

**FOSRICH COMPANY LIMITED**

**Financial Statements  
31 December 2025**

# FosRich Company Limited

Index  
31 December 2025

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## **INDEPENDENT AUDITORS' REPORT**

To the Members of  
FosRich Company Limited

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

#### **Our opinion**

In our opinion, the consolidated financial statements and the stand-alone financial statements give a true and fair view of the consolidated financial position of FosRich Company Limited ("the Company") and its subsidiary (together 'the Group') and the stand-alone financial position of the Company as at 31 December 2025, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with the requirements of the Jamaican Companies Act.

#### **What we have audited**

FosRich Company Limited consolidated and stand-alone financial statements comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the company statement of financial position as at 31 December 2025;
- the company statement of comprehensive income for the year then ended;
- the company statement of changes in equity for the year then ended;
- the company statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of material accounting policies.

#### **Basis for opinion**

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

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

## **INDEPENDENT AUDITORS' REPORT (continued)**

To the Members of  
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### **Report on the Audit of the Consolidated and Stand-Alone Financial Statements (Continued)**

#### **Independence**

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

#### **Our audit approach**

##### **Audit scope**

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

##### **How we tailored our Group audit scope**

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

Our 2025 audit was planned and executed having regard to the fact that the operations of the Group remain largely unchanged from the prior year.

In establishing the overall Group audit strategy and plan, we determined the type of work that was needed to be performed at the components by the Group engagement team.

**INDEPENDENT AUDITORS' REPORT (continued)**

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**Report on the Audit of the Consolidated and Stand-Alone Financial Statements (Continued)**

**Key audit matters**

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

Key audit matters	How our audit addressed the key audit matters
<p><b><u>Valuation of receivables for the Group and the Company</u></b></p> <p><i>Refer to notes 3(i) and 15 to the consolidated and stand-alone financial statements for disclosures of receivables.</i></p> <p>The Group recognises expected credit losses (ECL) on financial assets measured at amortized cost. The determination of ECL is highly subjective and requires management to make significant judgements and estimates and the application of forward-looking information.</p> <p>The combination of significant management estimates and judgement increases the risk that management estimates could be materially misstated.</p>	<p>Our audit procedures in response to this matter included:</p> <ul style="list-style-type: none"> <li>❖ Obtaining an understanding of the model used by management for the calculation of expected credit losses on accounts receivables.</li> <li>❖ Testing the completeness and accuracy of the data used in the models to the underlying accounting records.</li> <li>❖ Involving our financial risk modelling specialist, to review the ECL model, assess the appropriateness of the Company's impairment methodology, management's assumptions and compliance with the requirements of IFRS 9, Financial Instruments.</li> <li>❖ Assessing the adequacy of the disclosures of the key assumptions and judgements for compliance with IFRS 9.</li> <li>❖ Testing the accuracy of Group's ageing of accounts receivables.</li> <li>❖ Testing the accuracy of the ECL calculation.</li> </ul>

**INDEPENDENT AUDITORS' REPORT (continued)**

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**Report on the Audit of the Consolidated and Stand-Alone Financial Statements (Continued)**

**Key audit matters (Continued)**

<b>Key audit matters</b>	<b>How our audit addressed the key audit matters</b>
<p><b><u>Borrowings</u></b></p> <p>Refer to Notes 2(u), 19, 22 to the financial statements for management’s disclosures of the related accounting policies, judgements and estimates relating to borrowings.</p> <p>As at 31 December 2025, long-term and short-term borrowings amounted to \$2.92 billion (2024: \$3.25 billion), representing 67% (2024: 62%) of the total equity and debt of the Group. For the Company, long-term and short-term borrowings amounted to \$2.24 billion (2024: \$2.55 billion), representing 60% (2024: 56%) of total equity and debt. The Group remains highly leveraged as debt financing continues to be a significant component of its capital structure.</p>	<p>The Parent Company remains highly leveraged as management continues to strategically use debt financing as the principal pillar to implement structured growth projects within the Group. During the year, management implemented strategies to improve its gross margins, thereby improving its cash flows and its ability to meet its financial obligations as they fall due. The Parent Company continues to examine its financing options within the context of its debt management strategy and review its choices based on the present improving market conditions as well as it’s risk profile.</p> <p>Our audit procedures included: -</p> <ul style="list-style-type: none"> <li>• Reviewed the loan agreements and repayment schedules. We noted that all the loans were being serviced on a timely basis as per the contractual agreements, principally by predetermined monthly deductions from the Group’s various bank accounts.</li> <li>• Confirmed the balances, reviewed the maturity schedule for repayment, tested the interest calculations and determined that the total borrowings represented obligations by the Group and the Group.</li> <li>• Tested the effectiveness of controls over the timely repayment of loans and other credit facilities and noted that they are compliant with the various agreements.</li> </ul> <p>We held discussions with senior management regarding the Group’s growth and expansion strategy and the longer-term approach to managing and reducing debt levels. We considered the inherent liquidity risk that the performance of acquired cash-generating units may differ from expectations, which could impact the Group’s ability to meet its obligations as they fall due.</p> <p>Management is mindful of this inherent liquidity risk and has implemented mitigating measures, including scenario analysis, alternative payment strategies in the event of cash flow challenges and direct monitoring of individual borrowings. We evaluated the performance of the borrowing portfolio subsequent to the reporting date to assess whether any adjustments were required or whether there were any defaults or breaches of financial covenants. No adverse matters were identified. We also reviewed legal and bank confirmations and related correspondence and did not identify any matters requiring adjustment at the date of approval of the financial statements.</p>

**INDEPENDENT AUDITORS' REPORT (continued)**

To the Members of  
FosRich Company Limited  
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**Report on the Audit of the Consolidated and Stand-Alone Financial Statements (Continued)**

**Key audit matters (Continued)**

<b>Key audit matters</b>	<b>How our audit addressed the key audit matters</b>
<p><b><u>Recoverability of Related-Party balances secured by Pledged Shares</u></b></p> <p>The Group has significant balances due from related parties, including LCCM Investment Ventures Limited and B.C. Dundee Enterprise Limited, amounting to approximately \$807.6 million (2024: \$827.8 million) and \$619.2 million (2024: \$606.6 million), respectively, as at 31 December 2025.</p> <p>These balances comprise advances and accrued interest due from entities related through common shareholders and directors, but which are not members of the Group.</p> <p>Management assessed the recoverability of these balances in accordance with IFRS 9 – Financial Instruments. This assessment involved significant judgement, particularly in estimating expected credit losses, assessing counterparty credit risk and repayment capacity, determining the fair value, liquidity and marketability of pledged shares held as collateral, applying appropriate valuation haircuts, and evaluating the legal enforceability of the share pledge arrangements.</p> <p>As the recoverability of these balances is significantly dependent on the value of the pledged shares, and given the magnitude of the balances and the degree of judgement involved, this matter was considered to be a key audit matter.</p>	<p>During the year, the Group continued to monitor the outstanding balances due from LCCM Investment Ventures Limited and B.C. Dundee Enterprise Limited. In support of management’s recoverability assessment, pledges over the Group’s ordinary shares were obtained as collateral. Management’s impairment assessment of these balances under IFRS 9 – Financial Instruments involved significant judgement, particularly in relation to credit risk, expected credit losses, and the valuation and enforceability of the pledged assets.</p> <p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• Obtaining and reviewing the related-party loan schedules and reconciling the year-end balances and accrued interest to the general ledger and the financial statements;</li> <li>• Involving our financial risk modelling specialist, to review the ECL model, assess the appropriateness of the Company’s impairment methodology, management’s assumptions and compliance with the new requirements of IFRS 9, Financial Instruments.</li> <li>• Obtaining and inspecting executed share pledge agreements in respect of the related-party balances and reviewing the underlying legal documentation for evidence of enforceability and control;</li> <li>• Evaluating the fair value, liquidity and marketability of the pledged shares with reference to quoted market prices at the reporting date and assessing the appropriateness of valuation haircuts applied by management;</li> <li>• Reviewing historical repayment activity and considering, where available, relevant financial information or forecasts of the related parties to support management’s recoverability assessment; and</li> <li>• Evaluating the adequacy and clarity of the related-party and impairment disclosures in the financial statements for compliance with IFRS 9 and IAS 24 – Related Party Disclosures.</li> </ul>

## **INDEPENDENT AUDITORS'S REPORT (continued)**

To the Members of  
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### **Report on the audit of the consolidated and stand-alone financial statements (continued)**

#### **Other information**

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

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

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

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

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

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

In preparing the consolidated and stand-alone financial statements, management is responsible for assessing the Group'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.

## **INDEPENDENT AUDITORS' REPORT (continued)**

To the Members of  
FosRich Company Limited  
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### **Report on the audit of the consolidated and stand-alone financial statements (continued)**

#### ***Auditors' responsibilities for the audit of the consolidated and stand-alone financial statements***

Our objectives are to obtain reasonable assurance about whether the consolidated and stand-alone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated and stand-alone financial statements.

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

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

**INDEPENDENT AUDITORS' REPORT (continued)**

To the Members of  
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**Report on the audit of the consolidated and stand-alone financial statements (continued)**

***Auditors' responsibilities for the audit of the consolidated and stand-alone financial statements (continued)***

- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and stand-alone financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 consolidated and stand-alone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**INDEPENDENT AUDITORS' REPORT (continued)**

To the Members of  
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**Report on the audit of the consolidated and stand-alone financial statements (continued)**

***Report on other legal and regulatory requirements***

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

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

The engagement partner on the audit resulting in this independent auditors' report is Wayne Strachan.


*Baker Tilly*

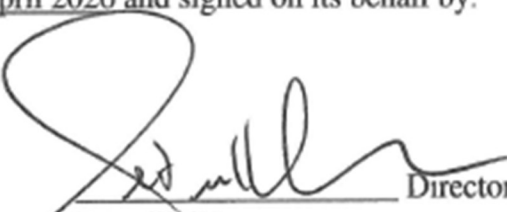
**Chartered Accountants**  
Kingston, Jamaica  
29 April 2026

**Consolidated Statement of Financial Position**  
**As at 31 December 2025**

	Note	2025 \$	2024 \$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	1,456,382,172	1,547,062,232
Right-of-use assets	7	564,388,793	588,115,276
Due from related parties	8	1,552,729,009	1,444,919,505
Investment securities	9	41,189,552	40,630,042
Investment in associate	11	202,754,275	211,567,318
Goodwill	12	63,040,000	63,040,000
Deferred tax assets	13	138,174,315	-
		<u>4,018,658,116</u>	<u>3,895,334,373</u>
<b>Current assets</b>			
Inventories	14	1,875,023,268	2,632,063,406
Receivables	15	434,143,337	617,854,328
Due from associate	11	96,156,734	7,966,280
Taxation recoverable		18,257,145	18,015,426
Cash and cash equivalents	16	100,013,426	105,592,401
		<u>2,523,593,910</u>	<u>3,381,491,841</u>
<b>TOTAL ASSETS</b>		<u><u>6,542,252,026</u></u>	<u><u>7,276,826,214</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital	17	488,536,944	488,536,944
Capital reserves	18	570,849,911	570,577,466
Retained earnings		433,352,167	939,547,694
		<u>1,492,739,022</u>	<u>1,998,662,104</u>
<b>Non-current liabilities</b>			
Lease liabilities	7	473,453,432	493,902,456
Long-term liabilities	19	2,142,161,557	2,366,429,441
Deferred tax liabilities	13	-	19,824,204
Directors' loans	20	24,698,791	28,537,173
		<u>2,640,313,780</u>	<u>2,908,693,274</u>
<b>Current liabilities</b>			
Payables	21	1,568,813,055	1,423,537,052
Short-term loans	22	201,920,438	306,710,118
Current portion of long-term liabilities	19	577,708,286	574,713,969
Current portion of lease liabilities	7	60,757,445	64,509,697
		<u>2,409,199,224</u>	<u>2,369,470,836</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>6,542,252,026</u></u>	<u><u>7,276,826,214</u></u>

Approved for issue by the Board of Directors on 29 April 2026 and signed on its behalf by:

  
 \_\_\_\_\_ Director  
 Marion Foster

  
 \_\_\_\_\_ Director  
 Peter Knibb

**Consolidated Statement of Comprehensive Income**  
**Year ended 31 December 2025**

	Note	2025	2024
		\$	\$
<b>Turnover</b>	23	2,856,499,489	3,679,557,119
Cost of sales	24	<u>(1,931,725,812)</u>	<u>(1,931,017,288)</u>
<b>Gross profit</b>		924,773,677	1,748,539,831
Other operating income	25	34,557,599	15,023,018
Administrative and operating expenses	26	(1,355,649,294)	(1,432,609,199)
Impairment reversal/(loss) on financial assets	4(a)	1,592,909	(24,506,547)
Share of results of associate	11	<u>(8,813,043)</u>	<u>(14,432,682)</u>
<b>Operating (loss)/profit</b>	27	(403,538,152)	292,014,421
Finance costs, net	29	<u>(260,655,894)</u>	<u>(239,779,099)</u>
<b>(Loss)/profit before taxation</b>		(664,194,046)	52,235,322
Taxation	30	<u>157,998,519</u>	<u>(17,681,336)</u>
<b>Net (loss)/profit for the year</b>		(506,195,527)	34,553,986
<b>Other comprehensive income:</b>			
Items that will not be reclassified to profit or loss-			
Fair value gains on investments	9	851,082	1,323,103
Unrealised fair value (losses)/gains on investments	9	<u>(578,637)</u>	<u>152,387</u>
<b>Total comprehensive (loss)/income for the year</b>		<u><u>(505,923,082)</u></u>	<u><u>36,029,476</u></u>
<b>Earnings per ordinary stock unit attributable to the stockholders of the company</b>	32	<u><u>(0.09)</u></u>	<u><u>0.01</u></u>

