



COMMERCIAL | CONTRACT  
FURNITURE MANUFACTURERS

# UNAUDITED FINANCIAL STATEMENTS

2<sup>ND</sup> QUARTERLY REPORT

Six (6) months ending  
30 June 2024





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# REPORT TO THE SHAREHOLDERS



The Board of Directors is pleased to present the unaudited results of JFP Limited for the six-month period ended June 30, 2024.

## PROFIT AND LOSS

### 2nd Quarter ending June 30, 2024

#### Quarterly

Revenue increased by 89% from \$74.3M to \$140.4M compared to the corresponding quarter last year. Cost of sales increased by 123% from \$36.6M to \$81.8M resulting in gross profit margin declining from 51% to 42%.

Administrative expenses decreased by 16% from \$53.3M to \$44.6M due to settlement of a tax liability which resulted in reversal of accrued interest. Selling and distribution expenses declined by 23% from \$3.7M to \$2.9M due to reduction in business and product development expenses compared to corresponding period last year

Finance costs decreased by 8% from \$5M to \$4.6M due to foreign exchange gains made during the period compared to the corresponding quarter of the previous year.

Net profit for the period was \$5.8M compared to a net loss of \$23.5M made in the corresponding quarter of the previous year.

#### Year to date

Revenue increased by 100% from \$150M to \$300M. Gross profit margin declined from 53% to 40% due to increased cost of sales.

Operating expenses declined by 6% due to a decrease in business development compared to the corresponding period last year.

Net profit for the period was \$9.5M compared to a net loss of \$38.4M made in the corresponding period last year.

## BALANCE SHEET

Property, plant, and equipment increased by 28% from \$58.7M to \$74.9M due to purchase of tools and equipment which has enhanced the production process. Investments declined by 25% from \$9.7M to \$7.3M due to decline in value of equity investments held.

Inventory declined by 43% from \$113.6M to \$64.4 which is due to the completion of a project which was carrying a significant value in inventory work in progress.

Although receivables increased by 24% from \$128.6M to \$159.1M, the receivables turnover showed improvement due to improved collection practices.

Cash and cash equivalents increased by 40% from \$36M to \$50.4M.

Shareholder's equity declined by 7% from \$154M to \$143M due to losses made in prior periods.

Non-current liabilities increased due to loan facility provided by EXIM Bank of Jamaica which funded purchase of major tools and equipment to enhance the production process.

We extend our appreciation to our dedicated employees, steadfast shareholders, and the supportive network of customers, suppliers, and stakeholders as we continue to pursue strategies that promote growth and profitability.



Metry Seaga  
Chief Executive Officer

# FINANCIAL STATEMENTS



## STATEMENT OF COMPREHENSIVE INCOME

JFP LIMITED  
Statement of Comprehensive Income  
Period ended 30 June 2024

	Six months to		Three months to		
	June 2024	June 2023	June 2024	June 2023	December 2023
<b>Revenue</b>	300,209,782	150,041,365	140,394,005	74,270,054	411,154,058
Cost of Sales	(179,777,418)	(70,029,508)	(81,820,332)	(36,636,912)	(197,455,043)
<b>Gross Profit</b>	120,432,364	80,011,857	58,573,673	37,633,143	213,699,015
Other Income/(Loss)	(1,602,519)	324,878	(656,777)	976,471	640,747
	118,829,844	80,336,735	57,916,896	38,609,613	214,339,761
Administrative expenses	96,623,553	101,934,489	44,618,963	53,342,451	241,419,746
Selling and distribution expenses	5,833,047	6,721,928	2,894,828	3,746,261	9,351,576
	102,456,600	108,656,417	47,513,791	57,088,713	250,771,322
<b>Operating Profit</b>	16,373,244	(28,319,682)	10,403,105	(18,479,099)	(36,431,561)
Finance Income	8,315	4,719	5,901	2,833	12,919
Finance Costs	(6,787,477)	(10,067,307)	(4,619,353)	(5,032,495)	(22,545,823)
	(6,779,162)	(10,062,588)	(4,613,452)	(5,029,662)	(22,532,904)
<b>Operating profit before tax</b>	9,594,082	(38,382,270)	5,789,653	(23,508,761)	(58,964,465)
Taxation	-	-	-	-	-
<b>Net profit, being total comprehensive income for the year</b>	9,594,082	(38,382,270)	5,789,653	(23,508,761)	(58,964,465)
Earnings per stock unit (EPS)	0.009	(0.034)	0.005	(0.021)	(0.053)

# FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION

	UNAUDITED 2ND QUARTER 6 MONTHS ENDED JUNE 2024 \$	UNAUDITED 2ND QUARTER 6 MONTHS ENDED JUNE 2023 \$	AUDITED FULL-YEAR 12 MONTHS ENDED DECEMBER 2023 \$
<b>Non-current assets:</b>			
Property, plant and equipment	74,904,881	58,716,093	78,087,635
Right-of-use assets	112,524,480	127,696,320	120,110,400
Investments	7,264,000	9,740,000	9,448,000
Deferred tax asset	12,239,125	12,239,125	12,239,125
<b>Current assets:</b>			
Inventories	64,419,423	113,601,747	116,654,207
Receivables (Note 8)	159,176,108	128,638,082	147,347,976
Taxation recoverable	1,950,183	1,950,183	1,950,183
Related party	13,490,448	4,188,373	8,305,111
Directors' current account	29,481,692	5,794,754	21,161,384
Cash and cash equivalents	50,408,036	35,963,171	46,915,795
	318,925,890	290,136,310	342,334,656
<b>Current liabilities:</b>			
Payables (Note 9)	195,124,034	191,733,255	245,624,907
Current portion of finance lease obligations		1,432,711	-
Current portion- rights of use	41,080,789	28,229,035	34,535,002
Current portion of long-term loans	4,833,008	-	3,818,605
Bank overdraft	-	495,941	-
	241,037,830	221,890,942	283,978,514
<b>Net current (liabilities) / assets</b>	<b>77,888,060</b>	<b>68,245,368</b>	<b>58,356,142</b>
	<b>284,820,546</b>	<b>276,636,906</b>	<b>278,241,302</b>
<b>Shareholders' equity:</b>			
Share capital	121,274,271	121,274,271	121,274,271
Retained earnings	21,738,393	32,726,506	12,144,311
	143,012,664	154,000,777	133,418,582
<b>Non-current liabilities</b>			
Finance lease obligations	-	-	-
Lease liability	109,784,376	122,636,129	116,330,162
Long term loans	32,023,507	-	28,492,558
	284,820,546	276,636,906	278,241,302

Approved and signed on behalf of the Board of Directors on May 13, 2024 by



**Metry Seaga**  
Chief Executive Officer



**Stephen Sirgany**  
Chief Operating Officer



# FINANCIAL STATEMENTS

## STATEMENT OF CHANGES IN EQUITY

FOR THE SIX (6) MONTHS ENDING 30 JUNE 2024

	Number of Shares	Share Capital \$	Retained Earnings \$	Total \$
<b>Balance at 31 December 2022</b>	1,120,000,000	121,274,271	71,108,776	192,383,047
Net profit, being total comprehensive income		-	(38,382,270)	(38,382,270)
Adjustment				1
<b>Balance at 30 June 2023</b>	1,120,000,000	121,274,271	32,726,506	154,000,778
Net profit, being total comprehensive income	-	-	(20,582,195)	(20,582,195)
Adjustment				(1)
Issue of shares during the year				
<b>Balance at 31 December 2023</b>	1,120,000,000	121,274,271	12,144,311	133,418,582
Net profit, being total comprehensive income	-	-	9,594,082	9,594,082
Issue of shares during the year				
<b>Balance at 30 June 2024</b>	1,120,000,000	121,274,271	21,738,393	143,012,664





