

2024



CARIBBEAN
FLAVOURS &
FRAGRANCES
LIMITED

ANNUAL
REPORT



Caribbean Flavours and Fragrances Limited is the premier supplier of quality flavours and fragrances for beverage, baking, confectionary and ice cream manufacturers across the Caribbean.



Mission Statement

Caribbean Flavours and Fragrances Limited is dedicated to providing its customers with Flavours & Fragrances of the highest Quality and Functionality. We will maintain consistency in our batches through internal and external quality systems. We endeavour to ensure that our customers, employees and stakeholders are satisfied by our daily efforts to “TEASE THE SENSES”.

Our Vision

Through God’s guidance, to become a major company with world-class performance standards, demonstrating the highest levels of integrity in all business practices and interactions with customers, suppliers, employees, and the society at large.

Our Values

- Our Word is our bond.
- We go the Extra Mile for all our stakeholders with a spirit of Love.
- We are always Transparent.
- We work Together to achieve our goals.
- We accept Responsibility.
- We display the highest Ethical Standards at all times.
- We strive for Excellence in all that we do. We understand that actions speak louder than words.

Therefore, at Caribbean Flavours and Fragrances Limited:

- We inspire trust.
- We keep it simple.
- We are open and inclusive.
- We tell it like it is.
- We lead from the head and the heart.
- We discuss. We decide. We deliver.

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Chairman's Statement

My Fellow Shareholders,

The performance of Caribbean Flavours and Fragrances Limited (CFF) in 2024 is a testament to the dedication of our team, the strength of our partnerships and the trust placed in us by you, our valued shareholders. Together, we have continued to transform challenges into opportunities, while advancing innovation and deepening market engagement.

Throughout the year, we intensified our focus on building new business partnerships across Jamaica and the wider Caribbean. At the same time, we remained committed to supporting our long-standing partners. By introducing new, trend-forward product solutions and expanding technical support, CFF maintained its competitive edge in a dynamic and at times challenging business environment.

Our technical team played a critical role in this success. They consistently delivered innovative product lines and provided hands-on support to meet the evolving needs of a growing customer base. Strategic actions taken by management allowed us to respond quickly to logistics and raw material disruptions, minimizing the risk of stockouts and ensuring reliable service.

We are especially proud of the expansion of our bakery and savoury solutions portfolio—a major achievement for 2024. These products have been well received by the baking industry and several companies have already incorporated them into their operations. In collaboration with international partners, our team delivered hands-on training to local producers, showing how these solutions enhance efficiency without increasing costs.

This technical engagement reflects CFF's commitment to practical knowledge transfer and customer empowerment. By equipping our clients with the skills to maximize product value, we're helping them solve operational challenges and improve outcomes. Some of our team members also received international training this year, bringing back cutting-edge insights that are now embedded in our customer support model.



CFF remained profitable in 2024, despite marginal declines influenced by external pressures. Key financial highlights include:

Revenue:

J\$884.68 million

a 1.79% decrease from
J\$900.81 million in 2023.

Gross Profit:

J\$317.24 million

a 2.33% decline from J\$324.79
million in the prior year.

Operating Expenses:

J\$208.52 million

up 16.30% from J\$179.29
million in 2023.

This increase reflects investments in talent acquisition, professional services, staff training, insurance and utilities, all core to our customer-centric and market-expansion strategy.

Net Profit Before Tax:

J\$109.38 million

a 29.80% decrease year-over-year.



Despite these pressures, the Board remains confident in the company's long-term financial strength and authorized a dividend payout of \$0.050 per share, reaffirming our commitment to shareholder value.

We proudly reaffirm that CFF has once again achieved Safe Quality Food (SQF) Certification, underscoring our unwavering commitment to quality assurance and customer confidence. This accomplishment is foundational to our product strategy and our evolving global partnerships.

Looking ahead, we have set a bold but achievable target: to derive 50% of total revenue from export markets. This will be driven by continued investment in research, innovation, and training as we scale operations and deepen penetration into regional and international markets.

Training and development remain central pillars of our growth strategy. We continue to collaborate with supplier partners, engage directly with customers, and invest in laboratory innovation to develop tailored solutions in flavours, fragrances, and ingredients. These efforts ensure that we remain agile, relevant and responsive to the shifting demands of the marketplace.

The Board has taken active steps to strengthen governance, improve oversight and enhance risk management frameworks. We are especially focused on developing and enforcing policies related to:

- Cybersecurity risk and system resilience
- Data protection and compliance, and
- Corporate transparency and ethical conduct.

These measures are aligned with our strategic goals and stakeholder expectations for responsible corporate citizenship.

On behalf of the Board of Directors, I extend heartfelt gratitude to our management team, dedicated staff, loyal customers and business partners. I also thank you, our shareholders, for your continued trust and confidence in our vision.

As we look to the future, we are confident that Caribbean Flavours and Fragrances Limited will continue its journey from a proud Jamaican enterprise to a globally recognized player in the world of flavours and ingredients. With your support, we are well-positioned to seize new opportunities and scale new heights.

Thank you for standing with us. Let us move forward together.