**Consolidated Statement of Changes in Equity**  
**Year ended 31 December 2025**

	<b>Share Capital</b>	<b>Capital Reserves</b>	<b>Retained Earnings</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Balance at 1 January 2024</b>	491,293,055	569,101,976	981,170,992	2,041,566,023
Unrealised fair value gain on investments (Note 9)	-	152,387	-	152,387
Fair value adjustment to financial instruments(Note 9)	-	1,323,103	-	1,323,103
Net profit for the year	-	-	34,553,986	34,553,986
<b>Transactions with owners</b>				
Purchase of treasury shares (Note 17)	(2,756,111)	-	-	(2,756,111)
Dividend paid (Note 33)	-	-	(76,177,284)	(76,177,284)
<b>Balance at 31 December 2024</b>	488,536,944	570,577,466	939,547,694	1,998,662,104
Unrealised fair value loss on investments (Note 9)	-	(578,637)	-	(578,637)
Fair value adjustment to financial instruments (Note 9)	-	851,082	-	851,082
Net loss for the year	-	-	(506,195,527)	(506,195,527)
<b>Balance at 31 December 2025</b>	488,536,944	570,849,911	433,352,167	1,492,739,022

**Consolidated Statement of Cash Flows**  
**Year ended 31 December 2025**

	<u>2025</u>	<u>2024</u>
	\$	\$
<b>CASH RESOURCES WERE PROVIDED BY/(USED IN):</b>		
<b>Cash Flows from Operating Activities</b>		
(Loss)/profit before taxation	(664,194,046)	52,235,322
Items not affecting cash resources:		
Depreciation	96,568,125	79,651,953
Amortization of right-of-use assets	59,109,246	58,361,227
Interest on lease liabilities	19,030,345	14,900,316
Loss on disposal of property, plant and equipment	7,421,192	-
Interest income	(99,131,473)	(91,872,886)
Interest expense	323,202,102	290,697,992
Impairment (reversal)/losses on financial assets	(1,592,909)	24,506,547
Share of results of associate	8,813,043	14,432,682
Foreign exchange losses	7,256,001	4,256,138
	<u>(243,518,374)</u>	<u>447,169,291</u>
Changes in non-cash working capital components:		
Decrease/(increase) in inventories	757,040,138	(513,313,001)
Decrease/(increase) in receivables	176,767,689	(199,931,420)
Increase in payables	145,276,003	337,431,043
Increase in due from related parties	(99,273,293)	(296,812,508)
(Increase)/decrease in due from associate	(88,190,454)	125,235,920
Cash provided by/(used in) operating activities	648,101,709	(100,220,675)
Taxation paid	(241,719)	(35,293,065)
Interest paid	(310,329,560)	(279,374,285)
Interest received	99,131,473	62,306,957
Net cash provided by/(used in) operating activities	<u>436,661,903</u>	<u>(352,581,068)</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(13,309,257)	(740,583,289)
Purchase of goodwill	-	(63,040,000)
Purchase of investments	(287,065)	-
Net cash used in investing activities	<u>(13,596,322)</u>	<u>(803,623,289)</u>
<b>Cash Flows from Financing Activities</b>		
Directors' loans repaid	(3,838,382)	(8,774,859)
Loans received	-	3,039,137,427
Loans repaid	(234,146,109)	(1,667,067,290)
Short-term loans, net	(104,789,680)	(6,840,025)
Dividend paid	-	(76,177,284)
Lease paid	(86,011,684)	(78,888,405)
Purchase of treasury shares	-	(2,756,111)
Cash (used in)/provided by financing activities	<u>(428,785,855)</u>	<u>1,198,633,453</u>
Net (decrease)/increase in cash and cash equivalents	<u>(5,720,274)</u>	<u>42,429,096</u>


**Consolidated Statement of Cash Flows (Continued)**  
**Year ended 31 December 2025**

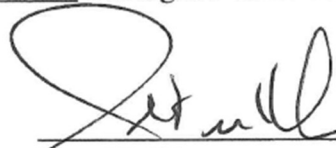
	<u>2025</u>	<u>2024</u>
	\$	\$
Net (decrease)/increase in cash and cash equivalents brought forward	(5,720,274)	42,429,096
Effect of exchange losses on cash and cash equivalents	141,299	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>105,592,401</u>	<u>63,163,305</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>100,013,426</u>	<u>105,592,401</u>
<b>Represented by:</b>		
Cash and cash equivalents	<u>100,013,426</u>	<u>105,592,401</u>

**Company Statement of Financial Position**  
**As at 31 December 2025**

		<b>2025</b>	<b>2024</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant, and equipment	6	830,431,196	900,681,553
Right-of-use assets	7	564,388,793	588,115,276
Due from related parties	8	1,552,729,009	1,444,919,505
Investment securities	9	41,189,552	40,630,042
Investment in subsidiary	10 (a)	10,307,145	10,307,145
Investment in associate	11	202,754,275	211,567,318
Goodwill	12	63,040,000	63,040,000
Deferred tax assets	13	112,739,648	-
		<u>3,377,579,618</u>	<u>3,259,260,839</u>
<b>Current assets</b>			
Inventories	14	1,841,518,192	2,596,999,340
Receivables	15	420,462,245	607,176,642
Due from subsidiary	10 (b)	84,279,837	10,826,130
Due from associate	11	96,156,734	7,966,280
Taxation recoverable		18,257,145	18,015,426
Cash and cash equivalents	16	95,132,821	102,518,807
		<u>2,555,806,974</u>	<u>3,343,502,625</u>
<b>TOTAL ASSETS</b>		<u>5,933,386,592</u>	<u>6,602,763,464</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital	17	488,536,944	488,536,944
Capital reserves	18	570,849,911	570,577,466
Retained earnings		521,033,158	973,100,799
		<u>1,580,420,013</u>	<u>2,032,215,209</u>
<b>Non-current liabilities</b>			
Lease liabilities	7	473,453,432	493,902,456
Long-term liabilities	19	1,466,630,690	1,702,857,270
Deferred tax liabilities	13	-	19,824,204
Directors' loans	20	24,698,791	28,537,173
		<u>1,964,782,913</u>	<u>2,245,121,103</u>
<b>Current liabilities</b>			
Payables	21	1,556,346,694	1,417,004,915
Short-term loans	22	201,920,438	306,710,118
Current portion of long-term liabilities	19	569,159,089	537,202,422
Current portion of lease liabilities	7	60,757,445	64,509,697
		<u>2,388,183,666</u>	<u>2,325,427,152</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>5,933,386,592</u>	<u>6,602,763,464</u>

Approved for issue by the Board of Directors on 29 April 2026 and signed on its behalf by:

  
 \_\_\_\_\_ Director  
 Marion Foster

  
 \_\_\_\_\_ Director  
 Peter Knibb

**Company Statement of Financial Position**  
**As at 31 December 2025**

	Note	2025	2024
		\$	\$
<b>Turnover</b>	23	2,828,481,201	3,650,412,839
Cost of sales	24	<u>(1,916,231,403)</u>	<u>(1,917,475,980)</u>
<b>Gross profit</b>		912,249,798	1,732,936,859
Other operating income	25	20,174,119	11,874,637
Administrative and operating expenses	26	(1,322,367,143)	(1,403,918,550)
Impairment reversal/(losses) on financial assets	4(a)	1,592,909	(24,506,547)
Share of results of associate	11	<u>(8,813,043)</u>	<u>(14,432,682)</u>
<b>Operating (loss)/profit</b>	27	(397,163,360)	301,953,717
Finance costs, net	29	<u>(187,468,133)</u>	<u>(223,409,681)</u>
<b>(Loss)/profit before taxation</b>		(584,631,493)	78,544,036
Taxation	30	<u>132,563,852</u>	<u>(17,681,336)</u>
<b>Net (loss)/profit for the year</b>		(452,067,641)	60,862,700
<b>Other comprehensive income:</b>			
Items that will not be reclassified to profit or loss-			
Fair value gain on investments	9	851,082	1,323,103
Unrealised fair value (loss)/gain on investments	9	<u>(578,637)</u>	<u>152,387</u>
<b>Total comprehensive (loss)/income for the year</b>		<u>(451,795,196)</u>	<u>62,338,190</u>

**Company Statement of Changes in Equity**  
**Year ended 31 December 2025**

	<b>Share Capital</b>	<b>Capital Reserves</b>	<b>Retained Earnings</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Balance at 1 January 2024</b>	491,293,055	569,101,976	988,415,383	2,048,810,414
Unrealised fair value losses on investments (Note 9)	-	152,387	-	152,387
Fair value adjustment to financial instruments (Note 9)	-	1,323,103	-	1,323,103
Net profit for the year	-	-	60,862,700	60,862,700
<b>Transactions with owners</b>				
Purchase of treasury shares (Note 17)	(2,756,111)	-	-	(2,756,111)
Dividends (Note 34)	-	-	(76,177,284)	(76,177,284)
<b>Balance at 31 December 2024</b>	<b>488,536,944</b>	<b>570,577,466</b>	<b>973,100,799</b>	<b>2,032,215,209</b>
Unrealised fair value losses on investments (Note 9)	-	(578,637)	-	(578,637)
Fair value adjustment to financial instruments (Note 9)	-	851,082	-	851,082
Net loss for the year	-	-	(452,067,641)	(452,067,641)
<b>Balance at 31 December 2025</b>	<b>488,536,944</b>	<b>570,849,911</b>	<b>521,033,158</b>	<b>1,580,420,013</b>

**Company Statement of Cash Flows**  
**Year ended 31 December 2025**

	<b>2025</b>	<b>2024</b>
	\$	\$
<b>CASH RESOURCES WERE PROVIDED BY/(USED IN):</b>		
<b>Cash Flows from Operating Activities</b>		
(Loss)/profit before taxation	(584,631,493)	78,544,036
Items not affecting cash resources:		
Depreciation	79,710,789	79,003,182
Amortization of right-of-use assets	59,109,246	58,361,227
Interest on lease liabilities	19,030,345	14,900,316
Loss on disposal of property, plant and equipment	3,848,825	-
Interest income	(99,115,157)	(91,872,886)
Interest expense	249,998,025	274,328,574
Impairment (reversal)/losses on financial assets	(1,592,909)	24,506,547
Share of results of associate	8,813,043	14,432,682
Foreign exchange losses	7,256,001	4,256,138
	<u>(257,573,285)</u>	<u>456,459,816</u>
Changes in non-cash working capital components:		
Decrease/(increase) in inventories	755,481,148	(522,092,493)
Decrease/(increase) in receivables	179,771,095	(192,462,991)
Increase in payables	139,341,779	342,776,703
Increase in due from related parties	(99,273,293)	(233,772,508)
(Increase)/decrease in due from associated company	(88,190,454)	125,235,920
Increase in due from subsidiary	(73,453,707)	(39,469,566)
Cash provided by/(used in) operating activities	<u>556,103,283</u>	<u>(63,325,119)</u>
Taxation paid	(241,719)	(35,293,065)
Interest paid	(235,006,595)	(265,941,169)
Interest received	99,115,157	62,306,957
Net cash provided by/(used in) operating activities	<u>419,970,126</u>	<u>(302,252,396)</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(13,309,257)	(100,820,942)
Purchase of goodwill	-	(63,040,000)
Additions to investment securities	(287,065)	-
Net cash used in investing activities	<u>(13,596,322)</u>	<u>(163,860,942)</u>
<b>Cash Flows from Financing Activities</b>		
Directors' loans repaid	(3,838,382)	(8,774,859)
Loans received	-	2,340,257,402
Loans repaid	(219,261,343)	(1,665,898,515)
Short term loan repayment	(104,789,680)	-
Dividend paid	-	(76,177,284)
Purchase of treasury shares	-	(2,756,111)
Lease paid	(86,011,684)	(78,888,405)
Cash (used in)/provided by financing activities	<u>(413,901,089)</u>	<u>507,762,228</u>
Net (decrease)/increase in cash and cash equivalents	<u>(7,527,285)</u>	<u>41,648,890</u>

**Company Statement of Cash Flows (Continued)**  
**Year ended 31 December 2025**

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	<u>2025</u>	<u>2024</u>
	\$	\$
Net (decrease)/increase in cash and cash equivalents brought forward	(7,527,285)	41,648,890
Effect of exchange losses on cash and cash equivalents	141,299	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>102,518,807</u>	<u>60,869,917</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>95,132,821</u>	<u>102,518,807</u>
<b>Represented by:</b>		
Cash and cash equivalents	<u>95,132,821</u>	<u>102,518,807</u>

**Notes to the Financial Statements  
31 December 2025**

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**1. Identification and principal activities**

FosRich Company Limited (“the Company”) was incorporated under the provisions of the Companies Act and is domiciled in Jamaica. The Company’s registered office and place of business is located at 79 Molynes Road, Kingston 10.