# FINANCIAL STATEMENTS

## STATEMENT OF CASH FLOW

FOR THE SIX (6) MONTHS ENDING 30 JUNE 2024

	<u>Unaudited</u> <u>2<sup>nd</sup> Quarter</u> <u>6 months Ended</u> <u>June</u> <u>2024</u> \$	<u>Unaudited</u> <u>2<sup>nd</sup> Quarter</u> <u>6 months Ended</u> <u>June</u> <u>2023</u> \$	<u>Audited</u> <u>Full-year</u> <u>12 months Ended</u> <u>December 2023</u> \$
<b>Cash flows from operating activities:</b>			
Net profit	9,594,082	(38,382.70)	(58,964,465)
<b>Items not affecting cash resources:</b>			
Depreciation	4,188,448	3,579,166	7,844,730
Amortization of leases	7,585,920	7,585,920	15,171,840
Interest income	(8,315)	(4,719)	(12,919)
Gain on disposal	-	-	56,947
Prior year adjustment	-	-	-
Non-cash adjustment	-	-	-
Interest expense	8,408,209	6,405,675	14,009,003
	29,768,344	(20,816,229)	(21,894,864)
<b>Changes in operating assets and liabilities:</b>			
Inventories	52,234,784	(20,801,137)	(23,853,597)
Receivables	(11,828,132)	37,432,705	18,722,811
Payables	(50,500,873)	18,779,221	72,670,87
Related party	(5,185,337)	(1,998,834)	(6,115,57)
Directors current accounts	(8,320,308)	5,740,792	(9,625,838)
Taxation recoverable	-	-	-
Taxation payable	-	(1,128,709)	(1,128,709)
	(23,599,866)	38,024,039	50,669,969
<b>Cash provided by operating activities</b>	6,168,477	17,207,810	28,775,105
<b>Cash flows from investing activities</b>			
Purchase of property, plant, and equipment	(1,005,694)	(15,890,072)	(39,584,126)
Finance lease-rights of use	-	-	-
Proceeds from sale of fixed asset	-	-	-
Investment	2,184,000	660,000	952,000
Interest received	8,315	4,719	12,919
<b>Cash used in investing activities</b>	1,186,621	(15,225,353)	(38,619,207)
<b>Cash flows from financing activities</b>			
Interest paid	(8,408,209)	(6,405,675)	(14,009,003)
Share Capital	-	-	-
Finance Lease	-	(2,584,238)	(4,016,949)
Dividend paid	-	-	-
Loans, net (repayments)/receipts	4,545,352	-	32,311,163
<b>Cash used in financing activities</b>	(3,862,857)	(8,989,912)	14,285,212
<b>Net increase in cash and cash equivalents</b>	3,492,242	(7,007,455)	4,441,109
<b>Net cash and cash equivalents at beginning of period</b>	46,915,795	42,474,685	42,474,685
<b>Net cash and cash equivalents at end of the period</b>	50,408,036	35,467,231	46,915,795

# FINANCIAL STATEMENTS

## NOTES TO THE INTERIM FINANCIAL STATEMENTS



### 1. GENERAL INFORMATION

JFP Limited, (the Company) is incorporated and domiciled in Jamaica. The registered office of the company and principal place of business is located at 155 Spanish Town Road, Kingston, Jamaica. Under Section 17 of the Companies Act, the Company changed its name to JFP Limited, effective 3rd December 2021.

The Company's principal activities are the manufacturing and distribution of custom-built commercial furnishings and the financial statements are stated in Jamaica dollars, which is the functional currency of the Company.

The Company's shares were listed on the Junior Market of the Jamaica Stock Exchange (JSE) on March 14, 2022. As a consequence of listing, the Company's profit will be subjected to 100% tax remission for the first five (5) five years and thereafter, will be subjected to 50% tax remission for the next 5 years as long as the Company complies with certain Junior Market regulations.

### 2. BASIS OF PREPARATION

This condensed consolidated interim financial information has been prepared in accordance with IAS 34, Interim financial reporting.

The condensed interim financial information should be read in conjunction with the annual audited financial statements for the year ended 31 December 2022, which have been prepared in accordance with IFRSs and comply with the provisions of the Jamaican Companies Act.

### 3. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these un-audited financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2023.

# FINANCIAL STATEMENTS

## NOTES TO THE INTERIM FINANCIAL STATEMENTS



### 4. USE OF ESTIMATES AND JUDGMENTS

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2023.