Howard Mitchell

Chairman of the Board
Caribbean Flavours and Fragrances Limited

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 2025 Annual General Meeting of CARIBBEAN FLAVOURS AND FRAGRANCES LIMITED (the “Company”) will be held at **Terra Nova Hotel, 17 Waterloo Rd, Kingston 10** on **Wednesday September 17, 2025 at 1:00pm** “in-person” or via Zoom, accessible from our website at **caribbeanflavoursjm.com** to consider and, if thought fit, to pass the following resolutions:

1. Audited Accounts

Resolution No. 1 - Directors’ Report, Auditor Report and Audited Financial Statements for the year ended 31 December 2024

“THAT the Audited Accounts for the year ended 31 December 2024 and the Reports of the Directors and Auditors, circulated with the Notice convening the General Meeting, be and are hereby received and adopted.”

2. Dividend

Resolution No. 2 - To ratify that the Ordinary dividend paid on 11 October 2024 as final for the year ended 31 December 31, 2024

“THAT as recommended by the Directors, the interim dividend of \$0.05¢ per stock as Ordinary Dividend, paid on 11 October 2024 be and are hereby ratified and declared as final and no further dividend be paid with respect to the year ended 31 December 2024.”

3. Election of Directors

Article 97 of the Company’s Article of Incorporation provides that at every Annual General Meeting one-third of the Directors are subject to retirement for the time being, or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office. The Directors to retire by rotation pursuant to this Article are Mr. Anand James, Mr. Howard Mitchell and Mr. Clive Nicholas, who all being eligible, offer themselves for re-election.

Resolution No. 3

“THAT Mr. Anand James, retired by rotation, be and is hereby re-elected as a Director.”

“THAT Mr. Howard Mitchell, retired by rotation, be and is hereby re-elected as a Director.”

“THAT Mr. Clive Nicholas, retired by rotation, be and is hereby re-elected as a Director.”

4. Directors’ Remuneration

Resolution No. 4

“THAT the Directors be and are hereby authorized to fix the remuneration of the Non-Executive Directors and that the amount shown in the Audited Accounts of the Company for the year ended 31 December 2024 as remuneration paid to the Directors for their services as Directors be and is hereby approved.”

5. Appointment of Auditors and their Remuneration

Resolution No. 5 - Appointment of Auditors and their Remuneration

“THAT the auditing firm of Baker Tilly, Chartered Accountants of 6 Collins Green Avenue, Kingston 5, Jamaica, having signified their willingness to serve, continue in office as Auditors of the Company, until the conclusion of the next Annual General Meeting, at a remuneration to be agreed by the Directors.”

BY ORDER OF THE BOARD


Ian Kelly
Company Secretary
Dated 2 July, 2025

NOTES:

1. A member eligible to attend and vote at a General Meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy, so appointed, need not be a member of the Company.
2. All members are entitled to attend and vote at the meeting.
3. Enclosed is a form of proxy which must be deposited with the Secretary, at the Registered Office of the Company or the Registrar, Jamaica Central Securities Depository (“JCSD”), 40 Harbour Street, Kingston, not less than forty-eight (48) hours before the time appointed for holding the meeting.

5 Year Statistical Highlights

Income Statement	2020 (J\$ '000)	2021 (J\$ '000)	2022 (J\$ '000)	2023 (J\$ '000)	2024 (J\$ '000)
Revenues	593,753	673,714	772,229	900,805	884,681
Gross Profit	190,581	195,901	229,012	324,788	317,236
Total Operating Expenses	121,134	130,394	162,777	190,168	223,374
Profit before Taxation	96,512	88,498	70,730	155,804	109,378
Net Profit	82,299	79,575	61,698	132,819	83,876

Balance Sheet	2020	2021	2022	2023	2024
Average Total Assets	599,119	680,162	741,379	826,634	899,818
Average Working Capital	416,331	477,799	489,854	535,897	596,948
Total Assets less Current Liabilities	547,954	626,194	655,900	626,194	777,812

Important Ratios	2020	2021	2022	2023	2024
Gross Profit Margin	32.10%	29.08%	29.66%	36.06%	35.86%
EBITDA Margin	14.53%	15.97%	12.20%	19.85%	15.66%
Profit before Taxation Margin	16.25%	13.14%	9.16%	17.30%	12.36%
Current Ratio	9.13	5.89	5.88	4.59	5.90
Quick Ratio	6.53	4.02	4.11	3.89	5.09
Debt-to-Equity	0.30	0.38	0.34	0.37	0.31

Corporate Data

REGISTERED OFFICE

226 Spanish Town Road
Kingston 11, Jamaica

☎ 1 (876) 923-5111

1 (876) 923-8777

1 (876) 937-0356

✉ info@cffjamaica.com

🌐 caribbeanflavoursjm.com

ATTORNEYS-AT-LAW

Alexander Williams & Co.

Unit 61A Seymore Park

2 Seymore Avenue

Kingston 6, Jamaica

AUDITORS

Baker Tilly

6 Collins Green Avenue

Kingston 5, Jamaica

INVESTMENTS

**National Commercial
Bank Jamaica Limited**

- Capital Market

32 Trafalgar Rod

Kingston 10, Jamaica

**Jamaica Money Market
Brokers Limited**

Shop Number 40-42

New Kingston Business Centre

Kingston 5, Jamaica

**Scotia Investments
Jamaica Limited**

Duke Street

Kingston, Jamaica

**Victoria Mutual Wealth
Management**

53 Knutsford Boulevard

Kingston 5, Jamaica

BANKERS

**National Commercial
Bank Jamaica Limited**

32 Trafalgar Road

Kingston 10, Jamaica

Sagicor Bank Jamaica Limited

17 Dominica Drive

Kingston 5, Jamaica

**First Global Bank
Jamaica Limited**

24-48 Barbados Avenue

Kingston 5, Jamaica

REGISTRAR

**Jamaica Central Securities
Depository Limited**

40 Duke Street

Kingston

Directors' Report

To Our Valued Shareholders,

The Board of Directors of Caribbean Flavours and Fragrances Limited (CFF) is pleased to present its report for the twelve-month period ended December 31, 2024. This report outlines the company's strategic priorities, operational highlights, financial performance, governance activities and outlook.