The Company was listed on the Junior Market of the Jamaica Stock Exchange on December 19, 2017.

The main activity of the Company is the manufacture of PVC pipes and fittings, distribution of lighting, electrical and solar energy products.

The Company’s subsidiary and associate, together with the Company are referred to as “the Group” are as follows:

	Principal Activities	Incorporated in	Percentage Ownership by the Company		Financial Year End
			2025	2024	
<b><u>Subsidiary</u></b>					
O’N’S Mini Mart & Electrical Supplies Limited	Distribution of hardware supplies and related products	Jamaica	100%	100%	31 December
<b><u>Associate</u></b>					
Blue Emerald Limited	Manufactures large diameter PVC pipes and fittings and transformer repair	Jamaica	20%	20%	31 December

These financial statements are presented in Jamaican dollars, which is the functional currency.

**Notes to the Financial Statements  
31 December 2025**

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**2. Basis of preparation****Basis of measurement and statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and their interpretations adopted by the International Accounting Standards Board and have been prepared under the historical cost convention, modified for the inclusion of certain items at fair value. They are also prepared in accordance with the provisions of the Jamaican Companies Act.

The financial statements comprise the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes.

The preparation of financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the end of the reporting period and the total comprehensive income during the reporting period. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known. The areas involving a higher degree of judgment in complexity or areas where assumptions or estimates are significant to the financial statements are discussed in note 5.

**Notes to the Financial Statements  
31 December 2025**

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**2. Basis of preparation (continued)****Basis of measurement and statement of compliance (continued)****Standards, interpretations and amendments to existing standards effective in the current year that are relevant to the Group's operations**

There were no new standards, interpretations and amendments to existing standards that have been published that became effective during the current financial year that is relevant to the Group's operations.

**Standards and amendments to published standards that are not yet effective and have not been early adopted by the Group**

At the date of authorisation of these financial statements, certain new accounting standards, amendments and interpretation to existing standards have been issued which are not yet effective, and which the Group has not early adopted. The Group has assessed the relevance of all such new standards, interpretations and amendments and has determined that the following may be relevant to its operations. Unless stated otherwise, the impact of the changes is still being assessed by management.

**Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9, and IFRS 7)** effective for annual periods beginning on or after 1 January 2026 clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date.

**IFRS 18 Summary for Financial Statements replaces IAS 1** effective for annual periods beginning on or after 1 January 2027 enhances transparency and comparability in financial reporting by introducing new requirements include: new categories and subtotals in the statement of profit or loss, disclosure of management-defined performance measures (MPMs) and enhanced requirements for grouping information.

**IFRS 19, Subsidiaries without Public Accountability: Disclosures** effective for annual periods beginning on or after 1 January 2027, IFRS 19 introduces a simplified disclosure framework for subsidiaries without public accountability that prepare financial statements in compliance with IFRS Standards. This standard aims to reduce disclosure requirements while maintaining the relevance and reliability of financial reporting.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the operations of the Group.

**Notes to the Financial Statements  
31 December 2025**

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**3. Material accounting policies****(a) Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 December 2025. A subsidiary is an entity controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that gives it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The financial statements of the subsidiary is included in the consolidated financial statements from the date that control commences until the date that control ceases.

Where necessary, adjustments are made to the financial statements of the subsidiary to bring its accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated in full on consolidation.

*Changes in ownership interests in subsidiaries without change of control*

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.

*Disposal of subsidiaries*

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

**Notes to the Financial Statements  
31 December 2025**

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**3. Material accounting policies (continued)****(b) Property, plant and equipment**

Items of property, plant and equipment are stated at cost/valuation less accumulated depreciation and impairment losses (see below). Freehold land is stated at cost/valuation and no depreciation is charged. Depreciation is calculated on a straight-line basis at such rates as will write off the carrying value of the assets over the period of their expected useful lives. The annual depreciation rates are as follows:

Freehold buildings	3 1/3%
Furniture, fixtures and equipment	10%
Computer systems	22 1/2%
Motor vehicles (commercial and private)	20%
Leasehold improvements	Over lease term
Leasehold property	Over lease term

Construction in progress is stated at cost and is not depreciated until the asset is completed and available for its intended use, at which time it is transferred to the appropriate asset category.

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the statement of comprehensive income.

**(c) Goodwill**

Goodwill represents the excess of the purchase consideration over the fair value of identifiable net assets acquired. It is amortised on a straight-line basis over its estimated useful life of 10 years. Goodwill is reviewed periodically for indicators of impairment and written down if its carrying amount exceeds its recoverable amount.

**Notes to the Financial Statements  
31 December 2025**

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**3. Material accounting policies (continued)****(d) Investment in subsidiary and associate**

The Company's investment in subsidiary is measured at cost. Associates are entities over which the Group has significant influence but not control, typically indicated by ownership of 20% to 50% of the voting rights. Investments in associates are accounted for using the equity method.

Under the equity method:

- The investment is initially recorded at cost, including any goodwill arising on acquisition, net of accumulated impairment losses.
- The carrying amount is subsequently adjusted to reflect the Group's share of post-acquisition profits or losses and other movements in reserves.

If the Group's ownership interest in an associate is reduced but it retains significant influence, the proportionate amount previously recognised in other comprehensive income is reclassified to profit or loss, or to another appropriate category depending on the nature of the item.

The Group's share of post-acquisition profits or losses is recognised in the income statement, while its share of post-acquisition movements in reserves is recognised in equity. The carrying amount of the investment is reduced by the Group's share of losses when these losses exceed the investment's carrying amount and any other long-term interest in the entity. Further losses are only recognised if the Group has legal or constructive obligations or has made payments on behalf of the investee.

At each reporting date, the Group assesses whether there is any indication that an investment in an associate is impaired. If there is evidence of impairment, the amount is measured as the difference between the investment's recoverable amount and its carrying value, and the difference is recognised in the income statement within "share of results of associates".

Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

**Notes to the Financial Statements  
31 December 2025**

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**4. Material accounting policies (continued)****(e) Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand and bank overdraft.

**(f) Investments**

Investments are classified as amortised cost or fair value through other comprehensive income. Investments classified at amortised cost have a fixed or determinable payment and are not quoted in an active market. Amortised cost is calculated on the effective interest rate method, less impairment loss.

The fair value of available-for-sale investments is based on their quoted market bid price at the balance sheet date. Where the quoted market price is not available, fair value is estimated using discounted cash flow techniques.

Unrealised gains and losses arising from changes in the fair value of these securities are recognised in equity revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in other comprehensive income as gains and losses from investment securities. (see note 9)

**Notes to the Financial Statements  
31 December 2025**

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**3. Material accounting policies (continued)****(g) Right-of-use assets and lease liabilities**

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

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

To determine the incremental borrowing rate, the Group:

- (i) since it does not have recent third-party financing, uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases, and
- (ii) makes adjustments specific to the lease, e.g. term, currency and security.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- (i) lease payments made at or before commencement of the lease;
- (ii) initial direct costs incurred; and
- (iii) 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.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets valued as US\$5,000 or less when new. The Group has no short-term leases or leases for low valued assets at this time.

**Notes to the Financial Statements  
31 December 2025**

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**3. Material accounting policies (continued)****(g) Right-of-use assets and lease liabilities (continued)**

## Extension and termination options

Extension and termination options are included for the properties leased by the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The extension options are exercisable by the lessee provided that the required written notice is given prior to the expiration of the initial terms. Parties may terminate the leases by given the required notice.

When the Group renegotiates the contractual terms of a lease with a lessor, the accounting depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- In all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is re-measured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

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. 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.

**Notes to the Financial Statements  
31 December 2025**

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**3. Material accounting policies (continued)****(h) Inventories**

Inventories are measured at lower of cost and net realisable value, cost being determined on the weighted average cost method. The cost of manufactured finished goods comprises the raw material ingredients, direct labour, other direct cost and a proportion of related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the year to the extent that such events confirm conditions existing at the end of the year.

The cost of other inventories comprising purchased finished goods is based on their cost and expenses incurred in acquiring and bringing them to their existing location and condition.

**(i) Receivables**

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are classified as non-current assets.

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount.

**(j) Share capital**

Ordinary shares are classified as equity.

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

**(k) Payables**

Payables, including provisions, are stated at their nominal value. A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

**Notes to the Financial Statements  
31 December 2025**

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**3. Material accounting policies (continued)****(l) Fair value of financial instruments**

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. Financial assets carried on the statement of financial position include, cash and cash equivalents, due from related parties, directors' accounts and receivables. Financial liabilities consist of payables, long-term loans, lease liabilities and due to related parties.

Generally financial instruments are recognized on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments. The particular recognition methods adopted are disclosed in the respective accounting policies associated with each item.

The fair values of the financial instruments are discussed in Note 4 (d).

**(m) Related party transactions and balances**

Related parties:

A party is related to the Group, if:

- (i) directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group (this includes parents, subsidiaries and fellow subsidiaries); has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;
- (ii) the party is an associate of the Group;
- (iii) the party is a joint venture in which the group is a venturer;
- (iv) the party is a member of the key management personnel of the Group or its subsidiaries;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is the Company 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 (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any Company that is a related party of the Group.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

**Notes to the Financial Statements  
31 December 2025**

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**3. Material accounting policies (continued)****(n) Impairment****Non-financial assets**

The carrying amount of the Group's non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

**Financial assets**

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and at fair value through OCI.

**Trade receivables**

Loss allowances for trade receivables are measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportive information relevant and available without undue cost or effort. This includes quantitative and qualitative information and analysis, based on historical information and informed credit assessment. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

**Debt investment securities**

These are considered low-risk.

**Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is the case when the Company determines that the debtor does not have assets or sources of income that would generate sufficient cash flows to repay the amount subject to the write-off.

Recoverables of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss.

**Notes to the Financial Statements  
31 December 2025**

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**3. Material accounting policies (continued)****(n) Impairment (continued)****Financial liabilities**

All financial assets are recognised initially at fair value. Financial liabilities include borrowings, trade, and other payables. Subsequent measurement of financial liabilities depends on their classification as described in the particular recognition methods disclosed in the individual policy statements associated with each item.

**(o) Going concern**

The preparation of financial statements in accordance with IFRS assumes that the Company will continue in operation for the foreseeable future. This means, in part, that the statements of profit or loss and comprehensive income and the statement of financial position are prepared on the assumption that there is no intention or necessity to liquidate or curtail operations. This is commonly referred to as the going concern basis. Management believes that the preparation of the financial statements on the going concern basis continues to be appropriate.

**(p) Employee benefits****Annual leave entitlements**

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability, if any, for vacation leave, as a result of services rendered by employees up to the reporting date. At year-end the Company had no liability for annual leave as a result of services rendered by employees.

**Pension**

The Company operates a contributory pension scheme funded by employees and the Company to provide benefits for the employees of the Company. The scheme is administered and managed by Sagicor Life Jamaica Limited. Contributions to the scheme are charged to profit or loss account in the period to which they relate.

**(q) Revenue recognition**

Performance obligations and revenue recognition policies:

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

The Group's revenue is derived from the sale of manufactured PVC pipes and fittings, distribution of lighting, electrical, solar energy and other related products.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer; usually when the Company and its subsidiary have delivered the goods to the customer and it is accepted by the buyer, invoice is generated and the revenue is recorded at that point. Invoices are usually payable within 30 to 60 days or other contractual terms.

Revenue is shown net of General Consumption Tax, returns, rebates and discounts.

**Notes to the Financial Statements  
31 December 2025**

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**3. Material accounting policies (continued)****(r) Other operating income**

Other operating income mainly comprises commissions received or receivable through partnership arrangements between local utility entities and the Group's international suppliers.

**(s) Taxation**

Taxation on the profit or loss for the year comprises current and deferred tax. Current and deferred taxes are recognized as income tax expense or benefit in the statement of comprehensive income except, where they relate to items recorded in shareholders' equity, they are also charged or credited to shareholders' equity.

**(i) Current taxation**

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

**(ii) Deferred income taxes**

Deferred tax liabilities are recognized for temporary differences between the carrying amounts of assets and liabilities and their amounts as measured for tax purposes, which will result in taxable amounts in future periods. Deferred tax assets are recognized for temporary differences which will result in deductible amounts in future periods, but only to the extent it is probable that sufficient taxable profits will be available against which these differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset will be realized or the liability will be settled based on enacted rates.

Current and deferred tax assets and liabilities are offset when the legal right of offset exists.

**(t) Foreign currency translation****i. Functional and presentation currency**

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ["the functional currency"].