#### (I) Property, plant and equipment:

Items of property, plant and equipment are stated at cost less accumulated depreciation.

#### (II) Depreciation:

Depreciation is recognized on profit or loss on the straight- line basis, over the estimated useful lives of property, plant and equipment.

#### (III) Borrowings:

Borrowings are recognized initially as the proceeds received net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method with any difference between proceeds net of transactions costs and the redemption value recognized in income along with regular interest charges over the period of the borrowings.

#### (IV) Impairment:

Impairment provisions for trade receivables are recognized based on the simplified approach allowable under IFRS 9 using a provision matrix in the determination of the expected credit losses (ECL).



# FINANCIAL STATEMENTS

## NOTES TO THE INTERIM FINANCIAL STATEMENTS



### 5. EARNINGS PER STOCK UNIT

The earnings per share (EPS) is computed by dividing the profit for the period by number of shares in issue for the three (3) month period of 1,120,000,000 (2023 – 1,120,000,000).

### 6. SHARE CAPITAL

#### Authorized:

10,000,000,000 shares (2023 – 10,000,000,000 shares)

#### Issued and fully paid:

1,120,000,000 shares (2023 – 1,120,000,000 shares)

### 7. TAXATION

#### Remission of income tax

By notice dated 13th August 2009, the Minister of Finance and the Public Service, issued and gazetted the Income Tax (Jamaica Stock Exchange Junior Market) (Remission) Notice, 2009. The Notice effectively granted a remission of income tax to eligible companies that were admitted to the Junior Market of the Jamaica Stock Exchange (JMJE) if certain conditions were achieved after the date of initial admission.

Effective March 14, 2022, the Company's shares were listed on the Junior Market of the JSE. Consequently, the Company is entitled to a remission of income taxes for ten years in the proportion set out below;

Years 1 to 5 (15 March 2022 – 11 March 2027) – 100%

Years 6-10: (15 March 2027 – 11 March 2032) – 50%

Provided the following conditions are met:

(I) The Company remains 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 J\$500million

(III) The Company has at least 50 Participating Voting Shareholders

# FINANCIAL STATEMENTS

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

## 8. RECEIVABLES

	2024	2023
	\$	\$
Trade receivables	135,636,569	101,270,499
Prepayments and other receivables	23,539,539	27,367,583
	<u>159,176,108</u>	<u>128,638,082</u>

## 9. TRADE AND OTHER PAYABLES

	2024	2023
	\$	\$
Trade payables	27,423,529	39,495,903
Customer deposits	83,150,350	94,398,098
Accruals and other payables	84,550,155	57,839,253
	<u>195,124,034</u>	<u>191,733,255</u>

# INFORMATION REGARDING SHAREHOLDERS

AS AT June 30, 2024



<b>TEN LARGEST SHAREHOLDERS</b>	<b>NO. of Stock Units</b>
JKZ Limited	272,976,394
Eurobian Limited	268,636,393
Richard Sirgany (Mrs. Nicola Sirgany)	190,136,394
Total Office (2006) Limited	108,250,819
GK Investment	89,061,447
JFP Property Investment Ltd	9,539,000
Claudine Murphy (Jade Speer, Chanel Grainger)	5,559,060
PAM-Pooled Equity Fund	4,338,525
Stephen Cole	4,303,631
Grace-Ann Cooper	4,159,916

  

<b>SHAREHOLDINGS OF DIRECTORS</b>	
JKZ Limited (Owned by Stephen Sirgany)	272,976,394
Richard Sirgany (Mrs. Nicola Sirgany)	190,136,394
Eurobian Limited (Owned by Metry Seaga)	268,636,393
Stephen Sirgany (Mrs Lisa Sirgany-Company Secretary)	250,000
Adrian Mitchell	30,000
Lisa Bell	-
Chantal Bennett	-
Lissant Mitchell	-

  

<b>SHAREHOLDING OF SENIOR OFFICERS</b>	
JKZ Limited (Owned by Stephen Sirgany)	272,976,394
Eurobian Limited (Owned by Metry Seaga)	268,636,393
Stephen Sirgany (Mrs Lisa Sirgany)	250,000