1. Operating Environment & Strategic Response

Despite ongoing global economic headwinds, logistics disruptions, and raw material volatility, CFF remained resilient and profitable. Our strategic foresight and agile execution enabled the company to mitigate supply chain risks, maintain uninterrupted operations and continue delivering value to stakeholders.

2. Financial Performance

CFF recorded strong financial results for the period:

Revenue:	J\$884.68 million
Gross Profit:	J\$317.24 million
Profit Before Tax:	J\$109.38 million
Dividends Paid:	J\$44.96 million

These results underscore our ability to sustain profitability and support shareholder returns, even in challenging market conditions.

3. Operational Highlights

3.1 Quality and Compliance

- Achieved an excellent rating following an unannounced audit for successful renewal of our Safe Quality Food (SQF) Certification.
- Implemented new best practices on factory floor in line with international food safety standards.

3.2 Factory and Equipment Upgrades

- Continued phased improvements to the production facility

- Acquired stainless-steel rolling ladders to enhance safety and mobility for factory staff
- Replaced outdated weighing scales and procured critical laboratory testing equipment to support quality assurance

3.3 Product Innovation and Export Growth

- Prioritized new product development for both domestic and export markets.
- Expanded our footprint in the Caribbean, establishing new customer relationships in Suriname, Guyana, St. Lucia, and Trinidad & Tobago.
- Became the first non-Trinidadian company to join the Trinidad and Tobago Exporters Association, providing enhanced regional networking and collaboration opportunities.

3.4 Customer Service and Supply Chain

- Maintained steady raw material supply to customers despite global disruptions.
- Met customer quantity and delivery expectations through enhanced procurement and logistics oversight.

4. Human Capital Development

We continued to invest in our people:

- Selected staff participated in two overseas training programs, gaining insights into emerging global trends, innovation frameworks and evolving industry standards.
- Continued professional development initiatives that position our technical team to lead innovation and deliver custom solutions to our customers.

5. Governance and Risk Management

The Board remains committed to strong governance and ethical conduct. During the year, we:

- Adopted a Whistleblower Disclosure Policy to reinforce transparency and accountability.

- Rolled out a formal Operational Health and Safety Policy aligned with best practices.
- Enhanced risk management frameworks in response to the evolving operating environment.
- Ensured Board Committees functioned effectively in accordance with our Corporate Governance Charter and oversight mandates.

6. Research, Partnerships, and Industry Recognition

- Expanded Research & Development capabilities to offer technical product support and problem-solving solutions to customers.
- Co-hosted the Bakery and Ingredients Seminar in partnership with Jamaica Flour Mills.
- Delivered a keynote presentation to the Miller's Association of the Eastern Caribbean during its AGM in St. Vincent and the Grenadines.

7. Strategic Outlook - 2025 and Beyond

CFF's priorities for the next reporting period include:

- Growing export revenue to represent 50% of total turnover.
- Sustaining real-time availability of raw materials and finished goods.
- Advancing plant upgrades and aligning operations with SQF recertification requirements.
- Enhancing operational efficiency and business continuity planning.
- Continuing robust training of our technical teams, with exposure to international innovation frameworks.
- Strengthening Board Committee oversight in line with evolving governance standards.

8. Commitment to Stakeholders

Our customers remain central to everything we do. The Board has mandated management to:

- Maintain high service levels with timely delivery and supply security

- Deepen engagement with customers and suppliers to share global industry trends and co-develop innovative products and solutions.
- Actively participate in industry platforms that position CFF as a regional thought leader.

We recognize that our achievements are predicated on the dedication and professionalism of our employees. The Board expresses heartfelt appreciation to our entire team, customers, suppliers, and other stakeholders for their unwavering support.

9. Directors

The Directors of the Company as at December 31, 2024 are Messrs.

- Howard Mitchell (Chairman)
- Anand James
- Clive Nicholas
- W. "Billy" Heaven
- Carlton Samuels
- Derrick Cotterell
- Ian Kelly

The mentor of the Company continues to be Mrs. Tania Waldron-Gooden.

10. Auditors

The Company's auditors, Baker Tilly, located at 6 Collins Green Avenue, Kingston 5, have expressed their willingness to continue in office.

Caribbean Flavours and Fragrances Limited remains committed to sustainable growth, operational excellence, and stakeholder value creation. We are confident that our strategic direction, combined with strong governance and a talented team, will continue to drive our success.

On behalf of the Board of Directors,



Howard Mitchell

Chairman, Caribbean Flavours & Fragrances Limited

Board of Directors

Howard Mitchell CD, JP

Board Chairman

A lawyer by profession, Mr. Howard Mitchell maintained a successful Commercial Law Practice for thirty-five (35) years, with concentrations in Mining Law and Taxation, before retiring in 2010.