**ii. Transaction and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the statement of financial position date. Foreign exchange gains or losses resulting from the settlement of such transactions and from the transaction of year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

**Notes to the Financial Statements  
31 December 2025**

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**3. Material accounting policies (continued)****(u) Interest bearing loans and borrowing cost**

Borrowings are stated initially at cost, being the fair value of the consideration received, net of transaction cost associated with the borrowings. After initial recognition, borrowings are subsequently stated at amortised cost using the effective yield method. Any difference between proceeds and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings.

**(v) Dividends**

Dividends on stock units are recognised in stockholders' equity in the period in which they are approved by the Company's Board of Directors.

**(w) Segment reporting**

A segment is a distinguishable component of the Company that is engaged either in providing products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The main activity of the Company is the manufacture of PVC pipes and fittings, distribution of lighting, electrical and solar energy products to consumers, operating in a single segment, therefore no additional segment information is provided.

**Notes to the Financial Statements  
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**4. Financial risk management**

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

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

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

**Audit Committee**

The Board of Directors has also established an Audit Committee to assist in managing the Group's risk profile. This Committee oversees how management monitors compliance with the Group's risk management policies and reviews the adequacy of the risk management framework. This committee is also assisted by Internal Audit that reports to the Audit Committee after it undertakes regular and ad hoc reviews of risk management controls and procedures, especially over inventories and receivables.

**(a) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as outstanding receivables from credit sales.

**Risk management**

Management has established a credit policy under which each new customer is analysed individually for credit worthiness before the Group's standard payment and delivery terms and conditions are offered.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by management.

**Notes to the Financial Statements  
31 December 2025**

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**4. Financial risk management (continued)****(a) Credit risk (continued)**

Management determines concentrations of credit risk by monitoring the credit-worthiness rating of existing customers and through a monthly review of the trade receivables ageing analysis. In monitoring the customers' credit risk, customers are grouped according to their credit characteristics. Customers that are graded as "high risk" are placed on a restricted customer list, and future credit sales are made only with approval.

**Security**

The Group and the Company do not hold any collateral as security.

**Impairment of financial assets**

The Group and the Company have two type of financial asset that is subject to the expected credit loss model:

- trade receivables
- due from related parties

While cash and cash equivalents and investments are also subject to the impairment requirements of IFRS 9, the identified impairment losses were immaterial.

**Trade receivables**

The Group and the Company apply the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2025 and 31 December 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Notes to the Financial Statements  
31 December 2025

4. Financial risk management (continued)

(a) Credit risk (continued)

On that basis, the expected loss allowance as at 31 December 2025 and 31 December 2024 was determined as follows for trade receivables:

**The Group**

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	\$	\$	\$	\$	\$
31 December 2025					
Expected loss rate	3.39%	7.64%	9.43%	23.69%	15.27%
Gross carrying amount – trade receivables	104,662,371	30,450,946	17,046,207	187,231,817	339,391,341
Loss allowance	3,554,831	2,326,334	1,607,628	44,346,057	51,834,850

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	\$	\$	\$	\$	\$
31 December 2024					
Expected loss rate	0.48%	1.00%	1.50%	19.53%	9.17%
Gross carrying amount – trade receivables	115,750,328	89,161,579	84,643,164	230,154,606	519,709,677
Loss allowance	560,016	891,616	1,269,647	44,951,323	47,672,602

**The Company**

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	\$	\$	\$	\$	\$
31 December 2025					
Expected loss rate	3.44%	7.64%	9.43%	23.69%	15.33%
Gross carrying amount – trade receivables	103,299,190	30,450,946	17,046,207	187,231,818	338,028,161
Loss allowance	3,554,831	2,326,334	1,607,628	44,346,057	51,834,850

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	\$	\$	\$	\$	\$
31 December 2024					
Expected loss rate	0.50%	1.00%	1.50%	19.53%	9.24%
Gross carrying amount – trade receivables	112,003,168	89,161,579	84,643,164	230,154,606	515,962,517
Loss allowance	560,016	891,616	1,269,647	44,951,323	47,672,602

Notes to the Financial Statements  
31 December 2025

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4. Financial risk management (continued)

(a) Credit risk (continued)

The closing expected loss allowances for trade receivables as at 31 December 2025 and 31 December 2024 reconcile to the opening expected loss allowances as follows:

**The Group and Company**

	<b>Trade receivables</b>	<b>Trade receivables</b>
	<b>2025</b>	<b>2024</b>
	\$	\$
Opening expected loss allowance at beginning of year	47,672,602	49,503,887
Bad debt recovered	(2,781,054)	(6,936,051)
Increase in expected loss allowance recognised in profit or loss during the year	<u>6,943,302</u>	<u>5,104,766</u>
Closing balance at end of year (Note 15)	<u>51,834,850</u>	<u>47,672,602</u>

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and Company, and a failure to make contractual payments for a period of greater than 90 days past due.

**Related parties**

The closing loss allowances for related parties as at 31 December 2025 and 31 December 2024 reconcile to the opening loss allowances as follows:

	<b>Related parties</b>	<b>Related parties</b>
	<b>2025</b>	<b>2024</b>
	\$	\$
Opening loss allowance as at 1 January	19,401,781	-
(Decrease)/increase in loss allowance recognised in profit or loss during the year	<u>(8,536,211)</u>	<u>19,401,781</u>
Closing balance at end of year	<u>10,865,570</u>	<u>19,401,781</u>

As at 31 December 2025 related parties had lifetime expected credit losses of \$9,618,887 (2024: \$19,401,781).

Notes to the Financial Statements  
31 December 2025

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4. Financial risk management (continued)

(a) Credit risk (continued)

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

As at 31 December 2025 and 2024, the Group's trade receivables had no lifetime expected credit losses.

**Net impairment losses on financial assets recognised in profit or loss**

During the year, the following (reversals)/losses were recognised in statement of comprehensive income in relation to impaired financial assets:

	<b>The Group and Company</b>	
	<b>2025</b>	<b>2024</b>
	<u>\$</u>	<u>\$</u>
Expected loss allowance		
- Movement in expected loss allowance for trade receivables	6,943,302	5,104,766
- Movement in expected loss allowance for related parties (Note 8)	<u>(8,536,211)</u>	<u>19,401,781</u>
Net impairment (reversals)/losses on financial assets	<u>(1,592,909)</u>	<u>24,506,547</u>

Notes to the Financial Statements  
31 December 2025

4. Financial risk management (continued)

(b) Liquidity risk

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

**Liquidity risk management process**

The Group's liquidity management process includes:

- (i) Monitoring future cash flows and liquidity on a daily basis;
- (ii) Maintaining marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- (iii) Maintaining a committed line of credit.

**Undiscounted cash flows of financial liabilities**

The maturity profile of the Group's financial liabilities at year end on contractual undiscounted payments was as follows:

	<b>The Group</b>					
	<u>1 to 3</u> <u>months</u>	<u>3 to 12</u> <u>months</u>	<u>1 to 5</u> <u>years</u>	<u>Over 5</u> <u>years</u>	<u>Contractual</u> <u>Cash flows</u>	<u>Carrying</u> <u>Amount</u>
	<b>2025</b>					
	\$	\$	\$	\$	\$	\$
Long-term loans	452,847,336	489,612,881	655,441,216	2,439,092,497	4,036,993,930	2,719,869,843
Payables	1,568,813,055	-	-	-	1,568,813,055	1,568,813,055
Directors' loans	-	-	24,698,790	-	24,698,791	24,698,791
Lease liabilities	14,876,415	45,842,244	51,336,718	610,213,019	722,268,396	534,210,877
Short-term loans	-	223,125,263	-	-	223,125,263	201,920,438
	<u>2,036,536,806</u>	<u>758,580,388</u>	<u>731,476,724</u>	<u>3,049,305,516</u>	<u>6,575,899,435</u>	<u>5,049,513,004</u>
	<b>2024</b>					
	\$	\$	\$	\$	\$	\$
Long-term loans	418,873,104	456,062,388	608,083,184	2,512,856,352	3,995,875,028	2,941,143,410
Payables	1,423,537,052	-	-	-	1,423,537,052	1,423,537,052
Directors' loans	-	-	28,537,173	-	28,537,173	28,537,173
Lease liabilities	14,915,201	44,745,602	50,783,141	750,075,234	860,519,178	558,412,153
Short-term loans	-	337,608,227	-	-	337,608,227	306,710,118
	<u>1,857,325,357</u>	<u>838,416,217</u>	<u>687,403,498</u>	<u>3,262,931,586</u>	<u>6,646,076,658</u>	<u>5,258,339,906</u>

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

Notes to the Financial Statements  
31 December 2025

4. Financial risk management (continued)

(b) Liquidity risk (continued)

**Undiscounted cash flows of financial liabilities**

The maturity profile of the Company's financial liabilities at year end on contractual undiscounted payments was as follows:

	<b>The Company</b>					
	<u>1 to 3</u> <u>months</u>	<u>3 to 12</u> <u>months</u>	<u>1 to 5</u> <u>years</u>	<u>Over 5</u> <u>years</u>	<u>Contractual</u> <u>Cash flows</u>	<u>Carrying</u> <u>Amount</u>
	\$	\$	\$	\$	\$	\$
	<b>2025</b>					
Long-term loans	338,472,614	382,691,773	436,845,219	2,102,693,803	3,260,703,409	2,035,789,779
Lease liabilities	14,876,415	45,842,244	51,336,718	610,213,019	722,268,396	534,210,877
Director's loans	-	-	24,698,791	-	24,698,791	24,698,791
Payables	1,556,346,694	-	-	-	1,556,346,694	1,556,346,694
Short-term loans	-	223,125,263	-	-	223,125,263	201,920,438
	<u>1,909,695,723</u>	<u>651,659,280</u>	<u>512,880,728</u>	<u>2,712,906,822</u>	<u>5,787,142,553</u>	<u>4,352,968,604</u>
	<b>2024</b>					
Long-term loans	335,098,483	364,849,910	486,466,547	2,010,285,082	3,196,700,022	2,240,059,692
Lease liabilities	14,915,201	44,745,602	50,783,141	750,075,234	860,519,178	558,412,153
Director's loans	-	-	28,537,173	-	28,537,173	28,537,173
Payables	1,417,004,915	-	-	-	1,417,004,915	1,417,004,915
Short-term loans	-	337,608,227	-	-	337,608,227	306,710,118
	<u>1,767,018,599</u>	<u>747,203,739</u>	<u>565,786,861</u>	<u>2,760,360,316</u>	<u>5,840,369,515</u>	<u>4,550,724,051</u>

Notes to the Financial Statements  
31 December 2025

4. Financial risk management (continued)

(c) Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk exposures are measured using sensitivity analysis. There has been no exposure to market risks or the manner in which the Group manages and measures the risk.

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign exchange risk arising from currency exposure primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The Group undertakes certain transactions denominated in currencies other than the Jamaican dollar resulting in exposures to exchange rate fluctuations.

Net financial liabilities denominated in foreign currency are as follows: -

	<u>2025</u>	<u>2024</u>
	\$	\$
Cash and cash equivalents	21,023,116	5,960,892
Payables	(928,681,377)	(1,106,647,014)
	<u>(907,658,261)</u>	<u>(1,100,686,122)</u>
	<u>2025</u>	<u>2024</u>
<b>Currency</b>		
USD	(5,682,115)	(7,047,086)
Rate of exchange	<u>JMD159.74</u>	<u>JMD156.42</u>

The following table demonstrates the sensitivity to a reasonably possible change in the following exchange rates of the Company before tax with all other variables held constant.

Currency	Change in exchange rate	<u>2025</u>	<u>2024</u>
		\$	\$
Revaluation	1% (2024 – 1%)	9,076,582	11,023,052
Devaluation	1.5% (2024 – 4%)	<u>(13,614,873)</u>	<u>(44,092,209)</u>

Notes to the Financial Statements  
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4. Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk

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

The following table summarises the Group's exposure to interest rate risk. It includes the Group's financial instruments at carrying amounts, categorized by the contractual re-pricing or maturity dates.

