. Ricketts is currently serving as Chief Financial Officer of a leading financial sector entity, where he has spent over fourteen years contributing to the growth and increased efficiency of that company. He serves on various investment and risk committees within that organisation.

He is an ordained minister of religion who enjoys sports and spending time with family. Mr. Ricketts currently serves on the Audit and Risk Management Committee

BOARD OF DIRECTORS

Attorney-at-law, Yana R. Samuels currently holds the positions of managing counsel, director of the Board, and Company secretary of J. Wray & Nephew Limited, a Campari Group company. She also sits as a board director and company secretary of the JWN Foundation, company secretary of Investment Nominees Limited, and trust secretary of the Lascelles deMercado Defined Contribution Fund. She previously worked as an associate at the law firms Samuda & Johnson, Attorneys-at-Law and Nunes, Scholefield, DeLeon & Co. Meanwhile, Yana's professional qualifications include a Bachelor of Laws



(LL.B.) from the University of the West Indies, a Master of Laws in International Trade and Commercial Law (LL.M.) from the University of Durham in the United Kingdom, and a Certificate of Legal Education (CLE) from the Norman Manley Law School. She also holds professional corporate secretary accreditation. She has previously served on the Board of Directors of the Spirits Pool Association Limited and the Caribbean Molasses (Jamaica) Company Limited. Ms. Samuels currently serves as chairperson for the Corporate Governance and Nomination Committee.

Marketing and Communications Professional, Danielle Terrelonge, holds a B.Sc. degree in psychology and management studies from the University of the West Indies. She is the owner and managing director of DRT Communications Ltd., a marketing communications and media company with over 40 clients across the Caribbean. Danielle's expertise has led her to develop and implement successful marketing communications strategies for companies such as KFC, Pizza Hut, Red Bull, Red Stripe, and several others. She is considered an expert in risk mitigation for businesses in the area of corporate communications and has worked with several companies through mergers, acquisitions



and initial public offerings. Danielle was the first recipient of angel investment from First Angels Jamaica in the Caribbean and thus the first woman to receive this type of investment. She successfully attracted three local business professionals and one business as investors. Danielle is also a fellow of Vital Voices, an international organisation committed to the development of businesswomen globally. Ms. Terrelonge currently serves as chairperson of the Remuneration Committee and is also a member of the Corporate Governance and Nomination Committee.

Consultant Director, Anand James, is a businessman with over 30 years of management experience and the former owner of Caribbean Flavours and Fragrances Limited (CFF) where he spearheaded the Initial Public Offering of CFF in 2013. As a founding member of Spur Tree Spices, he was instrumental in the growth and development of the company, especially in its formative years. Mr James is a trained, certified Teacher who also received his BA. Degree from the University



of Guyana and his MA. Degree from the U W I Mona. He is also a Director of AMJ Agro Processing Guyana Inc and of World Farms Inc. Barbados. He is also a JSE certified Corporate Governance practitioner and a Justice of the Peace. Mr. James currently serves as chairperson of the Audit and Risk Management Committee and is also a member of the Corporate Governance and Nomination Committee.



Tania Waldron-Gooden is the Chief Executive Officer (CEO) of Chicken Mistress Limited trading as Island Grill.

She has nineteen years of experience in areas of Investment Banking, Investment Analysis and Research, New Product Development, Pension Fund and Portfolio Management and Insurance Brokerage.

As the Mentor to various Junior Market companies, she is responsible for providing the Board with support in establishing proper procedures, systems, and



controls for its compliance with the Jamaica Stock Exchange Rules.

Mrs. Waldron-Gooden holds a Bachelor of Science degree (BSc. - Hons.) in Geology from the University of the West Indies, a Master of Business Administration degree (M.B.A) from the University of Sunderland in the U.K and has completed the Jamaica Securities Course as well as the Canadian Securities Course administered by the Canadian Securities Institute. Additionally, she holds a post graduate diploma in Paralegal Studies; and is registered/licensed by the Financial Services Commission as an Individual Investment Advisor.



Chartered Secretary Ruth Josephs is a meticulous consultant and resourceful in corporate affairs and corporate secretarial matters with over 25 years of experience. She is a member of the Corporate Governance Institute of the UK and Ireland and currently serves as company secretary for several organisations, including Restaurant of Jamaica. Ruth has a wealth of business experience, having previously served in many senior positions in various



corporate entities, such as manager of the Corporate Secretarial Department at Deloitte & Touche; manager of Secretarial Service at Chambers, Henry & Associate; administrator of the Economic Corporate Unit at the Bank of Jamaica and operations manager of Data Processing at the Export-Import Bank of Jamaica (EXIM).





SPUR TREE
JAMAICAN

ACKEE

IN BRINE

Net Wt 540g (19oz)

PRODUCT OF JAMAICA



MANAGEMENT TEAM

Albert Bailey

Executive Director,
Chief Executive Officer

Harrinarine "Mohan" Jagnarine

Executive Director,
Manager of New Business and
Market Development



VENETIA SHEPHERD

Venetia serves as the Chief Accountant at Spur Tree Spices, a role she's dedicated to for the last four years. A graduate of Campion College, she holds an Associate Degree in Business Studies. Prior to her current position, Venetia spent four years at KPMG, one of the prestigious Big 4 Audit firms, where she worked as an Accountant in the audit practice. During her tenure, she led various audit engagements as the In-Charge Accountant. Presently, Venetia is diligently working towards obtaining the Association of Chartered Certified Accountants qualification.



FIONA DOWNS

Fiona has been the Quality Manager at Spur Tree Spices for the past four and a half years. She played a pivotal role in leading the company's SQF certification process and has since then, adeptly managed numerous external audits from local and international institutions. With a Bachelor of Science in Biotechnology and Botany, as well as a Master of Science in Food and Agro Processing Technology from the University of the West Indies, Fiona brings a strong educational background to her position. Prior to joining Spur Tree, she held the position of Quality Assurance Manager at Serge Island Dairies (SEPROD). With over a decade of experience in the Food and Manufacturing Industry, Fiona has demonstrated expertise in Quality Assurance.

Rani has over 14 years of extensive experience in marketing and sales. Presently, she is responsible for the company's overarching marketing strategy. Her educational background comes from the University of the West Indies and the Edinburg Business School-Heriot-Watt University, culminating in a diverse set of qualifications: a Bachelor of Science in Zoology, a Master of Philosophy in Biotechnology, and a Master of Business Administration with a focus on Marketing. Additionally, she holds the Certified Associate Project Management designation. Rani has served as a director on National boards such as the Scientific Research Council and the National History Museum of Jamaica.



RANI BADALOO

For the past three years, Sereta has been dedicated to her role as Production Manager at Spur Tree, following her earlier position as Assistant Production Manager. Prior to joining the Spur Tree team, she garnered valuable experience as a Restaurant Manager at Island Grill and as a Shift Supervisor at KFC over several years. Sereta's educational journey includes graduation from Shortwood Teachers' College, a Supervisory Management course from the University of the Commonwealth Caribbean as well the Better Process Control course from the University of the West Indies.



SERETA McDONALD

Tamara's tenure with Spur Tree spans over thirteen years, during which she has consistently demonstrated her capabilities and advanced through the ranks. She is currently the Inventory Manager and is directly involved in our shipment processes for the containers for export. A graduate of Camperdown High School, she holds a Warehouse and Inventory Management Certificate from the HEART Institute. Additionally, Tamara has successfully completed the Better Process Control Certificate Course from the University of the West Indies.



TAMARA SAMMS



Rorie Atkinson assumes the role of Chief Design Officer for the past 18 months. A graduate of Edna Manley College of the Visual and Performing Arts, he brings a wealth of experience from his previous position at Jamaica Observer Limited, where he accumulated over 19 years of expertise.

Throughout his tenure at The Observer, Rorie held various roles including Art Director, Senior Graphic Artist, and Illustrator, overseeing and leading numerous projects that significantly impacted the visual identity of both online and print publications. With a proven track record of success, Rorie excels in crafting captivating visual designs that effectively convey unique ideas, ensuring visual distinction and impact.

RORIE ATKINSON



CHAIRMAN'S REPORT

Financial Year 2023 for Spur Tree Spices: A Year of Resilience and Achievement

Spur Tree Spices' financial year 2023 was a mix of successes and challenges as we navigated a complex business environment. We are proud of our achievements, which have made us a stronger, more robust, and further diversified company on the global stage.

In 2023, we faced extended drought conditions and rising raw material costs. Despite these obstacles, we stayed focused on our core growth objectives, brand development, market expansion, and value creation while implementing several initiatives to protect our business's prospects.

Amidst these challenges, we made significant gains by broadening our market reach, introducing innovative products, and implementing sustainable solutions

to mitigate similar challenges in the future. We are pleased to report record-breaking revenue of \$1.46 B for the fiscal year 2023, a 41.9% increase over the previous year. We successfully launched several new products, locally and internationally, including Bammy, Coconut Milk, Coconut Cream, and 10oz versions of our best-selling pepper sauces and browning.

However, rising raw material prices caused our gross profit margin to fall from 32% in 2022 to 28% in 2023, impacting net profit, which decreased from \$115.6M to \$80M. Despite this, we remain

optimistic about future performance. Proactive steps have been taken to stabilise our raw material supply, including strengthening our farming partnerships and undertaking significant investments in storage capacity, which will help with the recovery and improve our gross margins in the coming years.

We continually seek to optimise production processes and adopt technological advancements. In 2023, we invested in upgrading existing production lines while

adding four new ones to increase capacity for existing and soon-to-launch new products.

We anticipate further expansion of our product offerings and revenue growth as plans are well advanced to launch several new and innovative products in 2024. Spur Tree Spices is committed to excellence and is well-positioned for a new era of growth and success.

SALES MARKET REVIEW

I am particularly pleased to highlight that our outstanding revenue growth was achieved from both the local and export businesses. The company's local revenue grew by 75%, while export sales went up 21% over 2022. This growth is a direct result of our relentless efforts to strengthen our presence through creative marketing initiatives and improve our local and international distribution networks.

Our immense success in the local market shows the effectiveness of our targeted efforts, especially in the Food Service sector, and the continued resonance of our brand with retail consumers. We have achieved significant market penetration by strategically positioning our products and engaging with our local customer base.

Spur Tree Spices Jamaica has once again achieved record-breaking performance.



Similarly, our growth in the export sector stemmed from targeted efforts, especially in the Canadian and Guyanese markets, while maintaining a strong on-the-ground promotional presence in our main markets in the United States.

The company continues to maintain the priority of quality standards. We have successfully maintained our Safe Quality Food (SQF) certification, an internationally recognised benchmark in food safety under the Global Food Safety Initiative. For the past four years, we have proudly upheld this certification, as we are committed to maintaining the highest standards of quality and safety in all aspects of our operations.

AN EXCITING FUTURE

The year 2023 has laid a solid foundation for an exhilarating journey ahead. We are proud to have launched several innovative new products and will continue

introducing more throughout the year.

Spur Tree Spices remains an innovative and diverse food brand, offering unique Jamaican food solutions. With over 30 product launches planned for 2024, many of which are firsts in the Jamaican food space, we are set to expand our market presence and delight our customers with great-tasting meals.

We were honoured to receive a special award at the RJR Honour Awards (2022) ceremony in September 2023, recognising our successful transition from a seasonings and spices company to a full-fledged food manufacturer.

Our dedicated team has been the backbone of our success, navigating challenges with agility and providing high-quality products for

our customers. Their hard work and commitment have been instrumental in maintaining our standards of excellence and driving the company forward. We are incredibly grateful for their contributions.

As Chairman, I am confident in the company's ability to navigate challenges and seize market opportunities. Our commitment to quality products, brand investment, and innovation positions us for continued success. We are dedicated to achieving sustainable growth and creating shareholder value as we guide Spur Tree Spices Jamaica Limited to greater heights. We sincerely thank our shareholders, customers, and employees for their continued unwavering support.

The future holds great promise, brimming with opportunities for prosperity and excitement.



The company is always looking to employ strategies to optimise production processes.

DIRECTORS' REPORT

The Directors hereby present their Report on the Consolidated Audited Financial Statements for the year ended December 31, 2023.

Financial Results for the 2023 financial year are set out on pages 41 – 102

THE HIGHLIGHTS FOR 2023 ARE SET OUT BELOW:

	2023 \$'000	2022 \$'000
Revenue	1,459,350	1,028,530
Net Profit	80,097	115,622
Total Assets	1,532,860	1,490,850
Dividend Declared	25,154*	29,348
Dividends Paid		29,348

*Dividend declared in December 2023 was paid January 26, 2024

The Directors recommended a dividend of \$0.0150 per share, in respect of the year ended December 31, 2023 to be paid on January 26, 2024.

The Directors who served the Company since its listing on the Junior Stock Market in January 2022 are:

MR. METRY SEAGA
Chairman - Non-Executive

MR. ALBERT BAILEY
Chief Executive Officer - Executive

MR. HARRINARINE JAGNARINE
Executive

MR. ANAND JAMES
Non-Executive

MS. YANA SAMUELS
Non-Executive

MR. STEPHEN RICKETTS
Non-Executive

MS. DANIELLE TERRELONGE
Non-Executive

The Directors retiring by rotation, in accordance with Article 114 of the Company's Articles of Incorporation, are Metry Seaga and Danielle Terrelonge, who, being eligible for re-election, have offered themselves for re-election to the Board.

Messrs. BDO, Chartered Accountants, of 26 Beechwood Avenue, Kingston 5, Jamaica will not continue as Auditors of the Company, as Messrs. Baker Tilly Strachan Lafayette, Chartered Accountants of 10 Cargill Avenue, Kingston 10 are being recommended by the Board of

Directors for appointment as the Company's Independent Auditors as from the conclusion of the 2024 AGM, to conduct the 2024 financial year audit.

The Directors wish to express thanks to the Executive Team, managers and staff for their corporation, support, commitment and hard work.



ALBERT BAILEY
Chief Executive Officer
On behalf of the Directors
May 30, 2024



CORPORATE GOVERNANCE

The Company and its Board of Directors (the “Board”) believes that strict adherence to the highest governance standards is fundamental to fulfilling its corporate responsibilities as a listed company. The Board and by extension the executive management and employees of the Company all endeavor to uphold transparency, fairness, observance of best practices and integrity in all aspects of the Company’s operations.

The principles set out in Rule 506 - Corporate Governance Guidelines of the Jamaica Stock Exchange Junior Market Rules have been adopted to shape our corporate governance structure of the Corporate Governance and Nominations Committee and the conduct of the Company’s affairs generally. This corporate governance report (“Corporate Governance Report”) describes how these principles were applied during the year under review.

STATEMENT OF COMPLIANCE

Unless otherwise stated in this report, none of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not, at any time during the year, in compliance with Rule 506 - Corporate Governance Guidelines of the Jamaica Stock Exchange Junior Market Rules.