Mr. Mitchell has demonstrated a strong commitment to Public Service for decades and was appointed to the Board of the National Housing Trust (NHT) in 1987 and again served as Chairman from February 2008 to June 2012. He serves as a Justice of the Peace (JP) and in 2017 was awarded the Order of Distinction (Commander Class) for outstanding service to Business and the Public Sector.

He is a past Chairman of the Council of the Institute of Jamaica and the Jamaica Accountability Meter Portal and has also served as Chairman on numerous statutory boards across a wide range of government ministries over the past twenty years (including the Coffee Industry Board). Mr. Mitchell has served as a Director of the Bank of Jamaica and also negotiated a number of mining agreements on behalf of the Government of Jamaica.

Currently he is:

- Director of Jamaica Packaging Industries Limited
- Director of Mustard Seed Communities
- Chairman of Caribbean Flavours and Fragrances
- Chairman of Chicken Mistress Limited (Trading as Island Grill)
- Director of Menzies AJAS Limited
- Chairman of TM Traders Limited
- Director of Strategic Alliance Limited
- Director of House of Issa Limited
- Chairman Sagicor Real Estate X Fund Limited
- Director Derrimon Traders Limited
- Director House of Issa Limited
- Director Issa Trust
- Director Caribbean Research Institute (CAPRI)



His contribution to Private Enterprise also includes the resuscitation of the Sports Development Agency (SDA) to become the Jamaica Lottery Company Limited (operators of Jamaica's first successful private lottery) and the co-founder of the Sports Development Foundation (SDF) (which was the forerunner of the CHASE Fund), as well as the establishment of Jamaica's largest packaging manufacturing plant, Corrpak Jamaica Ltd., before selling that company in 2016. He is a major shareholder and former Chairman of the largest and oldest Aviation Services Company in the English speaking Caribbean (Menzies AJAS Limited)

Mr. Mitchell is a past President of the Private Sector Organisation of Jamaica (PSOJ) and a former Vice President of the Jamaica Manufacturers and Exporters Association.

Mr. Mitchell's philanthropic activities include his financial support of numerous charities and his membership on the Boards of Mustard Seed Foundation, the Issa Trust Foundation and his former Chairmanship of St. Patrick's Foundation.

His interests include fishing and traveling. He has been married for over 50 years and has 2 daughters and 2 grandsons.



Derrick Cotterell MBA, BSc
Executive Director

As Chairman and Group Chief Executive Officer of Derrimon Trading Company Ltd, Derrick has been responsible for the strategic direction and growth of the company since its inception in 1998. He also has significant experience in General Management, Sales, Marketing, and Procurement. Derrick also holds the position of Managing Director of Caribbean Flavours and Fragrances Limited, Woodcats International Limited, Marnock LLC and Marnock Retail.

He is a member of the Board of Directors for all the subsidiaries of Derrimon, Dupont Primary School, the Governor General of Jamaica's "I Believe Initiative", and the Chairman of My Ocean Limited. He also serves as a Deacon at his Church and is always seeking out opportunities to impact the lives of young people.

Derrick is a graduate of the University of the West Indies and Florida International University, where he attained a Bachelor of Science in Management Studies and a Master of Business Administration, respectively..



Clive Nicholas CD, FCA
Non-Executive Director

Mr. Clive Nicholas is a Tax Consultant and Chartered Accountant who retired as the Director General for Tax Administration after over forty (40) years of combined service to the Income Tax Department, the Revenue Board, the General Consumption Tax Department and the Ministry of Finance and Planning. He is also a graduate of Harvard Law School and was awarded the Order of Distinction (Commander Class) for his services to Jamaica.

Mr. Nicholas is the Chairman of the Land Taxation Relief Board, a Director of the Financial Sector Adjustment Company Limited, Financial Institutions Services Limited, Kingston College Development Trust Fund, Caribbean Flavours and Fragrances Ltd, Public Accountancy Board, Marjoblac Limited, and a trustee of the Jamaica Church Pension Scheme. He has also served as a Director of Container Services Limited and a Commissioner of the Betting Gaming and Lotteries Commission.



Anand James BA, MA, JP
Executive Director

Mr. James is a founding Shareholder and Director of Caribbean Flavours and Fragrances Limited. He has over thirty years of experience in the flavours and fragrances field, having started his career in 1989 with Bush, Boake and Allen Jamaica Limited. He also served as the Regional Safety Manager of the latter company with operations in Brazil, Argentina, Chile, Colombia and Mexico. Mr. James also worked in the BBA subsidiary Jamaica Extracts Limited extracting ginger oils, oleoresin, and pimento leaf oil.

Mr. James spearheaded the Initial Public Offering of CFF in 2013 and now serves as Consultant Director of the Company. He is also a founder and Director of Spurtree Spices Jamaica Limited as well as AMJ Agro processors Guyana Inc.

Mr James received his BA. Degree from the University of Guyana and his MA. Degree from the University of the West Indies, Mona.



Ian Kelly CPA, MSc (Hons), BSc (Hons)
Executive Director / Company Secretary

Ian is adept at finance and risk management with over 25 years of senior level experience in treasury, asset management, correspondent banking, mergers and acquisitions, corporate finance and securities trading. He serves as the Group Chief Financial Officer for Derrimon Trading Company Limited and the Divisional Director for Sampars. He is responsible for the financial reporting and stewardship of the company to internal and regulatory stakeholders, monitoring of subsidiary companies, as well as the execution of the expansion strategy of the Company.