	The Group					Total
	Within 1 month	3 to 12 months	1 to 5 Years	Over 5 Years	Non-interest bearing	
	\$	\$	\$	\$	\$	\$
	<b>2025</b>					
<b>Assets</b>						
Due from related parties	-	-	1,426,810,975	-	125,918,034	1,552,729,009
Investment securities	23,381,416	-	15,689,469	-	2,118,667	41,189,552
Receivables	-	-	-	-	434,143,337	434,143,337
Due from associate	-	-	-	-	96,156,734	96,156,734
Cash and cash equivalents	67,008,995	-	-	-	33,004,431	100,013,426
<b>Total financial assets</b>	<b>90,390,411</b>	<b>-</b>	<b>1,442,500,444</b>	<b>-</b>	<b>691,341,203</b>	<b>2,224,232,058</b>
<b>Liabilities</b>						
Lease liabilities	8,561,271	25,683,811	128,419,057	371,546,738	-	534,210,877
Long-term loans	265,887,810	246,622,476	408,461,780	1,798,897,777	-	2,719,869,843
Short-term loans	88,000,000	113,920,438	-	-	-	201,920,438
Directors' loans	-	-	-	-	24,698,791	24,698,791
Payables	-	-	-	-	1,568,813,055	1,568,813,055
<b>Total financial liabilities</b>	<b>362,449,081</b>	<b>386,226,725</b>	<b>536,880,837</b>	<b>2,170,444,515</b>	<b>1,593,511,846</b>	<b>5,049,513,004</b>
<b>Total interest re-pricing gap</b>	<b>(272,058,670)</b>	<b>(386,226,725)</b>	<b>905,619,607</b>	<b>(2,170,444,515)</b>	<b>(902,170,643)</b>	<b>(2,825,280,946)</b>

Notes to the Financial Statements  
31 December 2025

4. Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	Within 1	3 to 12	The Group	Over 5	Non-interest	Total
	month	months	1 to 5	Years	bearing	
	\$	\$	Years	\$	\$	\$
	2024					
<b>Assets</b>						
Due from related parties	-	-	-	1,358,420,071	86,499,434	1,444,919,505
Investment securities	23,063,808	-	15,476,347	-	2,089,887	40,630,042
Receivables	-	-	-	-	617,854,328	617,854,328
Due from associate	-	-	-	-	7,966,280	7,966,280
Cash and cash equivalents	69,098,174	-	-	-	36,494,227	105,592,401
Total financial assets	92,161,982	-	15,476,347	1,358,420,071	750,904,156	2,216,962,556
<b>Liabilities</b>						
Lease liabilities	8,949,121	26,847,361	134,236,806	388,378,865	-	558,412,153
Long-term loans	47,892,830	526,821,139	499,254,924	1,867,174,517	-	2,941,143,410
Short-term loans	-	306,710,118	-	-	-	306,710,118
Directors' loans	-	-	-	-	28,537,173	28,537,173
Payables	-	-	-	-	1,423,537,052	1,423,537,052
Total financial liabilities	56,841,951	860,378,618	633,491,730	2,255,553,382	1,452,074,225	5,258,339,906
Total interest re-pricing gap	35,320,031	(860,378,618)	(618,015,383)	(897,133,311)	(701,170,069)	(3,041,377,350)

Notes to the Financial Statements  
31 December 2025

4. Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

The following table summarises the Company's exposure to interest rate risk. It includes the Company's financial instruments at carrying amounts, categorized by the contractual re-pricing or maturity dates.

	The Company					Total
	Within 1 month	3 to 12 months	1 to 5 Years	Over 5 Years	Non-interest bearing	
	\$	\$	\$	\$	\$	\$
	<b>2025</b>					
<b>Assets</b>						
Due from related parties	-	-	1,426,810,975	-	125,918,034	1,552,729,009
Investment securities	23,381,416	-	15,689,469	-	2,118,667	41,189,552
Receivables	-	-	-	-	420,462,245	420,462,245
Due from subsidiary	-	-	-	-	84,279,837	84,279,837
Due from associate	-	-	-	-	96,156,734	96,156,734
Cash at bank and in hand	61,190,996	-	-	-	33,941,825	95,132,821
Total financial assets	84,572,412	-	1,442,500,444	-	762,877,342	2,289,950,198
<b>Liabilities</b>						
Lease liabilities	8,561,271	25,683,811	128,419,057	371,546,738	-	534,210,877
Long-term loans	253,010,911	235,359,338	362,451,254	1,184,968,276	-	2,035,789,779
Short-term loans	88,000,000	113,920,438	-	-	-	201,920,438
Directors' loans	-	-	-	-	24,698,791	24,698,791
Payables	-	-	-	-	1,556,346,694	1,556,346,694
Total financial liabilities	349,572,182	374,963,587	490,870,311	1,556,515,014	1,581,045,485	4,352,966,579
Total interest re-pricing gap	(264,999,770)	(374,963,587)	(951,630,133)	(1,556,515,014)	(818,168,143)	(2,063,016,381)

Notes to the Financial Statements  
31 December 2025

4. Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	Within 1	3 to 12	The Company		Non-interest	Total
	month	months	1 to 5	Over 5	bearing	
	\$	\$	\$	\$	\$	\$
	2024					
<b>Assets</b>						
Due from related parties	-	-	-	1,358,420,071	86,499,434	1,444,919,505
Investment securities	23,063,808	-	15,476,347	-	2,089,887	40,630,042
Receivables	-	-	-	-	607,176,642	607,176,642
Due from subsidiary	-	-	-	-	10,826,130	10,826,130
Due from associate	-	-	-	-	7,966,280	7,966,280
Cash at bank and in hand	65,941,784	-	-	-	36,577,023	102,518,807
Total financial assets	89,005,592	-	15,476,347	1,358,420,071	751,135,396	2,214,037,406
<b>Liabilities</b>						
Lease liabilities	8,949,121	26,847,361	134,236,806	388,378,865	-	558,412,153
Long-term loans	278,309,488	258,892,934	399,403,939	1,303,453,331	-	2,240,059,692
Short-term loans	-	306,710,118	-	-	-	306,710,118
Directors' loans	-	-	-	-	28,537,173	28,537,173
Payables	-	-	-	-	1,417,004,915	1,417,004,915
Total financial liabilities	287,258,609	592,450,413	533,640,745	1,691,832,196	1,445,542,088	4,550,724,051
Total interest re-pricing gap	(196,253,017)	(592,450,413)	(518,164,398)	(333,412,125)	(694,406,692)	(2,336,686,645)

Notes to the Financial Statements  
31 December 2025

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4. Financial risk management (continued)

(c) Market risk (continued)

(iii) Equity price risk

Equity price risk arises from equity securities held by the Company as part of its investment portfolio. Management monitors equity securities in its investment portfolio based on market expectations. The primary goal of the Company's investment strategy is to maximize investments returns.

	<u>The Group and Company</u>	
	<u>2025</u>	<u>2024</u>
	\$	\$
Increase +1.5% (2024: +6%)	22,669	125,393
Decrease -1.0% (2024: -2%)	<u>(15,113)</u>	<u>(41,797)</u>

(d) Fair value estimates

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognized stock exchange) exists as it is the best evidence of the fair value of a financial instrument.

The amount included in the financial statements for cash and cash equivalents, receivables, payables and short-term loans reflect their approximate fair values because of the short-term maturity of these instruments.

The fair values of long-term loans and lease liabilities approximate amortised costs.

The fair values of director's loan and due from related parties could not be reasonably assessed as there are no set repayment terms

**Notes to the Financial Statements**  
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**4. Financial risk management (continued)**

**(e) Capital Management**

The Group defines capital as equity and total borrowings. The Group manages its capital of \$5.2 billion to support and be responsive to opportunities for its current growth strategy and expansion plans and to maintain its normal operations and remain compliant with various covenants and restrictive rules and regulations of the industry and the financial environment in which it operates.

Capital Management Strategies

The Group's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide specific hurdle returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity.

The Group is not subjected to internally imposed capital requirements. Consistent with others in the industry, the Group monitors capital based on the gearing ratio. This ratio is calculated as total borrowings divided by capital as defined below. Total borrowings is calculated as current and non-current borrowings and bank overdraft, excluding lease liabilities, as shown in the consolidated statement of financial position. Capital is calculated as equity, as shown in the statement of financial position plus total borrowings. The management of the Group remains deliberate in the way it funds its growth strategy and given the present economic environment and the general movement in the cost of capital in the market; management continues to adjust major debts from a bullet repayment structure to that of amortization and lengthening of tenors.

	<b>The Group</b>		<b>The Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Long-term loans	2,719,869,843	2,941,143,410	2,035,789,779	2,240,059,692
Short-term loans	201,920,438	306,710,118	201,920,438	306,710,118
	2,921,790,281	3,247,853,528	2,237,710,217	2,546,769,810
Shareholders' equity	1,421,322,288	1,998,662,104	1,509,003,279	2,032,215,209
Total Capital	4,343,112,569	5,246,515,632	3,746,713,496	4,578,985,019
Gearing ratio	67%	62%	60%	56%

**Notes to the Financial Statements  
31 December 2025**

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**5. Critical accounting estimates and judgments in applying accounting policies**

The Group makes estimates, assumptions and judgements that affect the reported amounts of, and disclosures relating to, assets, liabilities, income and expenses reported in these financial statements. Amounts and disclosures based on these estimates assumptions and judgements may be different from actual outcomes, and these differences may be reported in the financial statements of the next financial year. Estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and are continually evaluated.

**(a) Impairment losses of financial assets**

The Group review its receivables portfolios to assess impairment at least on a annually basis. In determining whether an impairment loss should be recorded, the Group makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from customers before the decrease can be identified with an individual customer. This evidence may include observable data indicating that there has been an adverse change in the payment status of customers, or national or local economic conditions that correlate with defaults on assets in the Group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when estimating its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Establishing the criteria for determining whether credit risk on financial asset has increase significantly since initial recognition, determining the methodology for incorporating forward looking information into the measurement of expected credit losses (ECL) and the selection and approval of the models used to estimate ECL required significant judgement.

**(b) Income taxes**

Estimates and judgements are required in determining the provision for income taxes. The tax liability or asset arising from certain transactions or events may be uncertain in the ordinary course of business. In cases of such uncertainty, the Group recognises liabilities for possible additional taxes based on its judgement. Where, on the basis of a subsequent determination, the final tax outcome in relation to such matters is different from the amount that was initially recognised, the difference will impact the current and deferred income tax provisions in the period in which such determination is made.

**Notes to the Financial Statements  
31 December 2025**

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**5. Critical accounting estimates and judgments in applying accounting policies (continued)****(c) Depreciable assets**

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Group applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

**(d) Valuation of financial instruments**

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premium used in estimating discount rates.

Considerable judgment is required in interpreting market data to arrive at estimates of fair values. Consequently, the estimates arrived at may be significantly different from the actual price of the instrument in an arm's length transaction.

**(e) Net realisable value of inventories**

Estimates of net realisable value are based on the most reliable evidence at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations in price or cost directly relating to events occurring after the end of the period, to the extent that such events confirm conditions existing at the end of the period.

Estimates of net realisable value also take into consideration the purpose for which the inventory is held.

**(f) Judgement in evaluation of contingencies**

For a contingent liability to qualify for recognition, there must be a present obligation and the probability of an outflow of economic benefit to settle that obligation. In recognising contingent liabilities of the Group, management determines the possibility of an outflow of resources and makes estimates of expenditure required to settle the present obligation at the reporting date.

No provision is made if management considers the possibility of any outflow in settlement to be remote.

Notes to the Financial Statements  
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6. Property, plant and equipment

The Group

	Freehold Land	Freehold Building	Leasehold Improvements	Leasehold Property	Furniture, Fixtures and Equipment	Computers	Motor Vehicles	Construction in Progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost/Valuation -</b>									
1 January 2024	142,500,000	520,000,002	70,579,482	30,000,000	195,216,264	63,201,763	167,250,589	3,627,400	1,192,375,500
Additions	288,000,000	350,400,000	15,196,823	-	29,651,794	29,454,619	27,880,053	-	740,583,289
Transfer	-	-	2,179,600	-	-	-	-	(2,179,600)	-
31 December 2024	430,500,000	870,400,002	87,955,905	30,000,000	224,868,058	92,656,382	195,130,642	1,447,800	1,932,958,789
Additions	-	-	-	-	3,621,466	3,933,465	-	5,754,326	13,309,257
Disposals	-	-	(3,572,367)	-	-	(3,848,825)	-	-	(7,421,192)
31 December 2025	430,500,000	870,400,002	84,383,538	30,000,000	228,489,524	92,741,022	195,130,642	7,202,126	1,938,846,854
<b>Depreciation -</b>									
1 January 2024	-	36,925,523	54,678,705	8,250,000	82,761,265	33,517,931	90,111,180	-	306,244,604
Charge for year	-	18,086,660	2,732,681	999,000	18,050,889	10,524,744	29,257,979	-	79,651,953
31 December 2024	-	55,012,183	57,411,386	9,249,000	100,812,154	44,042,675	119,369,159	-	385,896,557
Charge for year	-	32,695,152	4,180,717	999,000	20,231,887	11,643,394	26,817,975	-	96,568,125
31 December 2025	-	87,707,335	61,592,103	10,248,000	121,044,041	55,686,069	146,187,134	-	482,464,682
<b>Net Book Value -</b>									
31 December 2025	430,500,000	782,692,667	22,791,435	19,752,000	107,445,483	37,054,953	48,943,508	7,202,126	1,456,382,172
31 December 2024	430,500,000	815,387,819	30,544,519	20,751,000	124,055,904	48,613,707	75,761,483	1,447,800	1,547,062,232