DIRECTORS’ CONDUCT

The Board and Directors have adhered to the Jamaica Stock Exchange Junior Market Rules on Disclosure of information, material transactions and the upholding of the prescribed roles and responsibilities of both detailed therein. It is also a regular practice of the Company to remind all Directors of the black out period immediately before the commencement of this period. Directors are required to act with the utmost transparency and accountability including avoidance of any conflict of interest which may affect their ability to fulfil their duties. They are also encouraged to provide timely disclosure of any pertinent matter to the Board, Chairman of the Board and Chairman of the Corporate Governance and Nominations Committee.

THE BOARD OF DIRECTORS

The Board is currently comprised of seven (7) members, five (5) of whom are independent, Non-Executive Directors and the remaining two (2) members are Executive Directors. The Board’s composition provides a harmonious mix of competencies



and skills to properly advise the activities of the Board and the Company at large.

These skills among others are, legal, accounting, financial, manufacturing industry and public relations expertise. The list of Directors and their biographies (including their roles and functions at the Company) are set out in the Biographical Details of Directors and Senior Management section of this Annual Report.

KEY FUNCTIONS AND RESPONSIBILITIES

The Board of the Company is primarily responsible for overseeing the company’s affairs, with a key focus on increasing shareholders’ value. This includes developing and approving strategic objectives, setting and monitoring financial targets, and ensuring the effective implementation of these strategies.



NAME OF DIRECTORS	AGM	GENERAL BOARD MEETING	AUDIT COMMITTEE	REMUNERATION COMMITTEE	CG AND NOMINATION COMMITTEE
Independent Non- Executive Directors					
Metry Seaga	1/1	4/4	4/4*	3/3	1/1
Anand James	1/1	4/4	4/4	N/A	1/1
Yana Samuels	1/1	4/4	4/4	N/A	1/1
Stephen Ricketts	1/1	4/4	4/4	N/A	N/A
Danielle Terrelonge	1/1	3/4	N/A	3/3	1/1
Executive Directors					
Albert Bailey	1/1	4/4	4/4*	N/A	N/A
Mohan Jagnarine	1/1	4/4	N/A	3/3	N/A

***By invitation**

The Board also gives oversight to acquisitions and significant investment decisions. The Board recommends and evaluates senior executive management, monitors the company's performance and culture, and ensures adherence to best practices in corporate governance.

Directors are required to participate in board meetings and serve on the audit, remuneration, corporate governance and nominations committees to ensure fulfillment of objectives in relation to growth strategy, policy, transparency, appointment and utilization of resources, standards of conduct and real or potential conflicts of interests. Through these efforts, the Board aims to foster sustainable growth and profitability, thereby enhancing shareholder value.

CHAIRMAN

The Board is headed by an independent non-executive

Chairman, Mr. Metry Seaga. As Chairman, Mr. Seaga is mainly responsible for providing leadership for the Board and ensuring that the Board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by the Board in a timely manner.

COMPANY SECRETARY

The Company Secretary, Ruth Josephs, is responsible for coordinating the Board processes, as well as communication among the Board members, with the Shareholders and management of the Company. The Company Secretary is also responsible for the filing of notices and statutory documents and communicating with regulatory bodies, including the Jamaica Stock Exchange and the Companies Office of Jamaica.

MEETINGS

In accordance with the Terms of

Reference of the Board, meetings are to be held at least quarterly and each Director is expected to attend a minimum of 75% of Board meetings in each calendar year, whether in person or using tele/ videoconference facilities provided each participant can effectively participate in discussions. Directors are also expected to attend Annual general meetings.

There were 4 full Board meetings, 4 Audit Committee meetings, 3 Remuneration Committee meetings, 1 Corporate Governance and Nomination Committee's meeting, and 1 Annual General Meeting (AGM) for the year.

SHAREHOLDER COMMUNICATION

The Board is accountable to the shareholders for the Company's performance and activities and makes best efforts to maintain open dialog with the shareholders through but not limited to Quarterly

Reports and Annual Reports published with the Jamaica Stock Exchange and Annual General Meetings. The Board always welcomes shareholder questions and concerns relating to its management and governance.

The Shareholders and other stakeholders may at any time, send their enquiries and concerns to the Company by addressing them to the Company Secretary or Chief Executive Officer at the Company's registered address Unit 6B1, Garmex Freezone, 76 Marcus Garvey Drive, Kingston 13.

ANNUAL GENERAL MEETINGS

Annual General Meetings are held at least once per year and is an important forum where communications with the Shareholders can be effectively conducted. During the year, one (1) annual general meeting was held at the Courtleigh Hotel and Suites, 85 Knutsford Boulevard on August 21, 2023, at 10:00 a.m. The minutes of the AGM can be made available to shareholders upon request.

CONTINUOUS PROFESSIONAL DEVELOPMENT

The company secretary updates all Directors and executive management on the latest developments regarding Jamaica Stock Exchange Junior Market Rules and other applicable regulatory requirements to ensure compliance with the

same. All Directors are also encouraged to attend relevant training courses and seminars that will inform them of the latest changes in laws, regulations and the business environment, including training sessions hosted by the Jamaica Stock Exchange, Private Sector Organisation of Jamaica, and relevant regulatory agencies. During the year, all Directors have participated in various continuous professional development activities either by attending training courses or by reading materials relevant to the Company's business, corporate governance, the latest development of the industry or the Directors' duties and responsibilities.

BOARD COMMITTEES

The Board has three (3) Committees, namely the Corporate

Governance and Nomination Committee, Audit Committee and the Remuneration Committee, each of which has specific roles and responsibilities as delegated by the Board.

The Committees' terms of reference guide their operations to ensure that they continue to uphold best practices and can be assessed against a clear statement of responsibilities and standards. The composition, activities and duties of each Committee is discussed in their respective reports in this Annual Report.

CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE

The members of the Corporate Governance and Nominations Committee are Yana Samuels, Metry Seaga, Danielle Terrelonge and Anand James. Yana Samuels is currently the chairman of the Corporate Governance and Nominations Committee.

MEETINGS

The Committee convened one meeting during the year due to a Q3 decision of the Board to establish a Corporate Governance Committee. All appointed members of the Committee attended the inaugural meeting held on October 12, 2023.

KEY FUNCTIONS AND RESPONSIBILITIES

The Corporate Governance and Nominations Committee's key functions include assessing and recommending the appointment of Directors to the Board and Committees, and ensuring the Company operates in compliance with applicable laws, codes, and standards. Detailed duties are outlined in its terms of reference. During the year, the Committee reviewed and recommended the adoption of the Terms of Reference for the Board and its Committees, assessed the Company's readiness for compliance with the Data Protection Act, 2020, discussed the development of an ESG Strategic Plan, and, in collaboration with the Company Secretary, promoted training and continuous professional development for Directors and senior management.

NOMINATION AND APPOINTMENT OF DIRECTORS

For matters relating to the Board composition, the committee shall:

- At least annually review the composition of the Board and its Board committees, considering the size of the Board, and the skills and competencies required given the challenges and opportunities faced by the company and make recommendations for changes where necessary. In reviewing the composition, the committee shall have regard to the need for balance and diversity.
- Develop an effective succession plan to ensure that the Board and committee membership is appropriately refreshed, and accordingly, the committee shall develop and keep under review, a skills matrix for the Board and its committees.
- Identify and nominate for appointment, candidates to fill any vacancy on the Board occurring between Annual General Meetings for the Company.
- Make recommendations to the Board in respect of the Chairmanship of each Board committee taking into consideration skills and attributes relevant to these roles.
- Ensure that the Board and its committees, comply with all regulations concerning composition including independence requirements.
- In extraordinary circumstances, the committee may recommend the removal of a Director in accordance with the Companies Articles of Incorporation, and other regulatory Codes of Conduct.
- Make recommendations to the Board for re-election of Directors by shareholders under the provisions of the Articles of Incorporation and on any matters relating to the continuation in office of any director.

SPUR TREE
JAMAICAN



**WI SOON
COME...**

**...SPICE
UP DI TING**



AUDIT AND RISK MANAGEMENT COMMITTEE

MEMBERSHIP

The Committee is comprised of the following members, all of whom are independent board members:

Anand James (Chairman)

Yana Samuels

Stephen Ricketts

MEETINGS

As chartered by the Board of the Company and the Committee's Terms of Reference, the Committee met quarterly, reviewed, and recommended to the Board for its approval of all four Quarterly Financial Statements and Audited Financial Statement. The committee also assessed the Company's internal control systems and audit function to ensure compliance with standard and regulatory requirements.

All members were present at all four Meetings called in 2023.

STATEMENT OF COMPLIANCE

The Committee vigorously analyzed the Company's performance, particularly as it relates to the application of accounting standards and risk mitigation policy. We confirm that the 2023 reporting is compliant with financial and accounting Standards and all regulatory requirements. The Committee continues to engage the Company's Auditors, analyze the auditor's reports, and make recommendations to the Board, in accordance with the same.

KEY FUNCTIONS AND RESPONSIBILITIES

The Audit and Risk Committee shall provide support to the Board of Directors in fulfilling its mandate of presenting a balanced and understandable assessment of the Company's accounting systems, internal controls, risk management, financial position, and business

prospects for the Company

The Committee assists the Board in the following responsibilities in relation to the company:

- Establishing an appropriate framework for identifying and managing risk.
- Ensuring the independence and effectiveness of the internal and external Audit functions
- Establishing and maintaining a robust and effective system of internal controls and monitoring the effectiveness of this system.
- Monitor, analyze and ensure the integrity of the financial reports.

The audit committee also recommends to the Board, payment of a dividend for the year.



REMUNERATION SUB-COMMITTEE REPORT

The Remuneration Committee is chaired by independent non-executive Director Danielle Terrelonge, and its other members are Metry Seaga (Chairman of the Board), and Executive Director Harrinarine "Mohan" Jagnarine.

MEETINGS

As chartered by the Board of the Company, the Committee convened on three occasions for the year (February, May & November 2023). All members were present at all meetings held.

KEY FUNCTIONS AND ACTIVITIES

At the core of the Committee's responsibilities are:

- Establish guidelines for remuneration throughout the Company.

- Review and recommend for approval from the Board the remuneration of
- the Executive Directors and Senior Management team
- Create and recommend for approval from the Board a Company-wide staff incentive and performance structure.
- Provide oversight of matters relating to remuneration and incentives for the company.

The Committee is focused on ensuring an efficient and fair compensation structure is in place for all Spur Tree staff inclusive of the executive team, that supports and incentivizes high levels of performance that is aligned with business objectives, best practices, and regulatory requirements.

The Committee determines compensation for the Group CEO, and Senior Executives and submits reports and resolutions pertinent to these and other matters to the board of directors for approval.

In November 2023 the committee presented to the Board a proposal for the following:

- A performance-based Incentive Programme for management and employees payable in December 2023.
- Incentive programme for Executive Management based on the overall performance of the company.
- Proposed incentive programme for General Staff and Executive Management for the period 2024 to 2026.



SPUR TREE
JAMAICAN

JAMAICAN
BAMMY

CASSAVA CAKES/ GALLETES DE MANIOC
Net weight: 12 oz. / Poids net: 12 oz. (340g)

• PLANT BASED/A BASE DE PLANTES
• NON GMO /SANS OGM - SANS GLUTEN FREE

PRODUCT OF JAMAICA



SPUR TREE
JAMAICAN

**CREAMED
COCONUT**



Net Wt. 5oz / 141g

SPUR TREE
JAMAICAN

TOP TEN (10) STOCKHOLDERS

AS AT DECEMBER 31, 2023

Name	Units	Volume (%)
1. Harrinarine Mohan Jagnarine Harrinarine Mohan & Chandra Jagnarine	447,241,839 75,709,548	31.1845
2. Albert Bailey	260,473,912	15.5325
3. GK Investments LTD	229,614,702	13.6923
4. Anand & Joan James	115,000,000	6.8577
5. Dave Narine	97,000,000	5.7843
6. Ravi Rambarran	78,836,641	4.7012
7. Cal's Manufacturing Limited	35,507,483	2.1174
8. Continental Baking Company Ltd.	27,216,517	1.6230
9. Vivienne Clayton	24,561,756	1.4647
10. Nicolas Matthews	20,168,367	1.2027

SHAREHOLDING BY BOARD OF DIRECTORS

AS AT DECEMBER 31, 2023

Name	Units	Volume (%)
1. Harrinarine Mohan Jagnarine Harrinarine Mohan & Chandra Jagnarine	447,241,839 75,709,548	31.1845
2. Albert Bailey	260,473,912	15.5325
3. Anand & Joan James	115,000,000	6.8577
4. Stephen & Nsambi Ricketts	11,231,899	0.6698
5. Metry Seaga	8,400,000	0.5009
6. Yana Samuels	1,000,000	0.0596
7. Danielle Terrelonge	100,000	0.0060

SHAREHOLDING BY SENIOR MANAGERS

AS AT DECEMBER 31, 2023

Name	Units	Volume (%)
1. Harrinarine Mohan Jagnarine Harrinarine Mohan & Chandra Jagnarine	Self - 447,241,839 Connected - 75,709,548	31.1845
2. Albert Bailey	Self - 260,473,912	15.5325
3. Rani-Devi Badaloo	Self - 0 Connected - 522,951,387	31.1845
4. Tamara Samms	Self - 246,200	0.00151
5. Venetia Shepherd	Self - 149,700	0.00089
6. Fiona Downs	Self - 47,100	0.00028
7. Sereta McDonald	Self - 39,252	0.00018

MANAGEMENT DISCUSSION AND ANALYSIS

Spur Tree Spices' strategic priorities for 2023 focused on three major areas aimed at building long-term shareholder value. These areas were enhancing production capacity for growth, diversifying our product range and brands to evolve from a primary focus on sauces and seasonings to a comprehensive food brand, and further expanding existing markets and penetration of new ones.

PRODUCTION CAPACITY EXPANSION

After acquiring a 100% stake in Exotic Products Jamaica Limited and a 51% shareholding in Canco Jamaica, the Company aimed to enhance and streamline production capacity in these entities to increase ackee production

and diversify their product portfolios for greater profitability. Simultaneously, the Company invested in doubling the production capacity of existing lines at its main factory and introduced three new lines to produce additional products under the Spur Tree brand. Although these investments have not yet significantly impacted financial performance, they are expected to be pivotal for future revenue and profit growth.

Brand Diversification: Transitioning from Seasonings & Sauces to wholly food brand

Spur Tree Spices has excelled with its unique line of seasonings and sauces. In alignment with our Vision Statement, "to be the premier

manufacturer and distributor of Jamaican flavours to the world," the Company has made significant investments in product development and diversification to enhance its offerings. A wide range of new products was developed, with some introduced to the market in 2023, and the majority set to launch in 2024. The value of these investments will become tangible in the coming financial year and beyond.