Ian is also the Chief Financial Officer and Company Secretary for Caribbean Flavours and Fragrances Limited, Woodcats International Limited, Marnock LLC and Marnock Retail LLC.

He is a Certified Public Accountant (CPA) and holds both a Bachelor and Master of Science degree in Accounting from The University of the West Indies. Ian also completed the Executive Development Program at Wharton Business School, the University of Pennsylvania.

Ian serves on several Boards of which he is the Chairman of The Governor-General Jamaica Trust, TyDixon Primary School, Focused Ophthalmics and Reggae Marathon. He also holds Director positions at Caribbean Flavours and Fragrances Limited, Woodcats International Limited, Marnock LLC, Marnock Retail, FosRich Group of Companies, Unibev Limited, FirstRock Private Equity and Dolla Guyana.



Carlton Samuels, BSc (Hons), MS Dip(ES)
Non-Executive Director

Mr. Samuels is an international consultant with an extensive body of work in areas of strategy and governance with a focus on ICT4D and technology in education. He is also actively involved in defining telecommunications policy and regulation and Internet policy via the policy development process of the Internet's Domain Name System. He is an adjunct in Information Science in the Department of Library and Information Studies in the Faculty of Humanities and Education at The University of the West Indies, Mona.

Carlton has served on several high-level international panels of strategic importance such as the Strategy Panel reviewing ICANN's role in the Internet Governance Ecosystem and the Expert Working Group, Panel for Next Generation Registration Data Directory Services for the Internet (EWG), and Panel on Competition, Consumer Confidence and Trust in the Domain Name System Review Team (CCT RT). He was formerly a ViceChair of ICANN's At-Large Advisory Committee (ALAC) and a founding Director of the Caribbean Internet Forum. He has held several senior executive positions in private sector and academic environments, most recently as CIO and University Director of IT at The University of the West Indies.

He serves on several Boards and Committees related to education, library and information. These include HEART/ NTA, JAMLIN, Kingston High School and Tivoli Gardens High School. He is a past Chair of the National ICT Advisory Council of Jamaica, and serves on the ICT Council for Public Sector ICT Governance and Operations.



Wilford “Billy” Heaven OD, JP

Non-Executive Director

Wilford “Billy” Heaven is the Chief Executive Officer of the CHASE Fund, a post he assumed in 2003. Prior to this he served as a Small Medium-sized Enterprise (SME) Consultant and Executive Director of the National Development Foundation of Jamaica.

A knowledgeable and experienced senior executive, bringing a wealth of experience in the areas of management, corporate restructuring, finance and strategic planning. With respect to his private sector experience, Mr. Heaven has worked as an Accountant, Management Accountant and Financial Controller with local and multi-national corporations.

Mr. Heaven was also an educator for many years, after graduating with distinction in Teaching from Mico University College. A graduate of the University of the West Indies he holds a B.Sc. Accounting (Hons.) and an MBA. He also holds post graduate diplomas for Senior Executives and has been exposed to extensive executive training at the Development Bank of Canada and the financial sector in Ireland.

A recipient of the Government of Jamaica Scholarship to pursue the Senior Management Executive programme and the Canadian International Development Agency (CIDA) Scholarship to pursue the MBA programme. Mr. Heaven is the recipient of many awards, including the Governor General’s Achievement Award, the Mico Gold Award and The Order of Distinction in the rank of Officer class (OD).

Mr. Heaven is a visionary and patriotic Jamaican who is deeply committed to social causes and who promotes the spirit of volunteerism.



Tania Waldron-Gooden MBA, BSc

Individual Investment Advisor, Mentor and Coach

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

She has twenty years of experience in areas of Investment Banking, Investment Analysis and Research, New Product Development, Pension Fund Management, Portfolio Management and Insurance Brokerage. She also has over 13 years of experience as a Jamaica Stock Exchange mentor.

Tania is the Jamaica Stock Exchange (JSE) Mentor and Director of Main Event Entertainment Group, and Derrimon Trading Company Limited. She is the JSE Mentor to Spur Tree Spices Jamaica, Caribbean Flavours & Fragrances Limited, Caribbean Assurance Brokers Limited, Dolla Financial Services, Omni Industries Limited and Express Catering Limited and also provides mentorship and consulting services to Carbyne Capital Investments Limited, Jamaica Macaroni Factory Limited and Can-Cara Development Limited.

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

Disclosure of Shareholdings

TOP 10 SHAREHOLDERS

As at December 31, 2024

Primary Account Holder	Volume	Percentage
Derrimon Trading Company Limited	584,653,270	65.0192%
Digipoint Limited	66,938,487	7.4442%
JCSD Trustee Services Limited A/C Barita Unit Trust Capital Growth Fund	64,005,991	7.1181%
Ideal Global Investment Company Ltd.	30,968,610	3.4440%
Nigel O. Coke	23,556,079	2.6197%
Ian C. Kelly	23,228,140	2.5832%
Tropical Battery Company Limited Pension Fund	10,190,987	1.1333%
Mayberry Investments Ltd. Pension Scheme	9,461,662	1.0522%
Sagikor Select Fund Limited - ('Class C' Shares) Manufacturing & Distribution	7,212,860	0.8021%
Konrad Berry	6,951,663	0.7731%