Notes to the Financial Statements  
31 December 2025

6. Property, plant and equipment

The Company

	Freehold Land	Freehold Building	Leasehold Improvements	Leasehold Property	Furniture, Fixtures and Equipment	Computers	Motor Vehicles	Construction in Progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost/Valuation -</b>									
1 January 2024	142,500,000	520,000,002	67,007,115	30,000,000	191,359,112	62,161,672	167,250,589	3,627,400	1,183,905,890
Additions	-	-	15,196,823	-	29,651,794	28,092,272	27,880,053	-	100,820,942
Transfer	-	-	2,179,600	-	-	-	-	(2,179,600)	-
31 December 2024	142,500,000	520,000,002	84,383,538	30,000,000	221,010,906	90,253,944	195,130,642	1,447,800	1,284,726,832
Additions	-	-	-	-	3,621,466	3,933,465	-	5,754,326	13,309,257
Disposals	-	-	-	-	-	(3,848,825)	-	-	(3,848,825)
31 December 2025	142,500,000	520,000,002	84,383,538	30,000,000	224,632,372	90,338,584	195,130,642	7,202,126	1,294,187,264
<b>Depreciation -</b>									
1 January 2024	-	36,925,523	54,678,705	8,250,000	81,629,816	33,446,873	90,111,180	-	305,042,097
Charge for year	-	18,086,660	2,732,681	999,000	17,665,170	10,261,692	29,257,979	-	79,003,182
31 December 2024	-	55,012,183	57,411,386	9,249,000	99,294,986	43,708,565	119,369,159	-	384,045,279
Charge for year	-	16,735,152	4,180,717	999,000	19,846,172	11,131,773	26,817,975	-	79,710,789
31 December 2025	-	71,747,335	61,592,103	10,248,000	119,141,158	54,840,338	146,187,134	-	463,756,068
<b>Net Book Value -</b>									
31 December 2025	142,500,000	448,252,667	22,791,435	19,752,000	105,491,214	35,498,246	48,943,508	7,202,126	830,431,196
31 December 2024	142,500,000	464,987,819	26,972,152	20,751,000	121,715,920	46,545,379	75,761,483	1,447,800	900,681,553

On 1 January 2022, the Group's land and buildings were revalued by NAI Jamaica: Langford and Brown, independent chartered surveyors and valuers. The revaluation resulted in an increase in the carrying value of the assets, and the surplus arising on revaluation was recognised in capital reserve (Note 18).

Management has assessed the carrying values of the properties and is of the opinion that these do not differ materially from fair value at the reporting date.

Certain land and buildings of the Group have been pledged as collateral for borrowings (see Note 19).

Notes to the Financial Statements  
31 December 2025

7. Right-of use assets and related lease obligations

(i) Amounts recognized in the statement of financial position

The statement of financial position shows the following amounts relating to leases: -

**Right-of-use assets**

	<b>The Group and Company</b>	
	<b>2025</b>	<b>2024</b>
	\$	\$
<b>Cost</b>		
<b>Balance at beginning of the year</b>	748,493,547	748,493,547
Additions to right-of-use assets	35,382,763	-
Termination of right-of-use assets	(54,902,383)	-
	<u>728,973,927</u>	<u>748,493,547</u>
<b>Accumulated Amortization</b>		
Balance at beginning of year	160,378,271	102,017,044
Amortization charge for the year	59,109,246	58,361,227
Amortization eliminated on termination	(54,902,383)	-
	<u>164,585,134</u>	<u>160,378,271</u>
<b>Balance at end of the year</b>	<u>564,388,793</u>	<u>588,115,276</u>

**Lease liabilities**

	<b>The Group and Company</b>	
	<b>2025</b>	<b>2024</b>
	\$	\$
Balance as at beginning of year	558,412,153	618,665,731
Additions	35,382,763	-
Payments	(86,011,684)	(78,888,405)
Interest expense	19,030,345	14,900,316
Effect of foreign exchange	7,397,300	3,734,511
Balance as at end of year	<u>534,210,877</u>	<u>558,412,153</u>

	<b>The Group and Company</b>	
	<b>2025</b>	<b>2024</b>
	\$	\$
Current	60,757,445	64,509,697
Non-current	473,453,432	493,902,456
Balance as at end of year	<u>534,210,877</u>	<u>558,412,153</u>

Notes to the Financial Statements  
31 December 2025

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7. Right-of-use assets and related lease obligations (continued)

(ii) Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	<b>The Group and Company</b>	
	<b>2025</b>	<b>2024</b>
	\$	\$
Amortization of right-of-use assets (included in administrative expenses)	59,109,246	58,361,227
Interest expense (included in finance costs)	19,030,345	14,900,316
Effect of foreign exchange	7,397,300	3,734,511

(iii) Amounts recognized in the statement of cash flows

	<b>The Group and Company</b>	
	<b>2025</b>	<b>2024</b>
	\$	\$
Total cash outflow for leases	86,011,684	78,888,405

Notes to the Financial Statements  
31 December 2025

8. Due from related parties

		<b>The Group and Company</b>	
		<b>2025</b>	<b>2024</b>
		<b>\$</b>	<b>\$</b>
<b>LCCM Investment Ventures Limited</b>	(a)		
Balance at beginning of year		845,614,399	745,451,364
Advances		-	85,527,269
Repayments		(28,386,850)	(51,838,077)
		817,227,549	779,140,556
Interest accrued		66,473,843	66,473,843
Balance at end of year		883,701,392	845,614,399
Less: Impairment losses on financial assets		(9,618,887)	(17,800,122)
		<u>874,082,505</u>	<u>827,814,277</u>
<b>BC Dundee Enterprise Limited</b>	(b)		
Balance at beginning of year		608,243,490	393,034,362
Advances		12,205,506	186,245,153
		620,448,996	579,279,515
Interest accrued		28,963,975	28,963,975
Balance at end of year		649,412,971	608,243,490
Less: Impairment losses on financial assets		(1,246,683)	(1,601,659)
		<u>648,166,288</u>	<u>606,641,831</u>
<b>Other related parties</b>	(c)		
FosRich Caribbean Inc		5,034,862	284,400
FosRich Holdings Limited S.A		276,660	276,660
FosRich USA Inc		25,168,694	9,902,337
		<u>30,480,216</u>	<u>10,463,397</u>
		<u>1,552,729,009</u>	<u>1,444,919,505</u>

- (a) This represents loan to LCCM Investment Ventures Limited, a company related by common directors and shareholders. The loan attracts interest rate of 8% (2024:5%) per annum with a bullet payment due on maturity on 31 December 2030.
- (b) This represents loan to BC Dundee Enterprise Limited, a company related by common directors and shareholders. The loan attracts interest rate of 5% per annum with a bullet payment due on maturity on 31 December 2030.

**Notes to the Financial Statements**  
**31 December 2025**

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**8. Due from related parties (continued)**

(c) These balances represent loans from FosRich Company Limited, which is related to the Group by way of common directors and shareholders.

Loans (a) and (b) are secured by irrevocable guarantees and indemnities issued by Marian and Cecil Foster, covering the ultimate balances outstanding under the respective loan arrangements from time to time.

In addition, the loans are secured by pledges over ordinary shares of the Group. The share pledge arrangements provide the Group with enforceable rights over the pledged shares in the event of default. Management considers both the personal guarantees and the pledged shares in assessing the recoverability of the related-party balances in accordance with IFRS 9 – Financial Instruments.

**9. Investment securities**

	<b>The Group and Company</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<b>Investments at amortised cost</b>		
Deposits-Bonds/guarantees	11,553,095	11,320,251
Term deposits (a)	11,797,778	11,743,557
	<u>23,350,873</u>	<u>23,063,808</u>
<b>Investment at fair value through other comprehensive income</b>		
<b>Quoted equities at market value</b>		
Balance at the beginning of year	2,089,887	1,937,500
Loss/(gain) for fair value adjustment (Note 18)	(578,637)	152,387
Balance at the end of year	<u>1,511,250</u>	<u>2,089,887</u>
<b>Investments-Other</b>		
<b>Keyman Insurance - cash surrender value</b>		
Balance at beginning of year	15,476,347	14,153,244
Fair value gain on investments	851,082	1,323,103
Balance at the end of year	<u>16,327,429</u>	<u>15,476,347</u>
	<u>41,189,552</u>	<u>40,630,042</u>

(a) The above 'term deposits' includes amounts denominated in United States Dollars US\$75,869 (2024: US\$75,869) and Jamaican Dollars, which interest at rates of 0.60% (2024: 0.60%) and 2.75% (2024: 2.75%) respectively. These deposits are held as security for certain borrowing arrangements and continue to be recognised as assets of the Group (Note 19).

Notes to the Financial Statements  
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10. (a) Investment in subsidiary

	<u>The Company</u>	
	<u>2025</u>	<u>2024</u>
	\$	\$
O'N'S Mini Mart & Electrical Supplies Limited	<u>10,307,145</u>	<u>10,307,145</u>

	<u>2025</u>	<u>2024</u>
	\$	\$
(b) Due from subsidiary		
O'N'S Mini Mart & Electrical Supplies Limited	<u>84,279,837</u>	<u>10,826,130</u>

11. Investment in associate

	<u>The Group and Company</u>	
	<u>2025</u>	<u>2024</u>
	\$	\$
Balance at beginning of year	211,567,318	226,000,000
Share of loss for year	<u>(8,813,043)</u>	<u>(14,432,682)</u>
Balance at end of year	<u>202,754,275</u>	<u>211,567,318</u>

Investment in associate for the current year comprises the amounts recognised in the statement of financial position in respect of the Group's 20% ownership interest in the issued share capital of Blue Emerald Limited, which was acquired on 29 April 2019. Blue Emerald Limited is an associated company of FosRich Company Limited.

Blue Emerald Limited is a private company and, accordingly, there is no quoted market price available for its shares. There are no contingent liabilities relating to the Group's interest in Blue Emerald Limited.

During the year, the Company purchased goods for resale from associated company, Blue Emerald Limited, amounting to \$104,163,755 (2024 \$193,783,303).

Blue Emerald Limited sells all its manufactured products to FosRich Company Limited.

	<u>2025</u>	<u>2024</u>
	\$	\$
Balances on account with Blue Emerald Limited amounted to:		
Due from associate	<u>96,156,734</u>	<u>7,966,280</u>

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**31 December 2025**

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**12. Goodwill**

This goodwill is assessed to have indefinite useful lives, and their useful lives are dependent on the useful life of the cash-generating unit (CGU) to which they are allocated.

	<u>2025</u>	<u>2024</u>
	\$	\$
Balance at beginning and at end	<u>63,040,000</u>	<u>63,040,000</u>

The fair value of the identifiable assets as at the date of acquisition were:

	<u>Total</u>
	\$
<b>Non-current assets</b>	
Property, plant and equipment	653,520,000
<b>Current assets</b>	
Inventories	<u>294,356,173</u>
<b>Fair value of net assets</b>	<u>947,876,173</u>
<b>Goodwill at acquisition</b>	
Purchase consideration	1,010,916,173
Less: Fair value of net assets acquired	<u>(947,876,173)</u>
<b>Goodwill</b>	<u>63,040,000</u>

**Impairment tests for goodwill**

The Group determines whether goodwill is impaired at least on an annual basis or when events or changes in circumstances indicate the carrying value may be impaired. This requires an estimation of the recoverable amount of the cash generating unit (CGU) to which goodwill is allocated. The recoverable amount is determined by reference to the value in use. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose an appropriate discount rate in order to calculate the present value of those future cash flows.

The cash flow projections are based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using estimated growth rates (which do not exceed the long-term average growth rate for the business in which the CUG operates). The key assumptions used for value in use calculations are as follows:

**Notes to the Financial Statements  
31 December 2025**

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**12. Goodwill (continued)**

	<b>Revenue growth rate</b>	<b>EBITDA to revenue</b>	<b>Capital expenditure to revenue</b>	<b>Discount rate</b>
Bayside Hardware business	2%	5%	0%	10%

For the current period, after review, analysis and assessment, management is of the opinion, that there is no impairment in the total value of an goodwill, as the *recoverable amounts* are higher than the *carrying amounts*.