We are excited to announce that we are also undergoing a comprehensive brand refresh to better align our brand's look and feel with our Company's dynamic direction. This initiative reflects our commitment to innovation and growth and our vision of being the premier manufacturer and distributor of Jamaican flavours to the world. The refreshed brand





will feature updated packaging and a more cohesive visual identity that resonates with our evolving product portfolio and market expansion efforts. This transformation is designed to enhance our brand's appeal, strengthen our market presence, and ensure that our visual identity reflects the quality and passion

that goes into every product we create.

MARKET PENETRATION AND EXPANSION

As the Company expands its production capacity and introduces new products to the market, it was essential to

prioritise expanding market access and reach through improved distribution arrangements and customer engagement. To this end, new distribution agreements were secured for key markets such as Canada and Guyana, while strategies were implemented to deepen penetration in existing markets in the United States and Jamaica. These initiatives have yielded very positive results in 2023, with even greater returns anticipated in the coming year.

The Company's leadership is confident that these investments will be critical to its future success, as a solid foundation has been laid for growth, profitability, and greater shareholder value in the coming periods.

PERFORMANCE REVIEW

2023 presented numerous challenges, but the Company stayed focused on its core objectives and managed to complete or significantly advance most of its priorities. The Company's financial performance for the first quarter was very positive, however, the country faced a prolonged period of drought followed by excessive rainfall. These two events had a devastating negative impact on the availability of raw materials, which resulted in significantly higher input prices.

The Company exhausted its raw material storage in the first quarter. Consequently, the adverse weather conditions significantly impacted performance for the remaining three quarters.



REVENUE

Revenue for the year reached \$1.46 billion, marking a 41.9% increase over the \$1 billion achieved in 2022. This is an outstanding performance given the challenges in accessing raw materials. The strong demand for our products has required the Company to find creative ways to meet this demand and protect its markets and customers. Revenue from new markets and new distribution arrangements played a pivotal role in achieving these excellent results. Additionally, the Company established profitable private label arrangements that will be crucial for efficiently utilising enhanced production capacity in the future. While 90% of overall revenue came from export sales, the Company's revenue in the local market grew by 75%, primarily driven by efforts in the food service segment.



Revenue for the year reached \$1.46 billion, marking a 41.9% increase over the \$1 billion achieved in 2022

COST OF SALES

The cost of sales increased to \$1.047 billion from \$697M in 2022, representing a 51% rise. Much higher input costs, primarily due to elevated prices of raw materials caused by prolonged shortages, drove this escalation.

In response to these challenges, the Company strategically invested in farming activities through a joint venture arrangement. This investment aims to provide a more reliable and consistent source for raw material supplies and ensure better price stability.

GROSS PROFIT MARGIN

Gross Profit Margin declined from 32% in 2022 to 28% in 2023

due to input cost challenges during the period. This decline significantly impacted the targeted gross profit, which increased by only 25% despite a 47% increase in revenue. However, we anticipate a rebound and improvement in the Gross Profit Margin in the coming months as the benefits of our investments in farming activities are realised and the supply of raw materials stabilises.

ADMINISTRATIVE EXPENSES

Administrative Expenses for 2023 totaled \$302.5M, representing a 55% increase over the spending of \$195M in 2022. Administrative expenses amounted to 20.7% of

revenue compared with the target of 18%. The primary drivers of this increase are depreciation expenses, staff costs, motor vehicle expenses and legal and professional fees. Depreciation expenses increased by \$32M due to a much higher consolidated asset base. All areas of expenditures in this category will be monitored, and corrective measures will be implemented to realign with a target of 18% of revenue in 2024.

Finance costs for the fiscal year increased from \$12.6M in 2022 to \$44.6M this year. A full year's interest on a loan associated with an investment in Canco Limited was accounted for in 2023,



compared with only three months of interest charges incurred in 2022.

Net profit for the year declined by 31%, moving from \$115.6M in 2022 to \$80M in 2023. This decline was primarily attributed to the decrease in gross margin due to higher input costs. Had the Company maintained its gross margin in 2022, a 20% increase in net profit would have been realised despite increased administrative expenses and finance costs.

FINANCIAL POSITION

Cash & Cash Equivalents at the end of 2023 stood at \$54.3M compared with \$148.2M for

2022. This change resulted from investment in Plant, Property and Equipment to the sum of \$104.2M during the year. These investments were critical to building and enhancing capacity for growth.

Total Assets increased from \$1.49B in 2022 to \$1.53B in 2023. Total liabilities declined from \$620M in 2022 to \$612M in 2023. This means the Company's debt ratio improved from 42% in 2022 to 40% in 2023.

Shareholders' Equity attributable to owners improved from \$713M in 2022 to \$764M in 2023, representing a 7% improvement over the previous year.

Despite not achieving targeted profitability in 2023, the Company remains in a strong financial position and should, owing to all its strategic acquisitions and investments, achieve much-improved profitability in the coming years.

OUR PEOPLE

Our staff remains our greatest asset and has once again demonstrated their invaluable worth by skillfully and successfully guiding the Company through a very challenging year. We have a total of 146 full-time employees across all three entities in the group, all of whom are fully committed and dedicated to our mission. In addition, we provide employment for another 140 seasonal workers throughout the year, who play a crucial role during peak periods. Our team's resilience, hard work, and unwavering dedication have been instrumental in navigating our difficulties and driving our continued success. We are deeply grateful for their contributions and proud of their achievements.

OUTLOOK AND FORECAST

The future is bright for Spur Tree Spices, with continued high revenue growth expected from both local and export markets. We are passionately pursuing an aggressive innovation agenda to provide our loyal customers with more creative and convenient products while maintaining the high-quality standards associated with our brand.



will be crucial in recovering our gross margin and achieving a sustainable level of 35% or above. Recognising the limitations of traditional supply arrangements, we entered a joint venture farming agreement to secure a stable supply of raw materials at sustainable prices, ensuring the continuity and expansion of our operations. We value our relationships with traditional suppliers and aim to maintain and enhance these partnerships, by increasing our processing and storage capacity for raw materials.

Our strategic transition from a seasoning and sauces provider to a comprehensive food brand is well underway. In 2023, we introduced several new items, and in 2024, we plan to launch over 20 innovative products, including a highly anticipated line of dried spices, expanding our product range significantly. These initiatives are expected to drive excitement and demand among our existing customers while attracting new ones. Alongside these launches, we are rolling out a comprehensive rebranding initiative to enhance visual appeal and elevate the overall brand experience.

We have expanded our export distribution, focusing on regions such as Canada and Guyana. This complements our efforts to maintain and grow our market share in established markets. This expansion reinforces our commitment to delivering high-quality products to a global audience and strengthens our position as a trusted Jamaican brand.

Our strategic investment in farming

Our team's resilience, hard work, and unwavering dedication have been instrumental in navigating the difficulties we faced and in driving our continued success.



With significant investments in infrastructure, new processing lines, product diversification, and market expansion, it is essential to secure raw material security to maximise returns and ensure sustainable growth and profitability. As we increase our product offerings, we will simultaneously pursue our complimentary goal of leadership in the private label/co-packing market segment. Our partnership with BAK Foods, established in 2023, has yielded positive results and will continue to do so in the coming year.

We anticipate a return to strong profit growth in 2024. The Management Team is committed to providing greater returns on shareholder investment while driving long-term value in the business.

Get ready to witness a new era of excellence with Spur Tree Spices!

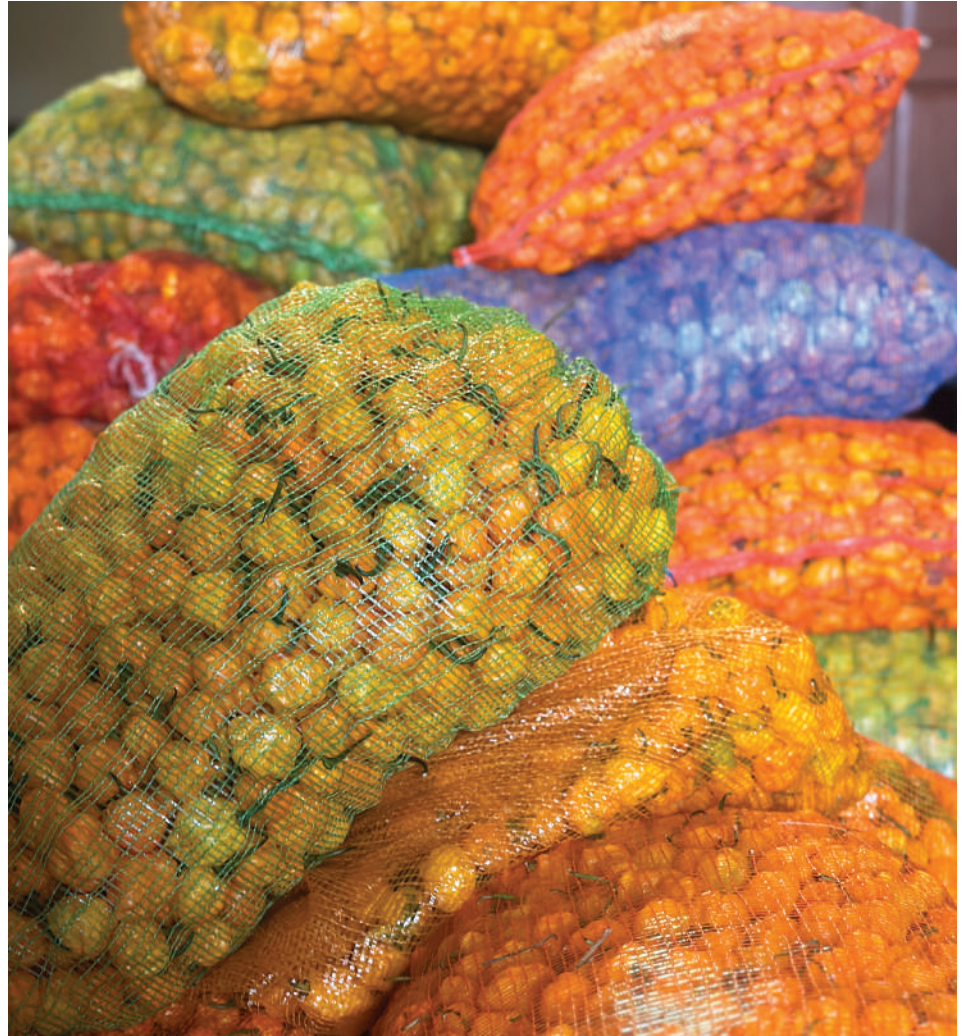
CORPORATE SUSTAINABILITY REPORT:

Enhancing Agricultural Partnerships and Supporting Farmer Empowerment

Our corporate sustainability initiative is not just about partnering with farmers, it's about empowering them. We are dedicated to enhancing our farmer partners' productivity and contributing to a resilient and sustainable food supply chain. We firmly believe that sustainable practices and farmer empowerment are not just key to our collective success, but also to the well-being of future generations.

We have actively engaged in a grant procurement process to support our sustainability goals to secure funding for some of our long-standing farmer partners. These grants provide the financial resources needed to implement our comprehensive support program. One of the cornerstones of our support program is providing access to training programs designed to equip farmers with the knowledge and skills necessary to improve their productivity and sustainability. Farmers will also receive high-quality, disease-resistant seedlings suited to local growing conditions through our program.

Our efforts benefit individual small farmers and contribute to the broader goal of environmental stewardship and economic stability. We firmly believe that by working together with farmers, we



can achieve a more sustainable future for all, a future that we all share and are responsible for.

COMMITMENT TO OUR COMMUNITIES

Our subsidiary Canco Ltd, in partnership with the Seprod Foundation, strongly commits to the Seaforth community. We have adopted the Seaforth Health Centre in St. Thomas through the Ministry of Health & Wellness's

Adopt-A-Clinic Programme. In recognition of the community's exponential growth, we are supporting the National plan to expand health services to meet the evolving needs of the area. With a combined commitment of J\$6 million over three years from both entities, the funds are used to acquire essential medical equipment and carry out infrastructure repairs, ensuring the community's health needs are met.

SPUR TREE SPICES JAMAICA LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

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 Kingston 5, Jamaica

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INDEPENDENT AUDITORS' REPORT

To the Members of
 Spur Tree Spices Jamaica Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Spur Tree Spices Jamaica Limited ("the Company") comprising the stand-alone financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (collectively "the Group") set out on pages 6 to 60, which comprise the Group's and the Company's statements of financial position as at 31 December 2023, the Group's and the Company's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying standalone and consolidated financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2023, and of the Group's and the Company's financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated 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.



INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Spur Tree Spices Jamaica Limited

Key Audit Matters (cont'd)

Key audit matter	How our audit addressed the Key audit matter
<p><i>Impairment Assessment of Goodwill</i></p> <p>See notes 2(b), 2(h) and 12 of the consolidated financial statements</p> <p>The carrying value of the group's goodwill may not be recoverable due to changes in the business and economic environment in which the subsidiary operates. These factors create inherent uncertainty in forecasting and require significant judgement in estimating and discounting future cash flows that support the assessment of recoverability.</p> <p>Management determined the recoverable amount by reference to value-in-use which is based on discounted cash flow projections over which management makes significant judgements on key inputs. As a result of the assessment, management determined there was no impairment as at 31 December 2023.</p> <p>We focused on this area as the goodwill impairment assessment requires significant management judgement and estimation.</p>	<p>Management's impairment assessment was tested by performing the following procedures, amongst others:</p> <ol style="list-style-type: none"> 1. We obtained management's discounted cash flow model (DCF) including qualitative and quantitative analyses and obtained an understanding of the process used by management to determine the value in use of each cash generating unit (CGU). 2. We compared management's assumptions to externally derived data as well as our own assessments of key inputs, such as projected economic growth, competition, cost inflation and discount rates, as well as performing sensitivity analysis on the assumptions. 3. We tested management's impairment testing model calculations for mathematical accuracy. <p>Based on the audit procedures performed, no adjustments were made to the financial statements.</p>



INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Spur Tree Spices Jamaica Limited

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

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

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's 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's and Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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



INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Spur Tree Spices Jamaica Limited

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

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

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

**INDEPENDENT AUDITORS' REPORT (CONT'D)**

To the Members of
Spur Tree Spices Jamaica Limited

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

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

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

Report on additional matters as required by the Jamaican Companies Act

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

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

The engagement partner on the audit resulting in this independent auditors' report is Jennifer Hibbert.

A handwritten signature in black ink, appearing to read 'J. Hibbert', written over a faint, large 'BDO' watermark.