DIRECTORS' HOLDINGS

As at December 31, 2024

Directors	Total	Percentage
Anand James	0	0%
Carlton Earl Samuels	250,000	0.02780%
Clive Courtney Nicholas	329,756	0.03667%
Derrick Cotterell	0	0%
Howard Mitchell	1,450,000	0.16125%
Ian C. Kelly	23,228,140	2.58320%
Tania Waldron-Gooden	0	0%
Wilford "Billy" Heaven	0	0%

Management Team



Derrick Cotterell
Managing Director



Ian Kelly
Chief Financial Officer



Anand James
Consultant



Janice Lee
General Manager



Christopher Carless
Chief Accountant



Rechal Turner
Operations Manager



**Rhonde-Gaye
McPherson**
Quality Assurance Manager



Management Discussion & Analysis

The management of Caribbean Flavours and Fragrances Limited (CFF or the company) is responsible for the integrity and presentation of the Management Discussion and Analysis (MD&A). The audited financial statements for the year ended December 31, 2024, should be read in conjunction with the MD&A for the reader to gain full clarity on CFF's audited results. The financial information discussed below is in Jamaican Dollars (JMD), the functional currency of the company, covering the reporting period January 1 - December 31. The financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).2024 Recap

2024 represented the eleventh year that Caribbean Flavours and Fragrances Limited was listed on the Junior Market of the Jamaica Stock Exchange and the seventh year as a subsidiary of Derrimon Trading Company Limited. The company generated \$884 million revenue and a net profit of \$83 million. CFF expanded its depth of customers across the Caribbean while deepening its product range for Jamaica's largest manufacturers whose products are consumed on a daily basis.

Apart from hosting a number of open days, discount Wednesdays and Promotion on the Lawn events, CFF were a featured business at the Trade & Investment Convention at the Centre of Excellence, Tunapuna, Trinidad & Tobago between July 11 - 13. The company sent two technical team members to the Institute of Food Technologists (IFT) First Annual Meeting and Expo in Chicago, Illinois, USA, between July 14 - 17. These events were important in developing the technical capacity of our CFF team but also represented great opportunities to expand the CFF brand overseas.



We hosted our annual general meeting (AGM) on September 11 at the Terra Nova Hotel where our shareholders got the opportunity to learn more about the company and its prospects. We were blessed by the harmonious singing of the CFF choir. We reiterated our push to grow our exports to other Caribbean markets while deepening our presence locally as we develop a wider range of products that will benefit all Jamaicans.

Year in Review

2024 was a turbulent year as there was an observed slowdown in certain segments of the economy before Hurricane Beryl disrupted commerce on July 3. That was compounded by logistical issues which saw raw materials arriving in some instances three (3) months after the original timeline in February. Those delays impacted the timing of revenues in the various quarterly



reports and our ability to respond to customer orders on a timely basis. There was also an observed decline in consumer demand during various reporting quarters due to the slow down in the Jamaican economy.

Despite those challenges, CFF maintained its focus on product innovation which resulted in the company introducing new flavours and fragrances during the reporting period. This was on top of the company's initiative to grow the new ingredients portfolio which was gaining traction through sampling by prospective Jamaican and regional customers. The company was invited to participate in the ADM J.F. Mills's Baking seminar in July where we presented on our ingredient's portfolio to different bakeries. The company also explored the re-introduction of the reduced sugar solutions to many customers but remained cautious after our prior experience in 2019 and 2020.

CFF participated in Derrimon's Group Long Service Awards Ceremony on February 14 where different team members across the Derrimon Group were recognised for their service to their respective companies. That ceremony also facilitated the opportunity for Derrimon to host its 25th anniversary celebrations. CFF took dedicated time to work with Cockburn Gardens Primary, End Time Basic School and Hydel High School's various school days to read to them and educate them on the various activities that CFF undertakes. The company also assisted with various social activities with the Derrimon team to give back to the Jamaican people.



4.29%

INCREASE IN REVENUE YOY

The company closed the year by calibrating its budget and plans given the many logistics delays, reduction in product demands and general contraction of the Jamaican economy. Given the experiences of 2024, the Company has taken a deliberate step to expand its raw materials base as well as various geographical regions as one of the mitigation strategy to prevent stock outs. This strategy had a negative impact on the cost of base raw materials given our inability to negotiate base prices from many of the new suppliers.

CFF continues with its regional expansion initiative as development work continued with many customers on fine tuning their samples to meet their preferences. This process involved additional travelling to these clients before their budgets were closed ahead of the new financial year.

Jamaica continues to experience increased levels of investment by local and international investors with numerous businesses seeking to grow their export profile and benefit from improved capacity in order to deliver services to their various customers. Our mandate and strategy includes placing greater emphasis on exports across the region during 2025 to take advantages of the opportunities that exists in these markets and to contribute to future business growth and the benefits of our various shareholders.

	Q4 2024 \$'000	Q4 2023 \$'000	Change
Revenue	242,506	232,537	4.29%
Gross Profit	85,216	94,785	-10.10%
Gross Profit Margin	35.14%	40.76%	-5.62%
Operating Profit	16,095	40,865	-60.61%
Profit Before Tax	19,017	49,770	-61.79%
Net Profit	15,515	40,285	-61.49%
Earnings Per Share	\$0.02	\$0.04	-50.00%

Since CFF does not produce an unaudited fourth quarter report, this table is meant to give some insights into our Q4 numbers for readers.