**Notes to the Financial Statements**  
**31 December 2025**

**13. Deferred tax assets/(liabilities)**

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

Assets and liabilities recognised on the statement of financial position are as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Deferred tax assets/(liabilities)	<u>138,174,315</u>	<u>(19,824,204)</u>	<u>112,739,648</u>	<u>(19,824,204)</u>

The movement on the net deferred income tax balance is as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net liabilities at beginning of year	(19,824,204)	(12,275,509)	(19,824,204)	(12,275,509)
Deferred tax credited/(charged) to the statement of comprehensive income (Note 30)	<u>157,998,519</u>	<u>(7,548,695)</u>	<u>132,563,852</u>	<u>(7,548,695)</u>
Net assets/(liabilities) at end of year	<u>138,174,315</u>	<u>(19,824,204)</u>	<u>112,739,648</u>	<u>(19,824,204)</u>

Deferred income tax assets and liabilities are attributable to the following items:

	<b>The Group</b>		<b>The Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Deferred income tax assets/(liabilities):				
Property, plant and equipment	15,851,294	7,324,699	12,100,562	7,324,699
Interest receivable	(30,949,947)	(30,949,947)	(30,949,947)	(30,949,947)
Interest payables	7,548,902	3,801,044	7,548,902	3,801,044
Lease liability, net	(7,544,476)	-	(7,544,476)	-
Tax losses	<u>153,268,542</u>	<u>-</u>	<u>131,584,608</u>	<u>-</u>
Net assets/(liabilities) at end of year	<u>138,174,315</u>	<u>(19,824,204)</u>	<u>112,739,648</u>	<u>(19,824,204)</u>

**Notes to the Financial Statements**  
**31 December 2025**

**13. Deferred tax assets/(liabilities) (continued)**

The amounts shown in the statement of financial position include the following:

	<b>The Group</b>		<b>The Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Deferred tax assets/(liabilities) be recovered/(settled):				
-less than 12 months	(23,401,045)	(27,148,903)	(23,401,045)	(27,148,903)
-more than 12 months	161,575,360	7,324,699	136,140,693	7,324,699
	<u>138,174,315</u>	<u>(19,824,204)</u>	<u>112,739,648</u>	<u>(19,824,204)</u>

**14. Inventories**

	<b>The Group</b>		<b>The Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Finished goods	1,780,556,432	2,458,815,715	1,747,051,356	2,423,751,645
Raw material	94,466,836	38,045,686	94,466,836	38,045,686
	1,875,023,268	2,496,861,401	1,841,518,192	2,461,797,331
Goods in transit	-	135,202,005	-	135,202,009
	<u>1,875,023,268</u>	<u>2,632,063,406</u>	<u>1,841,518,192</u>	<u>2,596,999,340</u>

For the year ended 31 December 2025, inventories amounting to \$331,131,550 (2024: \$6,407,583) were written off to the statement of comprehensive income. The write-off relates primarily to obsolete, slow-moving and damaged inventory items identified during management's review of inventory.

Notes to the Financial Statements  
31 December 2025

15. Receivables

	The Group		The Company	
	2025	2024	2025	2024
	\$	\$	\$	\$
Trade receivables	339,391,341	519,709,677	338,028,160	515,962,517
Less: expected credit loss provision (Note 4(a))	(51,834,850)	(47,672,602)	(51,834,850)	(47,672,602)
	287,556,491	472,037,075	286,193,310	468,289,915
Sundry receivables	12,250,203	14,367,317	9,006,873	14,004,621
Statutory receivables	438,651	1,659,006	-	-
Prepayments	56,567,565	66,626,955	47,931,635	61,718,131
Other deposits	77,330,427	63,163,975	77,330,427	63,163,975
	434,143,337	617,854,328	420,462,245	607,176,642

The Group's exposure to credit risk and impairment loss associated to trade and other receivables are disclosed in note 4(a).

16. Cash and cash equivalents

	The Group		The Company	
	2025	2024	2025	2024
	\$	\$	\$	\$
Cash and current accounts	17,326,793	36,494,227	14,330,211	36,577,023
Savings accounts	82,686,633	69,098,174	80,802,610	65,941,784
	100,013,426	105,592,401	95,132,821	102,518,807

Cash at bank substantially comprise savings and current account at licensed commercial banks in Jamaica. Amounts held in savings accounts are denominated in United States Dollar and Jamaican Dollar and attract interest at rates of 0.60% and 2.75% (2024: 0.60% and 2.75%) per annum respectively during the year.

**Notes to the Financial Statements**  
**31 December 2025**
**17. Share capital**

	<u>2025</u>	<u>2024</u>
	<u>No. of shares</u>	<u>No. of shares</u>
Authorised		
Ordinary shares at no par value	15,000,000,000	15,000,000,000
Issued and fully paid:		
Balance as at beginning and end of the year	5,078,485,197	5,078,485,197
	<u>2025</u>	<u>2024</u>
	<u>\$</u>	<u>\$</u>
Ordinary shares at beginning and end of year	488,536,944	500,000,000
Less: Treasury shares	(11,463,056)	(11,463,056)
	<u>488,536,944</u>	<u>488,536,944</u>

During the prior year, the Company purchased at fair market value, treasury shares for \$Nil (2024: \$2,756,111). The number of treasury shares held at year end was 4,264,687 (2024: 4,264,687).

**18. Capital reserves**

	<u>The Group and Company</u>	
	<u>2025</u>	<u>2024</u>
	<u>\$</u>	<u>\$</u>
The movements during the year were as follows:		
Balance at beginning of year	570,577,466	569,101,976
Unrealised fair value losses/gains on investments (Note 9)	(578,637)	152,387
Fair value adjustment to financial instruments (Note 9)	851,082	1,323,103
Balance at end of year	<u>570,849,911</u>	<u>570,577,466</u>
The balance at the end of the year comprises:		
Revaluation reserves	495,251,605	495,251,605
Fair value movements on investments	75,598,306	75,325,861
	<u>570,849,911</u>	<u>570,577,466</u>

**Notes to the Financial Statements**  
**31 December 2025**
**19. Long-term loans**

	The Group		The Company	
	2025	2024	2025	2024
	\$	\$	\$	\$
First Global Bank Jamaica Limited (a)	53,859,096	112,891,280	53,859,096	112,891,280
First Global Bank Jamaica Limited (b)	4,025,498	6,932,738	4,025,498	6,932,738
First Global Bank Jamaica Limited (c)	2,452,349	12,261,743	2,452,349	12,261,743
First Global Bank Jamaica Limited (d)	27,249,128	37,799,113	27,249,128	37,799,113
First Global Bank Jamaica Limited (e)	5,491,422	7,549,239	5,491,422	7,549,239
First Global Bank Jamaica Limited (f)	757,832,197	818,112,213	757,832,197	818,112,213
Development Bank of Jamaica (g)	124,999,992	168,749,994	124,999,992	168,749,994
Development Bank of Jamaica (h)	107,142,846	135,714,278	107,142,846	135,714,278
First Global Leasing Limited (i)	-	646,515	-	646,515
Secured Fixed Rate Bond (j)	900,000,000	900,000,000	900,000,000	900,000,000
National Commercial Bank Jamaica Limited (k)	5,170,262	6,210,754	-	-
National Commercial Bank Jamaica Limited (l)	-	2,485	-	-
First Global Bank Jamaica Limited (m)	20,780,584	22,437,342	20,780,584	22,437,342
First Global Bank Jamaica Limited (n)	66,868,629	59,934,177	-	-
First Global Bank Jamaica Limited (o)	611,223,759	632,000,000	-	-
	2,687,095,762	2,921,241,871	2,003,833,112	2,223,094,455
Add: Accrued interest on loans	32,774,081	19,901,539	31,956,667	16,965,237
	2,719,869,843	2,941,143,410	2,035,789,779	2,240,059,692
Less: Current portion	(577,708,286)	(574,713,969)	(569,159,089)	(537,202,422)
	<u>2,142,161,557</u>	<u>2,366,429,441</u>	<u>1,466,630,690</u>	<u>1,702,857,270</u>

**Notes to the Financial Statements  
31 December 2025**

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**19. Long-term loans (continued)**

- (a) This loan is a consolidated loan facility, which was received in October 2021 for working capital requirements, attracts interest at 10% per annum and is repayable over a period of 60 months.
- (b) This loan, which was received in March 2019 to finance the purchase of a motor vehicle, attracts interest at 9% per annum and is repayable over 96 equal monthly instalments.
- (c)-(e) These loans represent facilities which were received in March 2023 to finance the purchase of motor trucks, motor vehicles and other fleet assets for the Company's operations and route sales team. The facilities attract interest at rates ranging from 9.75% to 10.5% per annum and are repayable over periods ranging from three to five years.
- (f) This facility, which was received in February 2024 in the amount of \$860,000,000, was used to refinance expiring corporate bond facilities and provide additional working capital support. The loan is repayable over a period of 10 years following the agreed moratorium period. Interest initially attracted 10.75% per annum and was subsequently amended to 9.18% per annum. The maturity date was extended to 20 February 2034.
- (g) This facility is in respect of loans funded by the Development Bank of Jamaica [DBJ] and on-lend through Mayberry Investments Limited. The loan was granted in 2022 and attracts interest at the rate of 10.5% per annum and matures in September 2028.
- (h) This facility is in respect of loans funded by the Development Bank of Jamaica [DBJ] and on-lend through Mayberry Investments Limited. This facility is in respect of loans disbursed in two tranches in August 2021 and maturing in September 2026 and September 2028. Both facilities attract interest at the rate of 7.95%
- (i) This loan, which was received to provide motor vehicle lease financing, attracts interest at 10.95% per annum. The loan was repaid during the year.

**Notes to the Financial Statements  
31 December 2025**

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**19. Long-term loans (continued)**

- (j) This bond amounting to \$900M, which was received in February 2024, attracts interest at 12.5% per annum and is repayable over 60 months in equal installments. The loan is registered with the JCSD, acting as a trustee for the benefit of the bond holders.
- (k) The loan which was received February 2021 attracts interest at 10.95% and is repayable over 48 equal installments.
- (l) This loan, which attracted interest at 10.93% per annum, was an 'on lending' facility which was assumed on the acquisition of the subsidiary. This loan was repaid during the year.
- (m) The loan which was received in November 2024, attracts interest at 11% and is repayable over 60 equal installments.
- (n) This facility, which was received in November 2024 by ONS Mini Mart & Electrical Supplies Limited, attracts interest at 11% per annum and matures in November 2029.
- (o) The loan which was received October 2024 attracts interest at 11%. The Company was granted a moratorium on principal repayment for six months. After the moratorium period the loan is repayable over 120 months expiring April 2035.

Loans (a)-(h) were substantially secured by the following: -

- i. The personal guarantee of two of the Company's directors and supported by the directors' personal assets in the form of real estates and the assignment of life insurance policies
- ii. Letters of subordination of director's loans to the bank borrowings
- iii. Debenture over the company's assets supported by Mortgages over the Company's commercial properties situated at:
  - 77 Molyne Road, Kingston 10
  - 8A and 8B Maverly Avenue, Kingston 10
  - 14 Burley Road, Kingston 10
- iv. The assignment of Fire and Allied Perils Insurance over stock-in-trade
- v. The assignment of Fire and Allied Perils Insurance over properties held as security for their full replacement values
- vi. The assignment of 'keyman' life insurance policies on the lives of Cecil Foster and Marion Foster
- vii. Lien in favour of the bank on 'term deposit' held by the Company
- viii. Letters of Subordination signed by Cecil Foster and Marion Foster
- ix. Second mortgage over the company's commercial properties, registered in the names of Cecil Foster and Marion Foster situated at: 77 Molyne Road, Kingston 10
- x. First and second mortgage over residential properties, registered in the names of Cecil Foster and Marion Foster.

**Notes to the Financial Statements  
31 December 2025**

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**19. Long-term loans (continued)**

Loans (o) were substantially secured by the following: -

- i. First mortgage over commercial real estate located in Montego Bay, St. James.
- ii. Personal unlimited guarantee signed jointly by Cecil and Marion Foster
- iii. Corporate cross guarantee, executed by O'N'S Mini Mart & Electrical Supplies Limited in favour of FosRich Company Limited.

In addition to the above securities First Global Bank Limited has set out certain conditions and covenants as outlined below, which are to be tested on an ongoing basis as a condition to the Company's borrowings:

**Covenants****Financial Covenants****i. Debt/Tangible net worth**

First Global Bank requires maintenance of a maximum Debt to Tangible Net Worth ratio of 2.1: 1. At year-end, the Company satisfied the bank's requirement by maintaining at Debt to Tangible Net Worth of 1.2: 1

**ii. Inventory Days**

The bank requires that at year-end the maximum inventory days should not exceed 500 days. At reporting date, the value of inventory on hand as a measure of the product cost of goods sold during the current year amounted to 482 days.

In respect of other covenants, tests were conducted and confirmation received that at the date of signing, the insurance coverage in respect of those properties held by the bank as security for the loans remained fully insured.

**Notes to the Financial Statements**  
**31 December 2025**

**20. Directors' loans**

Directors' loans represent amounts advanced by Directors to the Company. The balance is unsecured, interest free and has no fixed repayment terms. It is not the intention of the directors to demand full repayment within the next twelve (12) months.

**21. Payables**

	<b>The Group</b>		<b>The Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade payables	1,231,405,513	1,228,156,688	1,225,770,471	1,224,756,777
Advances and other payables	225,181,895	163,968,931	218,443,100	161,092,137
Statutory payables	112,225,647	31,411,433	112,133,123	31,156,001
	<u>1,568,813,055</u>	<u>1,423,537,052</u>	<u>1,556,346,694</u>	<u>1,417,004,915</u>

**22. Short-term loans**

		<b>The Group and Company</b>	
		<b>2025</b>	<b>2024</b>
		<b>\$</b>	<b>\$</b>
First Global Bank Jamaica Limited	(a)	158,000,000	158,000,000
Oxford Finance Limited	(b)	43,920,438	70,683,450
Sagicor Bank Jamaica Limited	(c)	-	27,222,680
VM Investments Limited	(d)	-	50,803,988
		<u>201,920,438</u>	<u>306,710,118</u>

- (a) This loan was granted in July 2023, is repayable in January 2026, and attracts interest at a variable rate of 9.00%. It is renewable on an annual basis.
- (b) This loan for Insurance Premium Financing is in respect of facilities granted to finance insurance premium. The period of this financing facility is six months, expiring July 2025.
- (c) This unsecured loan was granted in 2024 and attracted interest at a variable rate of 12.5%. It is renewable on an annual basis. The loan was repaid during the year.
- (d) This reverse factoring loan facility was granted in July 2023, was repayable in January 2025, and attracted interest at a variable rate of 15%. It is renewable on an annual basis. The loan was repaid during the year.