Chartered Accountants

17 May 2024

SPUR TREE SPICES JAMAICA LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

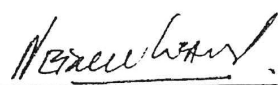
31 DECEMBER 2023

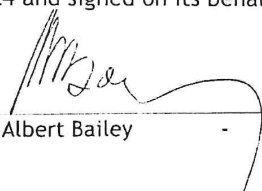
	<u>Note</u>	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
REVENUE	5	1,459,350	1,028,530
Cost of sales		<u>(1,046,888)</u>	<u>(697,443)</u>
GROSS PROFIT		412,462	331,087
Other operating income	8	<u>6,927</u>	<u>2,236</u>
Administrative and other expenses		419,389	333,323
Impairment losses on trade receivables	4(d)(ii)	<u>(302,458)</u>	<u>(195,258)</u>
		<u>1,856</u>	<u>(12,060)</u>
OPERATING PROFIT		118,787	126,005
Finance costs	9	<u>(44,622)</u>	<u>(12,564)</u>
PROFIT BEFORE TAXATION		74,165	113,441
Taxation	10	<u>5,932</u>	<u>2,181</u>
PROFIT FOR THE YEAR, BEING TOTAL COMPREHENSIVE INCOME		<u>80,097</u>	<u>115,622</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the Company		80,333	116,813
Non-controlling interest		<u>(236)</u>	<u>(1,191)</u>
		<u>80,097</u>	<u>115,622</u>
EARNINGS PER STOCK UNIT	26	<u>4.84¢</u>	<u>7.04¢</u>


SPUR TREE SPICES JAMAICA LIMITED
**CONSOLIDATED STATEMENT
OF FINANCIAL POSITION**
31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> \$'000	<u>2022</u> \$'000
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	11	720,676	682,434
Intangible assets	12	196,397	196,545
Investments	14	3,777	3,777
Right-of-use asset	15	26,709	36,725
Deferred tax assets	16	<u>13,345</u>	<u>6,067</u>
		<u>960,904</u>	<u>925,548</u>
CURRENT ASSETS:			
Inventories	17	229,090	194,721
Receivables	18	288,472	222,335
Cash and cash equivalents	20	<u>54,394</u>	<u>148,246</u>
		<u>571,956</u>	<u>565,302</u>
		<u>1,532,860</u>	<u>1,490,850</u>
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	21	366,967	366,967
Capital reserve		150	150
Retained earnings		<u>396,612</u>	<u>346,062</u>
		763,729	713,179
Non-controlling interest	22	<u>157,366</u>	<u>157,602</u>
		<u>921,095</u>	<u>870,781</u>
NON-CURRENT LIABILITIES:			
Lease liability	15	19,772	30,276
Director's loan	19	29,323	29,323
Long term loans	23	<u>345,245</u>	<u>403,908</u>
		<u>394,340</u>	<u>463,507</u>
CURRENT LIABILITIES:			
Payables	24	109,707	101,254
Taxation		5,617	982
Lease liability	15	11,080	9,697
Directors' current accounts	19	29,222	23,503
Current portion of long term loans	23	59,248	21,126
Bank overdraft	20	<u>2,551</u>	<u>-</u>
		<u>217,425</u>	<u>156,562</u>
		<u>1,532,860</u>	<u>1,490,850</u>

Approved for issue by the Board of Directors on 17 May 2024 and signed on its behalf by:


 Metry Seaga - Director


 Albert Bailey - Director

SPUR TREE SPICES JAMAICA LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

31 DECEMBER 2023

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SPUR TREE SPICES JAMAICA LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2023

	Note	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Total Attributable to Equity holders of the Parent \$'000	Non- Controlling Interest \$'000	Total \$'000
BALANCE AT 1 JANUARY 2022		<u>157,143</u>	<u>150</u>	<u>253,967</u>	<u>411,260</u>	<u>-</u>	<u>411,260</u>
TOTAL COMPREHENSIVE INCOME							
Net profit for the year		-	-	<u>116,813</u>	<u>116,813</u>	<u>(1,191)</u>	<u>115,622</u>
TRANSACTIONS WITH OWNERS							
Issue of shares, net	21	<u>209,824</u>	-	-	<u>209,824</u>	-	<u>209,824</u>
Dividends paid	28	-	-	<u>(24,718)</u>	<u>(24,718)</u>	-	<u>(24,718)</u>
Non-controlling interest on acquisition of subsidiary	27	-	-	-	-	<u>158,793</u>	<u>158,793</u>
BALANCE AT 31 DECEMBER 2022		<u>209,824</u>	<u>-</u>	<u>(24,718)</u>	<u>185,106</u>	<u>158,793</u>	<u>343,899</u>
TOTAL COMPREHENSIVE INCOME							
Net profit for the year		<u>366,967</u>	<u>150</u>	<u>346,062</u>	<u>713,179</u>	<u>157,602</u>	<u>870,781</u>
TRANSACTION WITH OWNERS							
Dividends paid	28	-	-	<u>(29,783)</u>	<u>(29,783)</u>	<u>-</u>	<u>(29,783)</u>
BALANCE AT 31 DECEMBER 2023		<u>366,967</u>	<u>150</u>	<u>396,612</u>	<u>763,729</u>	<u>157,366</u>	<u>921,095</u>

SPUR TREE SPICES JAMAICA LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net profit		80,097	115,622
Adjustments for:			
Depreciation of property, plant and equipment	11	65,925	33,904
Amortisation of intangible assets	12	148	232
Amortisation of right-of-use asset	15	10,016	10,016
Impairment losses on trade receivables	4(d)(ii)	(1,856)	12,060
Interest expense	9	43,374	12,397
Foreign exchange gain		(1,558)	(1,386)
Interest income	8	(1,568)	(1,555)
Taxation	10	(5,932)	(2,181)
		<u>188,646</u>	<u>179,109</u>
Changes in operating assets and liabilities:			
Inventories		(34,369)	(27,836)
Receivables		(64,225)	131,510
Payables		(10,168)	9,040
Directors' current accounts		<u>5,719</u>	<u>(6,659)</u>
		85,603	285,164
Taxation paid		<u>-</u>	<u>(27,538)</u>
Cash provided by operating activities		<u>85,603</u>	<u>257,626</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	11	(104,167)	(86,041)
Purchase of intangible	12	-	(443)
Interest received		1,568	1,555
Acquisition of subsidiary, net of cash acquired	27	<u>-</u>	<u>(342,589)</u>
Cash used in investing activities		<u>(102,599)</u>	<u>(427,518)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Interest paid on loans		(42,439)	(8,210)
Dividends paid	28	(4,630)	(24,718)
Proceeds from issue of shares, (net)	21	-	209,824
Proceeds from loan received	20	250,000	294,800
Loans repaid	20	(271,476)	(235,981)
Principal paid on lease liability	15	(9,121)	(9,241)
Interest paid on lease liability	15	(3,355)	(4,187)
Cash (used in)/provided by financing activities		<u>(81,021)</u>	<u>222,287</u>
Exchange gain on foreign cash balance		<u>(98,017)</u>	<u>52,395</u>
		<u>1,614</u>	<u>1,386</u>
Net (decrease)/increase in cash and cash equivalents		<u>(96,403)</u>	<u>53,781</u>
Cash and cash equivalents at beginning of year		<u>148,246</u>	<u>94,465</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	20	<u>51,843</u>	<u>148,246</u>

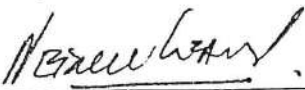
SPUR TREE SPICES JAMAICA LIMITEDCOMPANY STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**31 DECEMBER 2023**

	<u>Note</u>	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
REVENUE	5	1,048,823	906,879
Cost of sales		<u>(736,061)</u>	<u>(612,405)</u>
GROSS PROFIT		312,762	294,474
Other operating income	8	<u>5,961</u>	<u>1,555</u>
Administrative and other expenses		318,723	296,029
Impairment losses on trade receivables	4(d)(ii)	<u>(193,292)</u> <u>(1,020)</u>	<u>(163,349)</u> <u>(8,115)</u>
OPERATING PROFIT		124,411	124,565
Finance costs	9	<u>(27,528)</u>	<u>(8,921)</u>
PROFIT BEFORE TAXATION		96,883	115,644
Taxation	10	<u>-</u>	<u>2,202</u>
PROFIT FOR THE YEAR, BEING TOTAL COMPREHENSIVE INCOME		<u>96,883</u>	<u>117,846</u>

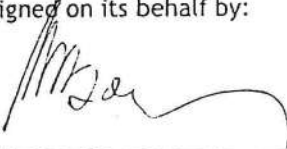

SPUR TREE SPICES JAMAICA LIMITED
**COMPANY STATEMENT OF
FINANCIAL POSITION**
31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> \$'000	<u>2022</u> \$'000
<u>ASSETS</u>			
NON-CURRENT ASSETS:			
Property, plant and equipment	11	185,046	112,888
Investment in subsidiaries	13	425,000	425,000
Investment	14	3,750	3,750
Right-of-use asset	15	<u>26,709</u>	<u>36,725</u>
		<u>640,505</u>	<u>578,363</u>
CURRENT ASSETS:			
Inventories	17	155,370	127,554
Receivables	18	199,825	167,420
Due from related companies	19	129,612	97,381
Cash and cash equivalents	20	<u>23,128</u>	<u>98,306</u>
		<u>507,935</u>	<u>490,661</u>
		<u>1,148,440</u>	<u>1,069,024</u>
<u>EQUITY AND LIABILITIES</u>			
EQUITY:			
Share capital	21	366,967	366,967
Capital reserve		150	150
Retained earnings		<u>421,441</u>	<u>354,341</u>
		<u>788,558</u>	<u>721,458</u>
NON-CURRENT LIABILITIES:			
Lease liability	15	19,772	30,276
Long term loan	23	<u>202,379</u>	<u>243,310</u>
		<u>222,151</u>	<u>273,586</u>
CURRENT LIABILITIES:			
Payables	24	79,897	51,598
Lease liability	15	11,080	9,697
Directors' accounts	19	4,720	4,916
Current portion of long term loan	23	<u>42,034</u>	<u>7,769</u>
		<u>137,731</u>	<u>73,980</u>
		<u>1,148,440</u>	<u>1,069,024</u>

Approved for issue by the Board of Directors on 17 May 2024 and signed on its behalf by:



Metry Seaga - Director



Albert Bailey - Director

SPUR TREE SPICES JAMAICA LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

31 DECEMBER 2023

	<u>Note</u>	<u>Share Capital \$'000</u>	<u>Capital Reserve \$'000</u>	<u>Retained Earnings \$'000</u>	<u>Total \$'000</u>
BALANCE AT 1 JANUARY 2022		<u>157,143</u>	<u>150</u>	<u>261,213</u>	<u>418,506</u>
TRANSACTIONS WITH OWNERS					
Issue of shares, net	21	209,824	-	-	209,824
Dividends paid	28	<u>-</u>	<u>-</u>	<u>(24,718)</u>	<u>(24,718)</u>
		<u>209,824</u>	<u>-</u>	<u>(24,718)</u>	<u>185,106</u>
TOTAL COMPREHENSIVE INCOME					
Net profit for the year		<u>-</u>	<u>-</u>	<u>117,846</u>	<u>117,846</u>
BALANCE AT 31 DECEMBER 2022		<u>366,967</u>	<u>150</u>	<u>354,341</u>	<u>721,458</u>
TRANSACTION WITH OWNERS					
Dividends paid		<u>-</u>	<u>-</u>	<u>(29,783)</u>	<u>(29,783)</u>
TOTAL COMPREHENSIVE INCOME					
Net profit for the year		<u>-</u>	<u>-</u>	<u>96,883</u>	<u>96,883</u>
BALANCE AT 31 DECEMBER 2023		<u>366,967</u>	<u>150</u>	<u>421,441</u>	<u>788,558</u>

SPUR TREE SPICES JAMAICA LIMITED

COMPANY STATEMENT OF CASH FLOWS

31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net profit		96,883	117,846
Adjustments for:			
Depreciation of property, plant and equipment	11	20,856	18,498
Amortisation of right-of-use asset	15	10,016	10,016
Impairment losses on trade receivables	4(d)(ii)	1,020	8,115
Interest expense	9	26,309	8,921
Foreign exchange gain		(1,241)	(929)
Interest income	8	(1,568)	(1,555)
Taxation	10	-	(2,202)
		<u>152,275</u>	<u>158,710</u>
Changes in operating assets and liabilities:			
Inventories		(27,816)	(35,979)
Receivables		(33,425)	(38,802)
Payables		3,146	18,429
Due to related companies		(32,231)	(47,860)
Directors' current account		(196)	(7,270)
		<u>61,753</u>	<u>47,228</u>
Taxation paid		-	(23,079)
Cash provided by operating activities		<u>61,753</u>	<u>24,149</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	11	(93,014)	(38,182)
Investment in subsidiary	27	-	(350,000)
Interest received		<u>1,568</u>	<u>1,555</u>
Cash used in investing activities		<u>(91,446)</u>	<u>(386,627)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from loans	20	250,000	250,000
Loans repaid	20	(256,666)	(46,348)
Interest paid on loans		(22,954)	(3,656)
Dividends paid	28	(4,630)	(24,718)
Proceeds from issue of shares, (net)	21	-	209,824
Principal paid on lease liability	15	(9,121)	(9,241)
Interest paid on lease liability	15	(3,355)	(4,187)
Cash (used in)/provided by financing activities		<u>(46,726)</u>	<u>371,674</u>
		<u>(76,419)</u>	<u>9,196</u>
Exchange gain on foreign cash balances		<u>1,241</u>	<u>929</u>
Net (decrease)/increase in cash and cash equivalents		<u>(75,178)</u>	<u>10,125</u>
Cash and cash equivalents at beginning of year		<u>98,306</u>	<u>88,181</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	20	<u>23,128</u>	<u>98,306</u>

SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023**1. IDENTIFICATION AND PRINCIPAL ACTIVITIES:**

Spur Tree Spices Jamaica Limited (“the Company”) is a limited liability company incorporated and domiciled in Jamaica. The Company’s registered office is located at Unit 6B1 Garmex Freezone, 76 Marcus Garvey Drive, Kingston 13.

The Company is publicly listed having its shares on the Junior Market of the Jamaica Stock Exchange.

The principal activities of the Company and its subsidiaries (the Group) are the manufacturing and distributing of seasonings, spices, canned ackees and callaloo primarily for the export market.

The Company and its subsidiaries are referred to as the “the Group” in these financial statements.

2. MATERIAL ACCOUNTING POLICIES:

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

(a) Basis of preparation

These financial statements are presented in Jamaican dollars, which is considered the Group’s functional and presentation currency. Amounts are rounded to the nearest thousand, unless otherwise stated.

These financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards), and under the historical cost convention. They are also prepared in accordance with the requirements of the Jamaican Companies Act.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires Group’s management to exercise judgement in applying the Group’s accounting policies. 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 3.

SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd)

Standards, interpretations and amendments to published standards effective in the 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:

Definition of Accounting Estimates (Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors). The amendments to IAS 8, which added the definition of accounting estimates, clarify that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how the Group makes the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. These amendments had no effect on the financial statements of the Group.

Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements). The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure. These amendments have no effect on the measurement or presentation of any items in the financial statements of the Group but affect the disclosure of accounting policies of the Group.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes) In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences. These amendments had no effect on the annual consolidated financial statements of the Group.

SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd)

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

At the date of authorization of these financial statements, there are a number of standards, amendments to standards and interpretations, which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. The most significant of these are:

Amendments to IAS 1, 'Non-current Liabilities with Covenants', (deferred until accounting periods starting not earlier than 1 January 2024). These clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. The adoption of these amendments is not expected to have a significant impact on the Group.

Amendments to IAS 1, 'Presentation of financial statements' (effective for accounting periods starting not earlier than 1 January 2024). These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. Note that the IASB has issued a new exposure draft proposing change to this amendment. The Group is currently assessing the impact of these amendments.

The Group has concluded that there are no other relevant standards, interpretations and amendments to existing standards, which are published but not yet effective that would be expected to have a material impact on the operations of the Group.

(b) Basis of consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the Company and its subsidiary ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.


SPUR TREE SPICES JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
2. MATERIAL ACCOUNTING POLICIES (CONT'D):
(b) Basis of consolidation (cont'd)

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

The consolidated financial statement includes the following subsidiaries:

<u>Entities</u>	<u>% Shareholding held by:</u>	
	<u>Parent Company</u>	<u>Non - controlling interest</u>
Exotic Products (Successors) Limited	100	-
Canco Limited	<u>51</u>	<u>49</u>

In the prior year, the Group acquired the 51% shareholding of Canco Limited, a company incorporated and domiciled in Jamaica (Note 27).

Non-controlling interests

The Group recognises 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.

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 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.

Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired.

SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D):

(b) Basis of consolidation (cont'd)

Goodwill (cont'd)

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss. Direct costs of acquisition are recognised immediately as an expense.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of profit or loss and comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of profit or loss and other comprehensive income on the acquisition date.

(c) Foreign currency translation

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur.

Foreign currency monetary assets and liabilities are translated to Jamaican dollars using the closing rate as at the reporting date.

Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in profit or loss.


SPUR TREE SPICES JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
2. MATERIAL ACCOUNTING POLICIES (CONT'D):
(d) Financial assets

A financial asset is any contract that gives rise to both a financial asset for one entity and a financial liability or equity instrument of another entity. The Group classifies its financial assets at amortised cost as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed and adjusted for forward looking information. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. Impairment losses are included as a line item on the statement of profit or loss.

The Group's financial assets measured at amortised cost comprise trade receivables and cash and cash equivalents in the consolidated statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held on call with banks, other short term highly liquid investments with original maturity of three months or less and - for the purpose of the statement of cash flows - bank overdrafts.

(e) Financial liabilities

The Group's financial liabilities net of transaction costs are initially measured at fair value, and are subsequently carried at amortised cost using the effective interest method. At the reporting date, payables, bank overdraft and long term loans were classified as financial liabilities.

The Group derecognises a financial liability when its contractual obligation expire or are discharged or cancelled.

SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D):

(f) Impairment of non-financial assets

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs').

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income.

(g) Property plant and equipment

Items of property, plant and equipment are recorded at historical cost or deemed cost, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the Group and the cost of the item can be measured reliably.

Freehold land is not depreciated. Depreciation is calculated on the straight line basis at annual rates estimated to write off the carrying value of the assets over the period of their expected economic useful lives. Annual rates are as follows:

Building	2½%
Leasehold improvements (Shorter of life of asset and lease term)	20%
Machinery and equipment	10%-25%
Furniture, Fixture and Equipment	10%-33.3%
Computer Equipment	33.33%
Motor vehicles	20%

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date. Where the carrying amount of an asset is greater than the estimated recoverable amount it is written down immediately to its recoverable amount.

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

SPUR TREE SPICES JAMAICA LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2023****2. MATERIAL ACCOUNTING POLICIES (CONT'D):****(g) Property plant and equipment (cont'd)**

Repairs and maintenance are charged to the profit and loss account 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.

(h) Intangible assets**Goodwill**

Goodwill is recorded at cost and represents the excess of the value of consideration paid over the group's interest in net fair value of the identifiable assets and liabilities of the acquiree. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Computer software

Purchased software and costs that are directly associated with acquiring identifiable and unique software products which are expected to generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. These assets are measured at cost less accumulated amortisation and impairment losses, if any. The assets are amortised commencing on the date that they are put into use, using the straight-line method over their expected useful lives, which is between three (3) to four (4) years.

Subsequent costs associated with maintaining computer software programs are recognised as an expense, as incurred.

(i) Investment in subsidiaries

Investment in subsidiaries is included in the separate financial statements of the Company and is measured at cost. On disposal of the investment in subsidiary, the difference between net disposal proceeds and the carrying amount of the investment is taken to the statement of profit or loss and other comprehensive income.

SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D):**(j) Inventories**

Inventories are recognized at the lower of cost and net realizable value. Cost is determined on the weighted average method for raw materials, and standard cost basis for finished goods and work-in-progress. Cost comprises all the costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(k) Current and deferred income taxes

Taxation expense in profit or loss comprises current and deferred tax charges.

Current tax charges are based on taxable profits or loss for the year, which differ from the profit or loss before tax reported because taxable profits exclude 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 reporting date.

Deferred tax is the tax that is 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. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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 utilized. Deferred tax is charged to profit or loss except where it relates to items charged or credited to other comprehensive income or equity, in which case, deferred tax is also dealt with in other comprehensive income or equity.

(l) Leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- There is an identified asset;
- The Group obtains substantially all the economic benefits from use of the asset; and
- The Group has the right to direct use of the asset.

SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D):**(l) Leases (cont'd)**

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Group obtains substantially all the economic benefits from the asset, the Group considers only the economic benefits that arise from use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

All leases are accounted for by recognising a right-of-use asset and a corresponding lease liability, except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payment and non-lease components are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023**2. MATERIAL ACCOUNTING POLICIES (CONT'D):****(l) Leases (cont'd)**

Right-of-use assets are initially measured at an amount equal to the initial value of the lease liabilities reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate.

The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

When the Group renegotiates the contractual terms of a lease with the lessor, that is, the lease contract is modified and the lease modification is not accounted for as a separate lease, or there is a change in the assessment of the exercise of an extension option, the lease obligation is re-measured by discounting the revised lease payments using a revised discount rate resulting in a corresponding adjustment to the right-of-use asset. The revised carrying amount is amortised over the remaining lease term.


SPUR TREE SPICES JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
2. MATERIAL ACCOUNTING POLICIES (CONT'D):
(m) Related party

A related party is a person or entity that is related to the entity that is preparing its financial statements. A party is related to the Group, if:

- (i) Directly, or indirectly through one or more intermediaries, the party:
 - (a) is controlled by, or is under common control with, the Group;
 - (b) has an interest in the Group that gives it significant influence over the entity; or
 - (c) has joint control over the Group.
- (ii) The party is a member of the key management personnel of the entity or its parent;
- (iii) The party is a close member of the family of any individual referred to in (i) or (iv);
- (iv) The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (ii) or (iii).

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. The Group has a related party relationship with its directors and key management personnel representing certain senior officers of the Group.

(n) Revenue recognition

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

Sales of goods

The majority of the Group's revenue is recognized from selling of goods as performance obligations are satisfied, that is at a point in time when control of goods has been transferred to the customer. This is generally when the goods are delivered to the customer. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred the Group no longer has physical possession, usually will have present right to payment (as a single payment on delivery) and retains none of the significant risk and revenues of goods in question.

SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D):

(n) Revenue recognition (cont'd)

Sales of goods (cont'd)

For all invoices, there is a fixed unit price for the product sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the price to each unit ordered (it is the total contract price divided by the number of units ordered).

Interest income

Interest income is recognised using the effective interest method.

Other income

Other operating income is recognised on an accrual basis.

(o) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(p) Dividend distribution

Dividend distribution to the Group's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders.

Dividends for the year that are declared after the reporting date are dealt with in the subsequent events note.

(q) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components. Each operating segment's operating results are reviewed regularly by the Group's Chief Operating Decision-maker (CODM) who makes decisions about resources to be allocated to the segments and assesses their performances. The Group has identified the Chief Executive Officer as its CODM.


SPUR TREE SPICES JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES:

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

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

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

(b) Key sources of estimation uncertainty

The Group makes certain estimates and assumptions regarding 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:

(i) Allowance for impairment losses on trade receivables

Allowances for doubtful accounts are determined upon origination of the trade receivable based on a model that calculates the expected credit loss (ECL) of the trade receivables.

Under this ECL model, the group segments its trade receivables in a matrix by days past due and determined for each age bracket an average rate of ECL, considering actual credit loss experience over the last 12 months and analysis of future delinquency, that is applied to the balance of the trade receivables.

The average ECL rate increases in each segment of days past due until the rate is 100% for the segment of 365 days or more past due. The use of assumptions makes uncertainty inherent in such estimates.

(ii) Assessment of goodwill

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

SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023**4. FINANCIAL RISK MANAGEMENT:**

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Liquidity risk, and
- Market risk

In common with all other businesses, the Group's activities expose it to a variety of risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks to minimize potential adverse effects on the financial performance of the Group and the methods used to measure them.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(a) Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade receivables
- Cash and cash equivalents
- Payables
- Long term loans
- Bank overdraft
- Lease liability

(b) Financial instruments by category**Financial assets**

	<u>The Group</u> <u>Amortised cost</u>		<u>The Company</u> <u>Amortised cost</u>	
	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Trade receivables	149,188	141,764	121,287	118,258
Cash and cash equivalents	<u>54,394</u>	<u>148,246</u>	<u>23,128</u>	<u>98,306</u>
Total financial assets	<u>203,582</u>	<u>290,010</u>	<u>144,415</u>	<u>216,564</u>


SPUR TREE SPICES JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
4. FINANCIAL RISK MANAGEMENT (CONT'D):
(b) Financial instruments by category (cont'd)
Financial liabilities

	<u>The Group</u>		<u>The Company</u>	
	<u>Amortised cost</u>		<u>Amortised cost</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Payables	78,185	81,326	50,546	32,022
Long term loans	404,493	425,034	244,413	251,079
Bank overdraft	2,551	-	-	-
Lease liability	<u>30,852</u>	<u>39,973</u>	<u>30,852</u>	<u>39,973</u>
Total financial liabilities	<u>516,081</u>	<u>546,333</u>	<u>325,811</u>	<u>323,074</u>

(c) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalent, trade receivables, long term loans, bank overdraft and payables.

Due to their short-term nature, the carrying value of cash and cash equivalent, trade receivables, bank overdraft and payables approximates their fair value.

The carrying values of long term loans approximates their fair value as these liabilities are carried at amortised cost reflecting contractual obligations and the interest rates are reflective of current market rates for similar transaction.

(d) Financial risk factors

The Board of Directors together with management has responsibility for the determination of the Group's risk management objectives and policies. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and liquidity risk.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

(i) Market risk

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

4. FINANCIAL RISK MANAGEMENT (CONT'D):

(d) Financial risk factors (cont'd)

(i) Market risk (cont'd)

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

Currency risk arises from foreign dominated bank balances, receivables and payables. The Group manages this risk by ensuring that foreign assets are kept to an acceptable level by monitoring currency positions.

Concentration of currency risk

The Group and Company is primarily exposed to foreign currency risk in respect of United States Dollars as follows:

	<u>The Group</u> <u>USD</u> <u>\$'000</u>	<u>The Company</u> <u>USD</u> <u>\$'000</u>
31 December 2023:		
Financial assets:		
Cash and cash equivalent	80,003	21,299
Trade receivables	<u>19,052</u>	<u>-</u>
Net financial assets	<u>99,055</u>	<u>21,299</u>
31 December 2022:		
Financial assets:		
Cash and cash equivalent	91,536	81,721
Trade receivables	15,563	-
Payables	<u>(731)</u>	<u>-</u>
Net financial assets	<u>106,368</u>	<u>81,721</u>


SPUR TREE SPICES JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
4. FINANCIAL RISK MANAGEMENT (CONT'D):
(d) Financial risk factors (cont'd)
(i) Market risk (cont'd)
Currency risk (cont'd)
Foreign currency sensitivity

The following table indicates the sensitivity of profit before taxation to changes in foreign exchange rates. 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 balances as disclosed above, and adjusts their translation at the year-end for 4% (2022-4%) depreciation and a 1% (2022- 1%) appreciation of the Jamaican dollar against the US dollar and pound. The changes below would have no impact on other components of equity.

The Group				
<u>Currency</u>	<u>% Change in Currency Rate 2023</u>	<u>Effect on Profit before Taxation 2023 \$'000</u>	<u>% Change in Currency Rate 2022</u>	<u>Effect on Profit before Taxation 2022 \$'000</u>
USD	-4	3,962	-4	4,255
USD	<u>+1</u>	<u>(991)</u>	<u>+1</u>	<u>(1,064)</u>

The Company				
<u>Currency</u>	<u>% Change in Currency Rate 2023</u>	<u>Effect on Profit before Taxation 2023 \$'000</u>	<u>% Change in Currency Rate 2022</u>	<u>Effect on Profit before Taxation 2022 \$'000</u>
USD	-4	852	-4	3,269
USD	<u>+1</u>	<u>(213)</u>	<u>+1</u>	<u>(818)</u>

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 not exposed to market price fluctuations at the reporting date.


SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023
4. FINANCIAL RISK MANAGEMENT (CONT'D):
(d) Financial risk factors (cont'd)
(i) Market risk (cont'd)
Cash flow and fair value interest rate risk

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

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

The Group is exposed to both fair value and cash flow interest rate risk on its savings accounts, long term loans and bank overdraft. The group analyses its interest rate exposure arising from long term loans and bank overdraft facility on an ongoing basis, taking into consideration the options of refinancing, renewal of existing positions and alternative financing. The group's short term deposits are due to mature and re-price within three (3) months of the reporting period.

At the date of the statement of financial position, the interest profile of the Group's interest bearing financial instruments with variable interest rates were as follows:

	The Group		The Company	
	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Financial asset:				
Savings accounts	<u>4,401</u>	<u>50,831</u>	<u>4,247</u>	<u>50,831</u>
Financial liabilities				
Long term loans	404,493	425,034	244,413	251,079
Bank overdraft	<u>2,551</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>407,044</u>	<u>425,034</u>	<u>244,413</u>	<u>251,079</u>
Net repricing gap	<u>(402,643)</u>	<u>(374,203)</u>	<u>(240,166)</u>	<u>(200,248)</u>


SPUR TREE SPICES JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
4. FINANCIAL RISK MANAGEMENT (CONT'D):
(d) Financial risk factors (cont'd)
(i) Market risk (cont'd)
Interest rate sensitivity

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the Group's and company's income statement.