Macroeconomic Environment

Preliminary estimates by the Statistical Institute of Jamaica (STATIN) showed the country's Gross Domestic Product (GDP) decreased by 0.7% compared to the 2.6% increase observed in 2023. The decline in GDP was attributed to the effects of Hurricane Beryl which had a significant impact on certain parishes which were without electricity for a long period. The decline in visitor arrivals from the USA also affected the hotels and restaurants industry. While the International Monetary Fund (IMF) is projecting a 2.2% rise in GDP for 2025, any significant global macroeconomic event can disrupt those projections.

All goods producing industries such as agriculture, forestry and fishing, mining and quarrying, manufacturing and construction saw a decline in value added during the fourth quarter. Six of the twelve service industries recorded an improvement in value added while the other six had a decline in value added for the fourth quarter.

The country recorded an unemployment rate of 3.5% in October 2024. STATIN changed the methodology for the labour force survey during the year and is not comparable with prior data. The employed labour force was 1,417,000 with 54.2% being male. Point-to-point inflation peaked in January at 7.4% before ending 2024 at 5.0%, in the 4-6% target band. The Jamaican Dollar depreciated by 0.95% against the United States dollar (USD) from \$154.95 to \$156.42 at the end of 2024.

The Bank of Jamaica (BOJ) cut its monetary policy rate four times during 2024 as it moved from 7.00% to 6.00%. The BOJ's policy rate peaked in November 2022 and was effectively unchanged before the first rate cut in August 2024. The BOJ did not adjust the cash reserve requirement during the year but adjusted the minimum threshold for the certificate of deposit (CD)

offering to expand market interest and participation. The country's net international reserves increased from US\$4.75 billion to US\$5.58 billion or 44.78 weeks of goods imports. Total remittance inflows marginally declined from US\$3.37 billion in 2023 to US\$3.36 billion. The Sangster International Airport had a 3% dip in passenger traffic to 5,057,000 passengers which was largely attributed to a US travel advisory plus Hurricane Beryl. The Norman Manley International Airport saw air traffic surpassing 1,777,100 passengers for 2024, an 1.7% improvement over 2023.

INTERNATIONAL RESERVES

US\$5.58B

Financial Performance Highlights

Caribbean Flavours and Fragrances provides key components needed to produce goods for major manufacturing and service-based industries. This is seen from the company's main clients who produce goods consumed daily across the country and provide the fragrances which are used in household for various purposes including cleaning and sanitary purposes. The company expanded its product range during 2024 to include protein and ingredients for the baking and savoury industries.

As a research-driven company led by the principles of science, CFF serves an approximate market share of more than 60% of the local market and they continue to benefit from our expanded portfolio of products. Apart from bulk and small container products sold to small clients, CFF also produces 1000 litre drums and



other specialized volumes for our largest clients. Our facility has the capacity to produce 1,600 gallons per day of emulsion flavour and 2,000 gallons per day of non-emulsions which is enough to satisfy the demands of the various industries. Despite our business being smaller than the typical medium sized company, based on the use of the staff complement as a metric, CFF forms a very critical part of the landscape of the local beverage market which can be seen from our revenue base standing above \$884. CFF is the largest distributor in the region for its affiliate International Flavours and Fragrances which also sees CFF acting as the regional company in the global representative space. This has been supported by CFF's Safe Quality Foods (SQF) Certification which enables the company to export to many international markets. CFF is regulated and monitored by the Bureau of Standards Jamaica (BSJ) and Ministry of Health (MOH).

CFF's product ranges from those used in beverages, baking, dairy and confectionary products plus savoury for a unique meal. We continue to avail quality and new fragrance oils that are used in all-purpose cleaners, liquid soap and detergent, bath, body and shampoo, fabric softeners, solvents and colours. Our cordials and encapsulated fragrances are some of the other products we produce in the flavours and fragrances line. CFF's international partners include International Flavors & Fragrances, Inc (IFF), a global leader and specialist and continues to provide us with the latest trends and innovations. CFF is a 65.02% subsidiary of Derrimon Trading Company Limited (DTL) and remains listed on the Junior Market of the Jamaica Stock Exchange (JSE).

In 2024, CFF successfully renewed its SQF certification by the SQF Institute. As a the business focused on growing its external market space. This renewal proved that CFF has demonstrated competence on all criterion as per the competency requirements based on the global recognized best practices. CFF will continue to be an outlier as we remain one of the few local food-based businesses which has taken the necessary steps to compete on a larger international stage. We introduced mango pineapple and blue lemonade cordials for our cordial line, expanded our fabric softener base with blue memories and produced new products for our related companies. The company continued to work with local manufacturers on reduced sugar products options based on the need and policy positions of many countries. We have expanded our reach and new customer base in St. Vincent & the Grenadines, Grenada and Guyana as we continue to gain ground across the region. The company exported to Barbados, Canada,



St. Kitts & Nevis, St. Vincent & the Grenadines, Trinidad and Tobago, Puerto Rico, Dominica, USA, the United Kingdom, Grenada, and Suriname in 2024.