**Notes to the Financial Statements**  
**31 December 2025**

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**23. Turnover**

Turnover represents the invoiced value of goods and services, net of discounts allowed and General Consumption Tax.

**24. Cost of sales**

	<b>The Group</b>		<b>The Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cost of goods sold	1,753,769,633	1,800,177,163	1,738,275,224	1,786,635,855
Salaries and wages	69,376,924	79,930,412	69,376,924	79,930,412
Installation expense - contractors	100,074,785	29,578,111	100,074,785	29,578,111
Sales commission - contractors	8,504,470	21,331,602	8,504,470	21,331,602
	<u>1,931,725,812</u>	<u>1,931,017,288</u>	<u>1,916,231,403</u>	<u>1,917,475,980</u>

**25. Other operating income**

	<b>The Group</b>		<b>The Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Adjustment write-off (a)	12,952,895	-	12,952,895	-
Other income	21,604,704	15,023,018	7,221,224	11,874,637
	<u>34,557,599</u>	<u>15,023,018</u>	<u>20,174,119</u>	<u>11,874,637</u>

(a) Adjustment write-off represents the net write-off of certain receivable and payable balances following management's review and reconciliation of outstanding accounts during the year.

**Notes to the Financial Statements**  
**31 December 2025**
**26. Expenses by nature**

	The Group		The Company	
	2025	2024	2025	2024
	\$	\$	\$	\$
Accounting fee	5,515,395	5,420,000	5,515,395	4,620,000
Advertising and promotion	40,111,551	80,886,183	40,111,551	80,872,686
Amortization of right-of-use assets	59,109,241	58,361,227	59,109,246	58,361,227
Audit fee	6,500,000	6,000,000	6,500,000	6,000,000
Bank charges	33,098,106	46,624,086	33,098,101	39,581,767
Cleaning and sanitation	7,258,254	7,720,893	7,258,254	7,720,893
Depreciation	96,568,125	79,651,953	79,710,789	79,003,182
Directors' emoluments	50,334,182	53,071,811	50,334,182	53,071,811
Donations and subscriptions	7,211,636	7,721,887	7,211,636	7,721,887
GCT irrecoverable	17,832,229	17,508,510	17,832,229	17,508,510
Insurance	72,083,051	90,876,670	70,630,056	83,041,094
Legal and professional fees	64,410,808	85,973,307	64,410,808	85,973,307
Licence and other fees	9,979,128	8,695,660	9,979,128	8,695,660
Loss on disposal of property, plant and equipment	7,421,192	-	3,848,825	-
Motor vehicle expenses	96,933,256	110,366,176	96,323,424	109,806,834
Office expenses	12,120,888	15,435,815	12,120,888	15,026,200
Other expenses	14,312,031	24,594,381	14,055,903	24,413,352
Rent	52,434,182	36,828,006	50,238,182	34,627,257
Repairs and maintenance	26,226,933	32,436,591	26,062,215	35,283,226
Security	70,757,267	59,049,891	70,508,255	56,203,256
Staff costs (Note 28)	570,596,471	573,367,892	563,323,766	564,911,923
Utilities	34,835,368	32,018,260	34,184,310	31,474,478
	1,355,649,294	1,432,609,199	1,322,367,143	1,403,918,550
Cost of sales	1,931,725,812	1,931,017,288	1,916,231,403	1,917,475,980
Impairment (reversal)/losses on financial assets	(1,592,909)	24,506,547	(1,592,909)	24,506,547
Finance costs, net (Note 29)	260,655,894	239,779,099	187,468,133	223,409,681
	3,546,438,091	3,627,912,133	3,519,911,588	3,569,310,758

**Notes to the Financial Statements**  
**31 December 2025**
**27. Operating (loss)/profit**

The following have been charged/(credited) in arriving at operating (loss)/profit:

	<b>The Group</b>		<b>The Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Auditors' remuneration	6,500,000	6,000,000	6,500,000	6,000,000
Amortization of right-of-use-assets	59,109,241	58,361,227	59,109,241	58,361,227
Depreciation	96,568,125	79,651,953	79,710,789	79,003,182
Loss on disposal of property, plant and equipment	7,421,192	-	3,848,825	-
Impairment (reversal)/losses on financial assets	(1,592,909)	24,506,547	(1,592,909)	24,506,547
Directors' emoluments: -				
Fee	2,091,000	3,786,002	2,091,000	3,786,002
Management remuneration	48,243,182	49,285,809	48,243,182	49,285,809
Staff costs (Note 28)	<u>570,596,471</u>	<u>573,367,892</u>	<u>563,323,766</u>	<u>564,911,923</u>

**28. Staff costs**

	<b>The Group</b>		<b>The Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Wages and salaries	447,992,620	449,695,507	441,801,231	442,404,278
Statutory contributions	60,183,143	62,974,381	59,418,746	62,071,146
Other staff costs	62,420,708	60,698,004	62,103,789	60,436,499
	<u>570,596,471</u>	<u>573,367,892</u>	<u>563,323,766</u>	<u>564,911,923</u>

Notes to the Financial Statements  
31 December 2025

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29. Finance costs, net

	The Group		The Company	
	2025	2024	2025	2024
	\$	\$	\$	\$
Interest income	(99,131,473)	(91,872,886)	(99,115,157)	(91,872,886)
Foreign exchange losses	7,256,001	4,256,138	7,256,001	4,256,138
Financing fees	10,298,919	21,797,539	10,298,919	21,797,539
Interest expense	323,202,102	290,697,992	249,998,025	274,328,574
Lease interest expense	19,030,345	14,900,316	19,030,345	14,900,316
	359,787,367	331,651,985	286,583,290	315,282,567
	260,655,894	239,779,099	187,468,133	223,409,681

**Notes to the Financial Statements**  
**31 December 2025**

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**30. Taxation**

- (a) Taxation is computed on the (loss)/profit for the year adjusted for taxation purposes and comprises:

	<b>The Group</b>		<b>The Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Income tax:				
Current year	-	10,132,641	-	10,132,641
Deferred income taxes (Note 13)	<u>(157,998,519)</u>	<u>7,548,695</u>	<u>(132,563,852)</u>	<u>7,548,695</u>
	<u>(157,998,519)</u>	<u>17,681,336</u>	<u>(132,563,852)</u>	<u>17,681,336</u>

No income tax has been charged in these financial statements in the current year as the group and company suffered a loss for tax purposes.

Subject to the agreement of the Commissioner, Tax Administration Jamaica, tax losses available for offset against future taxable profits for the Group aggregated \$613,074,171 (2024: \$7,488,258) and \$526,338,431 (2024: \$Nil) for the Company. These tax losses may be carried forward indefinitely; however, the amount that may be utilised in any one year is restricted to 50% of that year's taxable profit, unless the relevant entity's gross sales are below the General Consumption Tax ("GCT") registration threshold, which is currently \$10 million.

**Notes to the Financial Statements**  
**31 December 2025**

**30. Taxation (continued)**

- (b) The taxation charged in the statement of comprehensive income account differs from the theoretical amount that would arise using the tax rate of 25%, as follows:

	The Group		The Company	
	2025	2024	2025	2024
	\$	\$	\$	\$
(Loss)/profit before taxation	(664,194,046)	52,235,322	(584,631,493)	78,544,036
Tax calculated	(166,048,511)	13,058,830	(146,157,873)	19,636,009
Adjusted for the effects of:				
Expenses not allowed for tax purposes	7,898,466	1,090,543	7,898,466	1,090,543
Other charges and allowances	(151,526)	8,780,242	5,695,555	2,203,063
Adjustment for the effect of remission of tax	-	(5,248,279)	-	(5,248,279)
	(157,998,519)	17,681,336	(132,563,852)	17,681,336

- (c) The Company's shares were listed on the Junior Market of the Jamaica Stock Exchange (JSE) on December 19, 2017. Consequently, the Company is eligible for remission of income taxes for a period of ten years, provided the following conditions are met:

- (i) The Company's shares remain listed for at least 15 years and is not suspended from the JSE for any breaches of its rules.
- (ii) The subscribed participating voting share capital of the Company does not exceed \$500 million.
- (iii) The Company has at least 50 participating voting shareholders.

The remission will apply in the following proportions:

- (a) Years 1 to 5 (December 19, 2017– December 18, 2022) – 100%
- (b) Years 6 to 10 (December 19, 2022 – December 18, 2027) – 50%

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

**Notes to the Financial Statements**  
**31 December 2025**

**31. Related party transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related party transactions and balances are recognised and disclosed below for the following:

- a. Enterprises over which a substantial interest in the voting power is owned by some key management personnel, including directors and officers and close members of families; or;
- b. Enterprises over which such a person, in (a) above, is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the Group.

As at the statement of financial position date the following balances were outstanding: -

	<b>The Group</b>		<b>The Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Due from related parties</b>				
LCCM Investments Ventures Limited	883,701,392	845,614,399	883,701,392	845,614,399
BC Dundee Enterprise Limited	649,412,971	608,243,490	649,412,971	608,243,490
FosRich Caribbean Inc	5,034,862	284,400	5,034,862	284,400
FosRich Holdings Limited S.A	276,660	276,660	276,660	276,660
FosRich USA Inc	25,168,694	9,902,337	25,168,694	9,902,337
	1,563,594,579	1,464,321,286	1,563,594,579	1,464,321,286
Less: Impairment losses on financial assets	(10,865,570)	(19,401,781)	(10,865,570)	(19,401,781)
	1,552,729,009	1,444,919,505	1,552,729,009	1,444,919,505
<b>Due from associate</b>				
Blue Emerald Limited	96,156,734	7,966,280	96,156,734	7,966,280
<b>Due from subsidiary</b>				
O’N’S Mini Mart & Electrical Supplies Limited	-	-	84,279,837	10,826,130
<b>Non-current liabilities</b>				
Directors’ loans	(24,698,791)	(28,537,173)	(24,698,791)	(28,537,173)
	1,624,186,952	1,424,348,612	1,708,466,789	1,435,174,742

**Notes to the Financial Statements**  
**31 December 2025**

**31. Related party transactions (continued)**

Amounts charged to the statement of comprehensive income:-

	<b>The Group</b>		<b>The Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Directors' fee	2,091,000	3,786,002	2,091,000	3,786,002
Management remuneration	48,243,182	49,285,809	48,243,182	49,285,809
Sales to related parties	-	-	3,391,800	12,747,807

**32. Earnings per stock unit**

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Net (loss)/profit attributable to stockholders of the Company	(506,195,527)	34,553,986
Weighted average number of stock	5,078,485,197	5,078,485,197
Basic earnings per stock (\$ per stock)	(0.09)	0.01

Earnings per stock unit ("EPS") is computed by dividing the net loss attributable to stockholders of \$506,195,527 (2024: net profit of \$34,553,986) by the weighted average number of ordinary stock units in issue during the year, numbering 5,078,485,197 (2024: 5,078,485,197).

**33. Dividends**

	<b>The Group and Company</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Declared at Nil (2024: 0.015) cent per stock units	-	76,177,284
Total dividends to stockholders	-	76,177,284

At a meeting held on 23 October 2024, the Board of Directors approved a dividend of 0.015 per share payable to shareholders on the company's register as at 15 November 2024.

**Notes to the Financial Statements  
31 December 2025**

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**34. Provisions, contingent liabilities and commitments****Provisions**

During the year, the Company entered into settlement agreements in respect of claims arising from a motor vehicle accident involving one of the Company's drivers. Settlement agreements, releases and discharges were executed with the respective claimants, giving rise to present legal obligations with fixed and determinable payment terms. Accordingly, a provision has been recognised in the financial statements.

The provision represents the outstanding settlement amounts payable at the reporting date. Payments are being made in accordance with agreed instalment schedules, and certain payments have been funded through insurance proceeds within applicable policy limits.

**Contingent liabilities**

In the normal course of business, the Company may be subject to claims, disputes and legal proceedings. Where an obligation is possible but not probable, or the amount cannot be reliably estimated, no provision is recognised and the matter is disclosed as a contingent liability.

Based on legal advice received, management is not aware of any further material contingent liabilities arising from the motor vehicle accident claims as at 31 December 2025, as these matters have been settled.

The Company has also been notified of an asserted personal injury claim from a former employee. The matter is covered by insurance and it is not expected that any potential settlement will exceed the applicable policy limits. No provision has been recognised in respect of this matter.

**Commitments**

As at 31 December 2025, the Company had no material capital commitments (2024: \$Nil).

**35. Subsequent Event**

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