The sensitivity of the profit or loss is the effect of the assumed changes in interest rates on net income based on floating rate financial assets and floating rate liabilities. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact, each variable has to be evaluated on an individual basis. It should be noted that movements in these variables are non-linear.

The analysis assumes that all other variables, in particular, foreign currency rates, remain constant. The analysis is performed on the same basis for 2023 as for the prior period.

The Group			
Change in basis point:	Effect on Profit before Taxation	Change in basis point	Effect on Profit before Taxation
<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
	<u>\$'000</u>		<u>\$'000</u>
-25	1,007	-50	1,871
<u>+25</u>	<u>(1,007)</u>	<u>+100</u>	<u>(3,742)</u>

The Company			
Change in basis point:	Effect on Profit before Taxation	Change in basis point	Effect on Profit before Taxation
<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
	<u>\$'000</u>		<u>\$'000</u>
-25	600	-50	1,001
<u>+25</u>	<u>(600)</u>	<u>+100</u>	<u>(2,002)</u>

There is no significant exposure to interest rate risk on short term deposits, as these deposits have a short term to maturity and are constantly reinvested at current market rates.

SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

4. FINANCIAL RISK MANAGEMENT (CONT'D):

(d) Financial risk factors (cont'd)

(ii) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises principally from trade receivables and cash and cash equivalents.

The Group manages this risk as follows:

Maximum exposure to credit risk

The maximum exposure to credit risk is equal to the carrying amount of trade receivables and cash and cash equivalent in the statement of financial position.

Cash and cash equivalents

Cash transactions are limited to high credit quality financial institutions. The Group has policies that limits the amount of credit exposure to any one financial institution. No allowance for impairment was deemed necessary.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit policy states that each customer must be analysed individually for creditworthiness prior to the Group offering them a credit facility. Customers are required to provide a guarantee and credit limits are assigned to each customer. Overseas customers are given a credit period of thirty (30) days and local customers fifteen (15) days credit.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk such as aging.

The expected loss rates are based on the Group's historical credit losses experienced over the prior period to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product (GDP) rate of the country in which it sells its products to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.


SPUR TREE SPICES JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
4. FINANCIAL RISK MANAGEMENT (CONT'D):
(d) Financial risk factors (cont'd)
(ii) Credit risk (cont'd)
Trade receivables (cont'd)

The following tables provides information about the ECL's for trade receivables as at 31 December:

	The Group		
	2023		
<u>Aging</u>	<u>Gross Carrying Amount</u> <u>\$'000</u>	<u>Default Rate</u> <u>%</u>	<u>Lifetime ECL Allowance</u> <u>\$'000</u>
0 - 30 days	143,723	0.0073	1,048
31 - 60 days	3,894	0.0883	343
61 - 90 days	6,176	0.5204	3,214
Over 90 days	<u>565</u>	<u>1.0000</u>	<u>565</u>
Total	<u>154,358</u>		<u>5,170</u>
	2022		
<u>Aging</u>	<u>Gross Carrying Amount</u> <u>\$'000</u>	<u>Default Rate</u> <u>%</u>	<u>Lifetime ECL Allowance</u> <u>\$'000</u>
0 - 30 days	135,587	0.0143	1,942
31 - 60 days	7,502	0.4594	3,447
61 - 90 days	1,005	0.6517	655
Over 90 days	<u>10,888</u>	<u>0.6589</u>	<u>7,174</u>
Total	<u>154,982</u>		<u>13,218</u>
	The Company		
	2023		
<u>Aging</u>	<u>Gross Carrying Amount</u> <u>\$'000</u>	<u>Default Rate</u> <u>%</u>	<u>Lifetime ECL Allowance</u> <u>\$'000</u>
0 - 30 days	118,741	0.0063	748
31 - 60 days	471	0.2951	139
61 - 90 days	<u>6,176</u>	<u>0.5204</u>	<u>3,214</u>
Total	<u>125,388</u>		<u>4,101</u>


SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023
4. FINANCIAL RISK MANAGEMENT (CONT'D):
(d) Financial risk factors (cont'd)
(ii) Credit risk (cont'd)
Trade receivables (cont'd)

The following tables provides information about the ECL's for trade receivables as at 31 December (cont'd):

<u>Aging</u>	<u>The Company</u>		
	<u>Gross Carrying Amount</u> <u>\$'000</u>	<u>2022</u>	
		<u>Default Rate</u> <u>%</u>	<u>Lifetime ECL Allowance</u> <u>\$'000</u>
0 - 30 days	115,393	0.0141	1,622
31 - 60 days	1,638	0.4970	753
61 - 90 days	522	0.6513	340
Over 90 days	<u>9,978</u>	<u>0.6572</u>	<u>6,558</u>
Total	<u>127,531</u>		<u>9,273</u>

The movement in the impairment loss is as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
1 January	13,218	1,158	9,273	1,158
Written-off (Credit)/charge for the year	(6,192) (1,856)	- <u>12,060</u>	(6,192) <u>1,020</u>	- <u>8,115</u>
	<u>5,170</u>	<u>13,218</u>	<u>4,101</u>	<u>9,273</u>

(iii) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.


SPUR TREE SPICES JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
4. FINANCIAL RISK MANAGEMENT (CONT'D):
(d) Financial risk factors (cont'd)
(iii) Liquidity risk (cont'd)
Liquidity risk management process

The Group's liquidity management process, as carried out within the Group and monitored by the Finance Department, includes:

- (i) Monitoring future cash flows and liquidity on a bi-weekly basis.
- (ii) Maintaining committed lines of credit.

Cash flows of financial liabilities

The maturity profile of the Group's and Company's financial liabilities, based on contractual undiscounted payments, are as follows:

	The Group					
	Within 1	Between	Between	Over 5	Total	Tot
	Year	1 and 2	3 and 5	Years	Contractual	Carry
	₤	₤	₤	₤	Cashflows	Valu
	₤	₤	₤	₤	₤	₤
31 December 2023						
Payables	78,185	-	-	-	78,185	78,1
Bank overdraft	2,551	-	-	-	2,551	2,5
Long term loans	97,802	195,603	212,149	2,846	508,400	404,4
Lease liability	<u>13,079</u>	<u>19,619</u>	<u>-</u>	<u>-</u>	<u>32,698</u>	<u>30,4</u>
Total financial liabilities (contractual maturity dates)	<u>191,617</u>	<u>215,222</u>	<u>212,149</u>	<u>2,846</u>	<u>621,834</u>	<u>516,1</u>
31 December 2022						
Payables	81,326	-	-	-	81,326	81,3
Long term loans	20,047	151,906	228,862	91,992	492,807	425,1
Lease liability	<u>12,995</u>	<u>26,215</u>	<u>41,755</u>	<u>-</u>	<u>80,965</u>	<u>39,9</u>
Total financial liabilities (contractual maturity dates)	<u>114,368</u>	<u>178,121</u>	<u>270,617</u>	<u>91,992</u>	<u>655,098</u>	<u>546,3</u>


SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023
31 DECEMBER 2023
4. FINANCIAL RISK MANAGEMENT (CONT'D):
(d) Financial risk factors (cont'd)
(iii) Liquidity risk (cont'd)

Cash flows of financial liabilities (cont'd)

The maturity profile of the Group's and Company's financial liabilities, based on contractual undiscounted payments, are as follows:

	The Company				Total Contractual Cashflows	Total Carrying Value
	Within 1 Year	Between 1 and 2 Years	Between 3 and 5 Years	Over 5 Years		
	\$	\$	\$	\$		
31 December 2023						
Payables	50,546	-	-	-	50,546	50,546
Long term loans	67,100	134,200	120,045	-	321,345	244,413
Lease liability	13,079	19,619	-	-	32,698	30,852
Total financial liabilities (contractual maturity dates)	130,725	153,819	120,045	-	404,589	325,721
31 December 2022						
Payables	32,022	-	-	-	32,022	32,022
Long term loans	28,541	61,933	190,960	46,450	327,884	251,079
Lease liability	12,995	26,215	41,755	-	80,965	39,973
Total financial liabilities (contractual maturity dates)	73,558	88,148	232,715	46,450	440,871	323,074

(e) Capital management

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

There are no particular strategies to determine the optimal capital structure. There are also no external capital maintenance requirements to which the Group is subject.


SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023
31 DECEMBER 2023
5. REVENUE:

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities and is shown net of discount and allowances. Goods are transferred to customers at a point in time.

6. EXPENSES BY NATURE:

Total direct, administration and other expenses:

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Cost of sales recognized as expense	1,004,662	673,463	711,701	583,373
Directors' remuneration and fees	41,458	30,066	33,670	30,065
Staff costs (Note 7)	86,986	71,325	59,715	50,157
Depreciation of property, plant and equipment	65,925	33,904	20,856	18,498
Amortisation of intangible assets	148	-	-	-
Amortisation of right-of-use asset	10,016	10,016	10,016	10,016
Maintenance fee	18,162	13,168	18,162	13,168
Utilities	13,012	4,663	10,791	10,651
Advertising and promotion	13,438	9,326	12,841	9,326
Auditors' remuneration	5,546	4,100	2,400	2,300
Insurance	12,122	7,642	8,624	7,039
Repairs and maintenance	10,407	6,580	8,824	6,580
Legal and professional fees	26,330	11,421	16,029	8,315
Travel and entertainment	7,009	4,131	4,680	4,132
Motor vehicles expenses	16,792	7,150	7,547	4,427
Donations and subscriptions	1,887	997	315	-
Acquisition expenses	-	2,253	-	2,253
Other expenses	15,446	2,496	3,182	15,454
	<u>1,349,346</u>	<u>892,701</u>	<u>929,353</u>	<u>775,754</u>

7. STAFF COSTS:

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Salaries	52,422	56,156	43,918	34,856
Statutory payroll contributions	13,424	8,917	10,575	8,917
Staff welfare	20,951	5,645	5,033	5,777
Other	189	607	189	607
	<u>86,986</u>	<u>71,325</u>	<u>59,715</u>	<u>50,157</u>

The number of persons employed by the Group at the end of the year was 115 (2022: 111)

SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

31 DECEMBER 2023

8. OTHER OPERATING INCOME:

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Interest income	1,568	1,555	1,568	1,555
Other income	649	224	-	-
Foreign exchange gain	<u>4,710</u>	<u>457</u>	<u>4,393</u>	<u>-</u>
	<u>6,927</u>	<u>2,236</u>	<u>5,961</u>	<u>1,555</u>

9. FINANCE COSTS:

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Interest on loans	40,019	8,210	22,954	4,734
Interest on lease liability (Note 15)	<u>3,355</u>	<u>4,187</u>	<u>3,355</u>	<u>4,187</u>
	43,374	12,397	26,309	8,921
Other finance costs	<u>1,248</u>	<u>167</u>	<u>1,219</u>	<u>-</u>
	<u>44,622</u>	<u>12,564</u>	<u>27,528</u>	<u>8,921</u>

10. TAXATION:

(a) Taxation is based on the profit for the year adjusted for tax purposes.

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Current taxation	1,346	355	-	-
Prior year over-accrual	-	(138)	-	(138)
Deferred taxation (Note 16)	<u>(7,278)</u>	<u>(2,398)</u>	<u>-</u>	<u>(2,064)</u>
	<u>(5,932)</u>	<u>(2,181)</u>	<u>-</u>	<u>(2,202)</u>


SPUR TREE SPICES JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
31 DECEMBER 2023
10. TAXATION (CONT'D):

- (b) The effective tax rate for 2023 was 8.10% (2022: 1.90%) compared to the statutory tax rate of the Company of 25%. The actual charge differs from the expected tax charge for the year as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Profit before taxation	<u>74,165</u>	<u>113,441</u>	<u>96,883</u>	<u>115,644</u>
Tax calculated at 25%	18,541	28,360	24,221	28,911
Adjusted for the effects of:				
Depreciation charges and capital allowance	(2,160)	3,267	(5,093)	1,905
Expenses not deducted for tax purposes	4,310	9,426	4,101	9,416
Prior year under/(over)-accrual	-	(138)	-	(138)
Adjustment for the effect of tax remission (see Note 10 (c))	(23,229)	(42,296)	(23,229)	(42,296)
Other charges and allowances	(3,394)	(800)	-	-
	<u>(5,932)</u>	<u>(2,181)</u>	<u>-</u>	<u>(2,202)</u>

- (c) Remission of income tax:

The Company's shares became listed on the Junior Market of the Jamaica Stock Exchange (JSE), effective January 2022. Consequently, the Company will be entitled to a remission of taxes for ten (10) years in the proportions set out below, provided the shares remain listed for at least 15 years and is not suspended from the JSE due to breaches.

Years 1 to 5	100%
Years 6 to 10	50%

The financial statements have been prepared on the basis that the Company will have the full benefit of the tax remissions.

SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

11. PROPERTY, PLANT AND EQUIPMENT:

	The Group						
	Land, building & Leasehold Improvements	Machinery & Equipment	Computer Equipment	Fixtures & Equipment	Motor Vehicles	Construction Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$000	\$'000
At cost -							
1 January 2022	77,939	158,910	5,838	6,146	17,888	-	266,721
Additions	26,122	20,597	986	457	-	37,879	86,041
	<u>104,061</u>	<u>179,507</u>	<u>6,824</u>	<u>6,603</u>	<u>17,888</u>	<u>37,879</u>	<u>352,762</u>
Acquisition through business combination (Note 27) (as previously stated)	362,181	194,155	17,619	29,884	22,664	-	608,503
Adjustment (Note 27)	(18,000)	-	-	-	-	-	(18,000)
Acquisition through business combination (Note 27) (restated)	344,181	194,155	17,619	29,884	22,664	-	86,041
31 December 2022	448,242	373,662	24,443	36,487	40,552	37,879	961,265
Transfer	37,879	-	-	-	-	(37,879)	-
Additions	15,667	44,413	1,135	2,021	17,820	23,111	104,167
31 December 2023	<u>501,788</u>	<u>418,075</u>	<u>25,578</u>	<u>38,508</u>	<u>58,372</u>	<u>23,111</u>	<u>1,065,432</u>
Depreciation -							
1 January 2022	23,013	52,613	5,706	3,011	9,021	-	93,364
Acquisition through business combination (Note 27)	32,181	97,335	4,096	3,817	14,134	-	151,563
Charge for the year	5,697	21,522	1,284	1,909	3,492	-	33,904
31 December 2022	60,891	171,470	11,086	8,737	26,647	-	278,831
Charge for the year	12,169	39,519	4,441	530	9,266	-	65,925
31 December 2023	<u>73,060</u>	<u>210,989</u>	<u>15,527</u>	<u>9,267</u>	<u>35,913</u>	<u>-</u>	<u>344,756</u>
Net book value:							
31 December 2023	<u>428,728</u>	<u>207,086</u>	<u>10,051</u>	<u>29,241</u>	<u>22,459</u>	<u>23,111</u>	<u>720,676</u>
31 December 2022	<u>387,351</u>	<u>202,192</u>	<u>13,357</u>	<u>27,750</u>	<u>13,905</u>	<u>37,879</u>	<u>682,434</u>

SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D):

	The Company						Total \$'000
	Leasehold Improvements \$'000	Machinery & Equipment \$000	Computer Equipment \$'000	Fixtures & Equipment \$'000	Motor Vehicles \$'000	Work-in Progress \$'000	
At cost -							
1 January 2022	30,771	126,382	5,793	4,159	6,552	-	173,657
Additions	<u>26,122</u>	<u>10,951</u>	<u>986</u>	<u>123</u>	<u>-</u>	<u>-</u>	<u>38,182</u>
31 December 2022	56,893	137,333	6,779	4,282	6,552	-	211,839
Additions	<u>13,213</u>	<u>40,573</u>	<u>363</u>	<u>1,684</u>	<u>14,070</u>	<u>23,111</u>	<u>93,014</u>
31 December 2023	<u>70,106</u>	<u>177,906</u>	<u>7,142</u>	<u>5,966</u>	<u>20,622</u>	<u>23,111</u>	<u>304,853</u>
Depreciation -							
1 January 2022	20,814	46,382	5,698	2,428	5,131	-	80,453
Charge for the year	<u>3,032</u>	<u>13,089</u>	<u>424</u>	<u>642</u>	<u>1,311</u>	<u>-</u>	<u>18,498</u>
31 December 2022	23,846	59,471	6,122	3,070	6,442	-	98,951
Charge for the year	<u>1,900</u>	<u>15,565</u>	<u>917</u>	<u>302</u>	<u>2,172</u>	<u>-</u>	<u>20,856</u>
31 December 2023	<u>25,746</u>	<u>75,036</u>	<u>7,039</u>	<u>3,372</u>	<u>8,614</u>	<u>-</u>	<u>119,807</u>
Net book value:							
31 December 2023	<u>44,360</u>	<u>102,870</u>	<u>103</u>	<u>2,594</u>	<u>12,008</u>	<u>23,111</u>	<u>185,046</u>
31 December 2022	<u>33,047</u>	<u>77,862</u>	<u>657</u>	<u>1,212</u>	<u>110</u>	<u>-</u>	<u>112,888</u>


SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023
12. INTANGIBLE ASSETS:

	<u>The Group</u>		
	<u>Goodwill</u> <u>\$'000</u>	<u>Computer</u> <u>Software</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
At cost -			
1 January 2022	11,389	-	11,389
Addition	<u>-</u>	<u>443</u>	<u>443</u>
	<u>11,389</u>	<u>443</u>	<u>11,832</u>
Acquisition through business combination (Note 27) (as previously stated)	175,545	4,410	179,955
Adjustments (Note 27)	<u>9,180</u>	<u>-</u>	<u>9,180</u>
Acquisition through business combination (Note 27) (as restated)	<u>184,725</u>	<u>4,410</u>	<u>189,135</u>
31 December 2022 and 31 December 2023	<u>196,114</u>	<u>4,853</u>	<u>200,967</u>
Amortisation -			
Acquisition through business combination (Note 27)	-	4,190	4,190
Charge for the year	<u>-</u>	<u>232</u>	<u>232</u>
31 December 2022	-	4,422	4,422
Charge for the year	<u>-</u>	<u>148</u>	<u>148</u>
31 December 2023	<u>-</u>	<u>4,570</u>	<u>4,570</u>
Net book value -			
31 December 2023	<u>196,114</u>	<u>283</u>	<u>196,397</u>
31 December 2022	<u>196,114</u>	<u>431</u>	<u>196,545</u>

Impairment tests for goodwill

The Group determines whether goodwill is impaired at the end of each reporting period or when events or changes in circumstances indicate that the carrying value may be impaired. In testing goodwill for impairment, recoverable amounts of the cash-generating units (CUG) is estimated based on value-in-use. Where the recoverable amounts exceed the carrying amounts, no impairment allowance is made. The recoverable amount of a CUG is determined based on value in use calculations. These calculations use cash flow projects based on financial information covering a five-year-period which are discounted using long term discount rates applicable to the Group. Based on the assessment, no impairment loss was recognized.


SPUR TREE SPICES JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
13. INVESTMENT IN SUBSIDIARIES:

Investments in the shares of the following:

	<u>The Company</u>	
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Exotic Products Jamaica (Successors) Limited - 100,000 shares	75,000	75,000
Canco Limited- 301,724,140 shares	<u>350,000</u>	<u>350,000</u>
	<u>425,000</u>	<u>425,000</u>

14. INVESTMENTS:

This represents investments in Holland Bamboo Limited and Catiki Food Limited.

15. LEASES:

The Group recognized the right-of-use asset for its leased premise as follows:

	<u>The Group and The Company</u>	
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
At 1 January	36,725	46,741
Amortisation	<u>(10,016)</u>	<u>(10,016)</u>
	<u>26,709</u>	<u>36,725</u>


SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023
15. LEASES (CONT'D):

The following table presents the lease obligation for the Group:

	The Group and The Company	
	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
At 1 January	39,973	49,214
Interest expense on lease obligation	3,355	4,187
Lease payments	<u>(12,476)</u>	<u>(13,428)</u>
	<u>30,852</u>	<u>39,973</u>
Current portion	11,080	9,697
Non-current portion	<u>19,772</u>	<u>30,276</u>
	<u>30,852</u>	<u>39,973</u>

Amount recognised in the statement of profit or loss:

	The Group and The Company	
	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Amortisation	10,016	10,016
Interest on lease liabilities	<u>3,355</u>	<u>4,187</u>
	<u>13,371</u>	<u>14,203</u>

Amount recognised in the statement of cash flows:

	The Group and The Company	
	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Total cash outflows for leases excluding interest	<u>9,121</u>	<u>9,241</u>


SPUR TREE SPICES JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
15. LEASES (CONT'D):

The Group leases its current office and production space for fixed periods of up to three (3) years with option to renew and obtain lease term extensions of an additional two (2) years. When measuring the lease obligation, the Group discounted the remaining lease payments using its incremental borrowing rate at the date of initial application, which is 9.25% per annum.

16. DEFERRED TAX ASSETS:

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

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. The amounts determined after appropriate offsetting are as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Balance at 1 January	(6,067)	(3,670)	-	2,064
Credited to profit and loss (Note 10)	<u>(7,278)</u>	<u>(2,397)</u>	-	<u>(2,064)</u>
Balance at 31 December	<u>(13,345)</u>	<u>(6,067)</u>	<u>-</u>	<u>-</u>

The movement in deferred taxation is as follows:

	<u>The Group</u>		
	<u>2023</u>		
	<u>Balance at beginning of year</u>	<u>Recognised in profit or loss</u>	<u>Balance at end of year</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Deferred tax assets:			
Property, plant and equipment	(6,067)	(577)	(6,644)
Interest payable	-	(117)	(117)
Impairment allowances	-	(134)	(134)
Unutilised tax losses	-	<u>(6,450)</u>	<u>(6,450)</u>
Net deferred tax assets	<u>(6,067)</u>	<u>(7,278)</u>	<u>(13,345)</u>


SPUR TREE SPICES JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
17. INVENTORIES:

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Work-in-progress	12,512	27,754	12,107	27,416
Raw materials	44,349	20,902	38,133	14,473
Finished goods	<u>172,229</u>	<u>146,065</u>	<u>105,130</u>	<u>85,665</u>
	<u>229,090</u>	<u>194,721</u>	<u>155,370</u>	<u>127,554</u>

18. RECEIVABLES:

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Trade receivables	154,358	154,982	125,388	127,531
Less: impairment losses	(5,170)	(13,218)	(4,101)	(9,273)
	149,188	141,764	121,287	118,258
Prepayments	50,900	29,733	41,412	25,743
GCT Recoverable	45,567	32,658	13,056	11,136
Other receivables	<u>42,817</u>	<u>18,180</u>	<u>24,070</u>	<u>12,283</u>
	<u>288,472</u>	<u>222,335</u>	<u>199,825</u>	<u>167,420</u>

19. RELATED PARTY TRANSACTIONS AND BALANCES:

The following transactions were carried out with related parties during the year:

	<u>The Company</u>	
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
(a) Purchase of goods -		
Exotic Products Jamaica (Successors) Limited	<u>246,005</u>	<u>290,865</u>

(b) Key management compensation -

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Directors' remuneration	38,853	27,431	27,555	27,430
Directors' fees	<u>2,605</u>	<u>2,635</u>	<u>2,605</u>	<u>2,635</u>
	<u>41,458</u>	<u>30,066</u>	<u>30,160</u>	<u>30,065</u>

SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023**19. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D):**

The following transactions were carried out with related parties during the year (cont'd):

(c) The balances at year end were as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
(i) Due from related company				
Exotic Products Jamaica	-	-	129,612	96,938
(Successors) Limited	-	-	-	443
Canco Limited	-	-	-	-
	<u>-</u>	<u>-</u>	<u>129,612</u>	<u>97,381</u>
(ii) Due to:				
Director's loan	<u>29,323</u>	<u>29,323</u>	<u>-</u>	<u>-</u>
Directors' current accounts	<u>29,222</u>	<u>23,503</u>	<u>4,720</u>	<u>4,916</u>

Directors' current accounts and loan are interest free and have no fixed term of repayment.

20. CASH AND CASH EQUIVALENTS:

For the purpose of the cash flow statement, cash and cash equivalents comprises:

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Cash at bank and in hand	37,360	117,356	6,094	67,416
Deposits	<u>17,034</u>	<u>30,890</u>	<u>17,034</u>	<u>30,890</u>
	54,394	148,246	23,128	98,306
Bank overdraft	<u>(2,551)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>51,843</u>	<u>148,246</u>	<u>23,128</u>	<u>98,306</u>

(a) The weighted average effective interest rate on deposits was 3.50% (2022: 3.60%) for the Group and Company. These deposits have an average maturity of under three (3) months. As in the prior year, no interest was accrued.


SPUR TREE SPICES JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
20. CASH AND CASH EQUIVALENTS (CONT'D):

- (b) As in the prior year, the Group has a bank overdraft facility of \$10 million for working capital support with Sagicor Bank Limited. The facility attracts interest at 10.50% per annum. The facility and the Sagicor long term loan combined are secured as disclosed in Note 23.
- (c) Reconciliation of movements of liabilities to cash flows arising from financing activities:

Amounts represent bank loans, excluding credit card balances.

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
At 1 January	425,034	46,348	251,079	46,348
Cash -				
Loans received	250,000	294,800	250,000	250,000
Loan repaid	(271,476)	(235,981)	(256,666)	(46,348)
Non- cash -				
Amounts recognised on business combination (Note 27)	-	318,788	-	-
Interest accrued	935	1,079	-	1,079
At 31 December (Note 23)	<u>404,493</u>	<u>425,034</u>	<u>244,413</u>	<u>251,079</u>

21. SHARE CAPITAL:

	<u>The Group and The Company</u>			
	<u>Number of shares</u>		<u>Of no par value</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>#'000</u>	<u>#'000</u>	<u>\$'000</u>	<u>\$'000</u>
Authorised -				
Unlimited ordinary shares				
Issued and fully paid -				
Opening issued and fully paid ordinary shares	1,676,959	1,341,567	366,967	157,143
Initial public offering issued, net of cost	-	335,392	-	209,824
	<u>1,676,959</u>	<u>1,676,959</u>	<u>366,967</u>	<u>366,967</u>

SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023**22. NON-CONTROLLING INTEREST:**

This represents the fair value of the non-controlling interest in subsidiary not wholly owned.

The following summarises information relating to Canco Limited, before any intra-group eliminations. In the prior year, the subsidiary was acquired in October, therefore, the operating results represents three (3) months to the year end.

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
For the period ended 31 December		
Revenue	407,706	117,827
Cost of sales	<u>(294,818)</u>	<u>(90,090)</u>
Gross profit	<u>112,888</u>	<u>27,737</u>
Administrative expenses	(96,693)	(27,206)
Other operating income	966	681
Operating profit	<u>17,161</u>	<u>1,212</u>
Finance expense	<u>17,094</u>	<u>3,643</u>
Profit/(loss) before tax	67	(2,431)
Tax expense	<u>(548)</u>	<u>-</u>
Loss after tax	<u>(481)</u>	<u>(2,431)</u>
Loss allocated to NCI	<u>(236)</u>	<u>(1,191)</u>
Total assets	553,768	580,697
Total liabilities	<u>(232,612)</u>	<u>(259,060)</u>
Net assets	<u>321,156</u>	<u>321,637</u>
Carrying amount of NCI	<u>157,366</u>	<u>157,602</u>


SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023
23. LONG TERM LOANS:

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
First Global Bank Jamaica Limited	146,981	251,079	146,981	251,079
GK Capital Management	97,432	-	97,432	-
Sagicor Bank Jamaica Limited	<u>160,080</u>	<u>173,955</u>	-	-
	404,493	425,034	244,413	251,079
Less: current portion	(59,248)	(21,126)	(42,034)	(7,769)
	<u>345,245</u>	<u>403,908</u>	<u>202,379</u>	<u>243,310</u>

- (i) The First Global Bank Jamaica Limited loan was used to acquire the shareholding in Canco Limited in the prior year. During the period, the loan was refinanced between First Global Bank Jamaica Limited and GK Capital Management in the amount of \$150 million and \$100 million respectively and is administered by First Global bank Jamaica Limited. Both loans attract interest at a rate of 10.50% and 12.00% respectively and mature in five (5) years, October 2028. The loans are secured by First demand debenture and Guarantor's debenture over the present and future assets of Spur Tree Spices Jamaica Limited and Exotic Products Jamaica (Successors) Limited.
- (ii) Sagicor Bank Jamaica Limited loan which matures October 2031 attracts interest at a rate of 9.50%. The loan was used to refinance existing loans and to provide funds for capital expenditure and general corporate purposes. The loan and an overdraft facility of \$10 million (Note 20) are secured as follows:
- Unlimited personal guarantee of shareholders, held to protect the facilities in the name of Canco Limited supported by:
 - First legal mortgage, stamped to cover \$258 million over commercial properties located at Hall Head, Seaforth, St. Thomas registered at Volume 1286 Folio 237 and Volume 1277 and Folio 625 in the names of a shareholder and Canco Limited respectively.
 - Collateral first demand debenture (stamped collateral to the above 1st mortgage at \$258 million) over all fixed and floating assets of Canco Limited with the powers to up stamp.
 - Sub-ordination agreement to be signed by the Directors / Shareholders of Canco Limited postponing the Directors' / Shareholders' / Related parties loans.
 - Assignment of keyman insurance on principal directors with aggregated insured amounts for minimum of \$75 million, and;
 - No further loan advances to be made to Directors, Shareholders or Related Parties without the prior written authorization of the bank.


SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023
24. PAYABLES:

	The Group		The Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Trade payables	68,393	49,660	46,446	25,121
Accruals	<u>9,792</u>	<u>31,666</u>	<u>4,100</u>	<u>6,901</u>
Total financial liabilities measured at amortised cost	78,185	81,326	50,546	32,022
Withholding tax	2,723	2,519	2,723	2,519
Other payables	23,931	14,910	23,675	14,910
Statutory payables	<u>4,868</u>	<u>2,499</u>	<u>2,953</u>	<u>2,147</u>
	<u>109,707</u>	<u>101,254</u>	<u>79,897</u>	<u>51,598</u>

25. SEGMENT REPORTING:

The Group has two reportable segments which are based on the different types of products that it offers. These products are described in its principal activities (Note 1). The identification of business segments is based on management and the internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

Performance is measured on segment profit before taxation as included in the management reports. Segment profit before taxation is used to measure performance as management believes that such information is most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. The accounting policies of the operating segments are the same as those described in the summary of material accounting policies (Note 2).

Segment assets exclude tax assets. Segment liabilities exclude tax liabilities and long term loans. Details are provided in the reconciliation from segment assets and liabilities to the group position.


SPUR TREE SPICES JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
25. SEGMENT REPORTING (CONT'D):

The Group's activities are organised into segments as follows:

	The Group		
	<u>2023</u>		
	<u>Spices & Other \$'000</u>	<u>Canned Products \$'000</u>	<u>Total \$'000</u>
Revenue	682,870	1,022,485	1,705,355
Inter-segmental revenue	-	(246,005)	(246,005)
Total revenue from external customers	682,870	776,480	1,459,350
Other operating income	5,961	966	6,927
Total revenue	<u>688,831</u>	<u>777,446</u>	<u>1,466,277</u>
Segment profit	62,974	11,847	74,821
Unallocated expenses	-	-	(656)
Profit before taxation			74,165
Taxation			5,932
Profit for the year			<u>80,097</u>

SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 202324. **PAYABLES:**

	The Group		The Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Trade payables	68,393	49,660	46,446	25,121
Accruals	<u>9,792</u>	<u>31,666</u>	<u>4,100</u>	<u>6,901</u>
Total financial liabilities				
measured at amortised cost	78,185	81,326	50,546	32,022
Withholding tax	2,723	2,519	2,723	2,519
Other payables	23,931	14,910	23,675	14,910
Statutory payables	<u>4,868</u>	<u>2,499</u>	<u>2,953</u>	<u>2,147</u>
	<u>109,707</u>	<u>101,254</u>	<u>79,897</u>	<u>51,598</u>

25. **SEGMENT REPORTING:**

The Group has two reportable segments which are based on the different types of products that it offers. These products are described in its principal activities (Note 1). The identification of business segments is based on management and the internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

Performance is measured on segment profit before taxation as included in the management reports. Segment profit before taxation is used to measure performance as management believes that such information is most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. The accounting policies of the operating segments are the same as those described in the summary of material accounting policies (Note 2).

Segment assets exclude tax assets. Segment liabilities exclude tax liabilities and long term loans. Details are provided in the reconciliation from segment assets and liabilities to the group position.


SPUR TREE SPICES JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
25. SEGMENT REPORTING (CONT'D):

The Group's activities are organised into segments as follows:

	The Group		
	<u>2023</u>		
	<u>Spices & Other \$'000</u>	<u>Canned Products \$'000</u>	<u>Total \$'000</u>
Revenue	682,870	1,022,485	1,705,355
Inter-segmental revenue	-	(246,005)	(246,005)
Total revenue from external customers	682,870	776,480	1,459,350
Other operating income	5,961	966	6,927
Total revenue	<u>688,831</u>	<u>777,446</u>	<u>1,466,277</u>
Segment profit	62,974	11,847	74,821
Unallocated expenses	-	-	(656)
Profit before taxation			74,165
Taxation			5,932
Profit for the year			<u>80,097</u>

SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

25. SEGMENT REPORTING (CONT'D):

The Group's activities are organised into segments as follows (cont'd):

	The Group		
	<u>2022</u>		
	<u>Spices & Other \$'000</u>	<u>Canned Products \$'000</u>	<u>Total \$'000</u>
Revenue	524,650	794,745	1,319,395
Inter-segmental revenue	-	(290,865)	(290,865)
Total revenue from external customers	524,650	503,880	1,028,530
Other operating income	1,555	681	2,236
Total revenue	<u>526,205</u>	<u>504,561</u>	<u>1,030,766</u>
Segment profit	49,669	67,844	117,513
Unallocated expenses	-	-	(4,072)
Profit before taxation			113,441
Taxation			2,181
Profit for the year			<u>115,622</u>


SPUR TREE SPICES JAMAICA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
25. SEGMENT REPORTING (CONT'D):

The Group's activities are organised into segments as follows (cont'd):

	The Group		
	<u>2023</u>		
	<u>Spices & Other \$'000</u>	<u>Canned Products \$'000</u>	<u>Total \$'000</u>
Segment assets			
Non-current assets	195,707	555,739	751,446
Current assets	<u>132,413</u>	<u>440,233</u>	<u>572,646</u>
	<u>328,120</u>	<u>995,972</u>	1,324,092
Unallocated assets-			
Deferred taxation			13,345
Other			<u>195,423</u>
Total group assets			<u>1,532,860</u>
Segment liabilities			
Non-current liabilities	6,920	12,852	19,772
Current liabilities	<u>31,842</u>	<u>91,496</u>	<u>123,338</u>
	<u>38,762</u>	<u>104,348</u>	143,110
Unallocated liabilities-			
Taxation			5,617
Long term loans and directors' accounts			<u>463,038</u>
Total group liabilities			<u>611,765</u>

SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 202325. **SEGMENT REPORTING (CONT'D):**

The Group's activities are organised into segments as follows (cont'd):

	The Group		
	<u>2022</u>		
	<u>Spices</u> <u>\$'000</u>	<u>Canned</u> <u>Products</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
Segment assets			
Non-current assets	129,888	593,479	723,367
Current assets	<u>165,178</u>	<u>400,153</u>	<u>565,331</u>
	<u>295,066</u>	<u>993,632</u>	1,288,698
Unallocated assets-			
Deferred taxation			6,067
Other			<u>196,085</u>
Total group assets			<u>1,490,850</u>
Segment liabilities			
Non-current liabilities	12,716	17,560	30,276
Current liabilities	<u>21,672</u>	<u>90,261</u>	<u>111,933</u>
	<u>34,388</u>	<u>107,821</u>	142,209
Unallocated liabilities-			
Long term loans and directors' accounts			<u>477,860</u>
Total group liabilities			<u>620,069</u>

26. **EARNINGS PER STOCK UNIT:**

Basic earnings per stock unit is calculated by dividing the net profit attributable to owners by the weighted average number of ordinary stock units in issue at year end.

	<u>2023</u>	<u>2022</u>
Net profit attributable to stockholders of the parent (\$'000)	80,333	116,813
Weighted average number of ordinary stocks units ('000)	<u>1,659,500</u>	<u>1,659,500</u>
Basic earnings per stock unit (¢ per share)	<u>4.84¢</u>	<u>7.04¢</u>


SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023
27. BUSINESS COMBINATION:

In the prior year, the Group acquired 51% of the share capital of Canco Limited for a purchase consideration of \$350 million. The Company, which is domiciled in Jamaica, is in the business of processing and distributing canned food products both locally and overseas. The Company trades as “Linstead Market Jamaica” and its leading product is canned ackee.

In the 2022 audited financial statements goodwill of \$175,545,000 was understated by \$9,180,000 and non-controlling interest of \$167,613,000 was overstated by \$8,820,000 because the value of property, plant and equipment was overstated by \$18,000,000. The comparatives have been restated in these financial statements to include the effect of the adjustments noted above. Under paragraph 10(f) of IAS 1 Presentation of financial statements, this restatement would ordinarily require the presentation of a third consolidated statement of financial position as at 31 December 2021. However, as the restatement of the fair values would have no effect on the statement of financial position as at that date, the Directors do not consider that this would provide useful additional information and, in consequence, have not presented a third consolidated statement of financial position.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration, non-controlling interest and goodwill are as follows:

	Restated		As previously stated	
	\$'000	\$'000	\$'000	\$'000
Purchase consideration:				
Cash paid on date of acquisition		<u>350,000</u>		<u>350,000</u>
Net assets arising on the acquisition:				
Property, plant and equipment	456,940		474,940	
Intangible assets	220		220	
Investment	27		27	
Cash and bank balances	7,411		7,411	
Inventories	54,629		54,629	
Receivables	214,652		214,652	
Due to related company	1,169		1,169	
Taxation recoverable	2,864		2,864	
Payables	(47,757)		(47,757)	
Director's loan and current account	(47,299)		(47,299)	
Long term loans	<u>(318,788)</u>		<u>318,788</u>	
Fair value of net assets acquired		<u>324,068</u>		<u>342,068</u>
Non-controlling interest (49%)		<u>158,793</u>		<u>167,613</u>
Goodwill (Note 12)		<u>184,725</u>		<u>175,545</u>
Purchase consideration settled in cash		350,000		350,000
Cash and cash equivalents in business acquired		(7,411)		(7,411)
Cash outflow on acquisition		<u>342,589</u>		<u>342,589</u>

SPUR TREE SPICES JAMAICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 202328. **DIVIDENDS:**

	The Group and The Company	
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Dividends of \$ 0.0150 (2022-\$0.0175) per ordinary shares was distributed as follows:		
Paid	4,630	24,718
Declared	<u>25,153</u>	<u>-</u>
	<u>29,783</u>	<u>24,718</u>

29. **EVENT AFTER THE REPORTING PERIOD:**

On 11 April 2024, GK Investment Limited, a wholly owned subsidiary of GraceKennedy Limited, a publicly listed entity, purchased an additional 60 million shares. This recent transaction resulted in an increase in the GK Investment Limited shareholding to 20.18%.



SPUR TREE SPICES JAMAICA LIMITED

Unit 6b1 Garmex Freezone, 76 Marcus Garvey Drive, Kingston 13, Jamaica W.I.

PROXY FORM

I/ We of
Shareholder's Name Shareholder's Address

being a shareholder / shareholders of Spur Tree Spices Jamaica Limited, hereby appoint

of
Proxy's Name Proxy's Address

or failing him/her of
Proxy's Name Proxy's Address

as my/ our proxy to vote for me /us on my/our behalf at the 2024 Hybrid Annual General Meeting of the Company to be held on Wednesday the 14th day of August 2024 at 10:00 a.m. and any adjournment thereof.

Please indicate, in the space provided below, your vote on each resolution Tick as Appropriate

No.	Resolutions	For	Against
1	THAT the Audited Accounts for the year ended December 31, 2023, the Report of the Directors, and the Report of Auditors thereon be hereby received and adopted.	<input type="checkbox"/>	<input type="checkbox"/>
2	The Directors retiring by rotation, in accordance with the Company's Articles of Incorporation are Mr. Metry Seaga and Ms. Danielle Terrelonge., and being eligible have offered themselves for re-election to the Board of Directors.	<input type="checkbox"/>	<input type="checkbox"/>
2a	THAT Mr. Metry Seaga retires by rotation and being eligible be re-elected to continue as a Director of the Company for the ensuing year.	<input type="checkbox"/>	<input type="checkbox"/>
2b	THAT Ms. Danielle Terrelonge retires by rotation and being eligible be re-elected to continue as a Director of the Company for the ensuing year.	<input type="checkbox"/>	<input type="checkbox"/>
3	THAT a dividend declared of \$0.0150 per share and paid on the 26th. day of January 2024, to the shareholders on record as at December 22, 2023, by the Company, be approved as at the date of the 2024 Annual General Meeting.	<input type="checkbox"/>	<input type="checkbox"/>
4	THAT the Board of Directors of the Company be hereby authorized to fix the remuneration of the Directors of the Company.	<input type="checkbox"/>	<input type="checkbox"/>



SPUR TREE SPICES JAMAICA LIMITED

Unit 6b1 Garmex Freezone, 76 Marcus Garvey Drive, Kingston 13, Jamaica W.I.

PROXY FORM

5 SPECIAL NOTICE

"THAT Messrs. Baker Tilly, Chartered Accountants, be appointed Auditor of the Company, with effect from the conclusion of the 2024 AGM, until the conclusion of the next AGM, to replace Messrs. BDO, who will not be re-appointed as Auditor.

AND

"THAT that the Directors of the Company fix the remuneration of the new Auditor of the Company."



PLEASE SIGN WHERE APPLICABLE

INDIVIDUAL SHAREHOLDER

JOINT SHAREHOLDER

Director

SEAL Secretary

Dated this [] day of [] 2024

Please Note: A shareholder/ member entitled to attend and vote at the 2024 Hybrid Annual General Meeting is required to cast his/her/their vote by way of a proxy form which must be properly executed, stamped and deposited at the registered office of the Company, at Unit 6B1 Garmex Freezone, 76 Marcus Garvey Drive, Kingston 13, Jamaica before and no later than **48 hours before the time fixed for the Meeting.**

An electronic copy of the Proxy Form is available on the Company's website at www.spurtreejamaica.com and must be completed printed, stamped, scanned or deposited at the Registered Office of the Company, at Unit6B1 Garmex Freezone, 76 Marcus Garvey Drive, Kingston 13, Jamaica not less than forty-eight (48) hours before the time appointed for the holding of the meeting.

NOTES:

- 1 A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her behalf. A proxy need not be a member of the Company.
- 2 A Director and the Company Secretary are required to sign the proxy form of a corporate member under the common seal of that company.
- 3 Amendments made to the proxy form must be initialed by the member(s) signing.
- 4 The Proxy Form must bear \$100.00 stamp duty which may be paid by adhesive stamp(s) to be cancelled by the person executing the proxy.
- 5 In the case of joint holders, any member may sign the proxy form to the exclusion of the other joint holder(s).

The virtual meeting will be streamed on:

https://www.youtube.com/channel/UCiJ_x805T_72dvOiPekSE2w
<https://www.facebook.com/spurtreespices/>



**ANNUAL
REPORT**

2023