We continue to take a disciplined approach to our operating model and the implementation of our strategic plan. Our internal controls continue to be our guide as we deliver quality products in improved response time to our customers. The Board and management remain focused on innovation and new product development, implementation of new strategies geared at customer satisfaction and retention, revenue enhancement, new market penetration and strategic alliances which have created synergies and value. The company continues to experience stronger revenue growth in various segments of our business due to these drivers.

\$884.68M 
Revenue

CFF's revenue for the 2024 Financial Year (FY) decreased by 1.79% from \$900.81 million to \$884.68 million. The decline in revenue can be attributed to the effect of Hurricane Beryl and logistics delays which impacted the arrival of key inputs thereby negatively impacting our ability to supply many of our customers. The company revenue experienced a marginal reduction in volumes sold and price when compared to the corresponding period.

Our export sales declined during the year given that one of the company's key export partners fell below expected estimates volume while another customers required some re-modifications to their products. Given that some of our major top ten (10) customers were also negatively affected by the impact of the passing Hurricane Beryl and excess rainfalls, the multiplier effect resulting in the reduction in production volumes

and demand for our products. Whereas the first half of 2024 exceeded the comparative period in 2023, the third and fourth quarters saw a slowdown in sales across different segments as market demand adjusted to the impact of Hurricane Beryl.

\$317.24M 

Gross Profit

Gross profit decreased by 2.33% from \$324.79 million to \$317.24 million with the gross profit margin decreasing from 36.06% to 35.86%. The decrease in the gross profit can be attributed to the higher costs with supplier diversification, logistics issues and a change in our sales mixture which impacted the margins derived across the group. Inventory write-offs improved from \$1.18 million to \$352,930 which can be attributed to better inventory management. CFF has been a lot more circumspect in inventory management following the experience garnered over the last five years of unprecedented developments. Gross profit margins are expected to improve based on the company's growing product diversification and improved inventory management amidst logistical challenges.

Operating Expenses

Total expenses for the 2024 FY increased by 17.46% to \$223.37 million compared to the \$190.17 million in the prior year. Staff costs increased 12.86% from \$67.93 million to \$76.66 million as the company adjusted the remuneration of its team members. This adjustment in staff costs also formed part of our retention policy as competition for talent in the Jamaican labour force continues to intensify due to a limited talent base for specific skills and increased public sector wages.

The growth and drive for market diversification, new product innovation meant that the company had to increase its spend on training and travelling during the period, as we travelled to different markets and sought guidance on how to engage potential clients. Security costs went up by more than 50 per cent as the adjustment in the minimum wage influenced this cost increase. The amortisation on the Right of use assets remained relatively unchanged at \$6.50 million while the depreciation charge increased 48.17% to \$13.99 million

as there was a higher charge on motor vehicles and machinery. Selling and distribution expenses increased by 36.53% to \$14.86 million as selling, advertising, promotion and distribution costs grew with our increased commercial activity while transportation costs marginally increased.

The increase in operating expenses coupled with lower revenue resulted in operating profit declining by 28.88% from \$134.62 million to \$95.74 million. This meant our operating profit margins moved from 14.94% to 10.82% and EBITDA (Earnings before interest, tax, depreciation and amortisation) moving from \$150.55 million to \$116.22 million.

Finance Income and Taxes

Net finance income decreased by 35.60% from \$21.18 million to \$13.64 million as we recorded lower foreign exchange gains and interest income from our investment portfolio. CFF's income tax bill increased by 10.95% to \$25.50 million as the company experienced its first full year at the 25% tax rate after the Junior Market tax remission fully expired in October 2023. The company benefited from a higher employment tax credit during the period.

Net Profit

Net profit declined by 36.85% from \$132.82 million to \$83.88 million. While the company had marginal improvements during the first half of 2024, the impact of Hurricane Beryl with reduction order demand coupled with logistics challenges slowed the earnings growth during the second half of 2024. The company's earnings per share decreased from \$0.15 to \$0.09.





CFF's asset base grew 0.89% to \$903.82 million as our current asset base expanded to \$743.34 million while non-current assets marginally increased to \$160.48 million for the 2024 FY. We spent an additional \$22.44 million on property, plant and equipment (PP&E) with the bulk of this increase related to a new motor vehicle. The net book value of PP&E increased 18.66% to \$53.74 million as our capital expenditure exceeded the depreciation charge for the year.

Our inventory balance decreased 2.56% to \$211.43 million as the company was sufficiently stocked with key raw materials and other inputs. Receivables reduced by 21.51% to \$128.95 million as the company's gross trade receivables balance decreased 22.27% to \$131.66 million due to lower order demand by certain local and regional customers. Related party balances increased by 26.13% to \$299.09 million as we await payment from our parent company and fellow subsidiary. Our cash and cash equivalents balance was \$101.53 million. The company is set to receive \$30 million by October from one of its two bond holdings.

Total liabilities declined by 12.67% from \$244.11 million to \$213.19 million due to current liabilities decreasing to \$126 million and non-current liabilities of \$87.19 million. Payables decreased by 24.41% from \$139.78 million to \$105.67 million as trade payables were lower year on year as the company managed its available inventory before the end of the reporting period. Non-current liabilities increased by 4.25% to \$87.19 million as the company incurred a new loan facility while our lease liability decreased during the year. Also, the company recorded a deferred tax liability compared to a deferred tax asset in the prior period.

Shareholders' equity rose by 5.97% to \$690.63 million as our retained earnings grew further to \$634.43

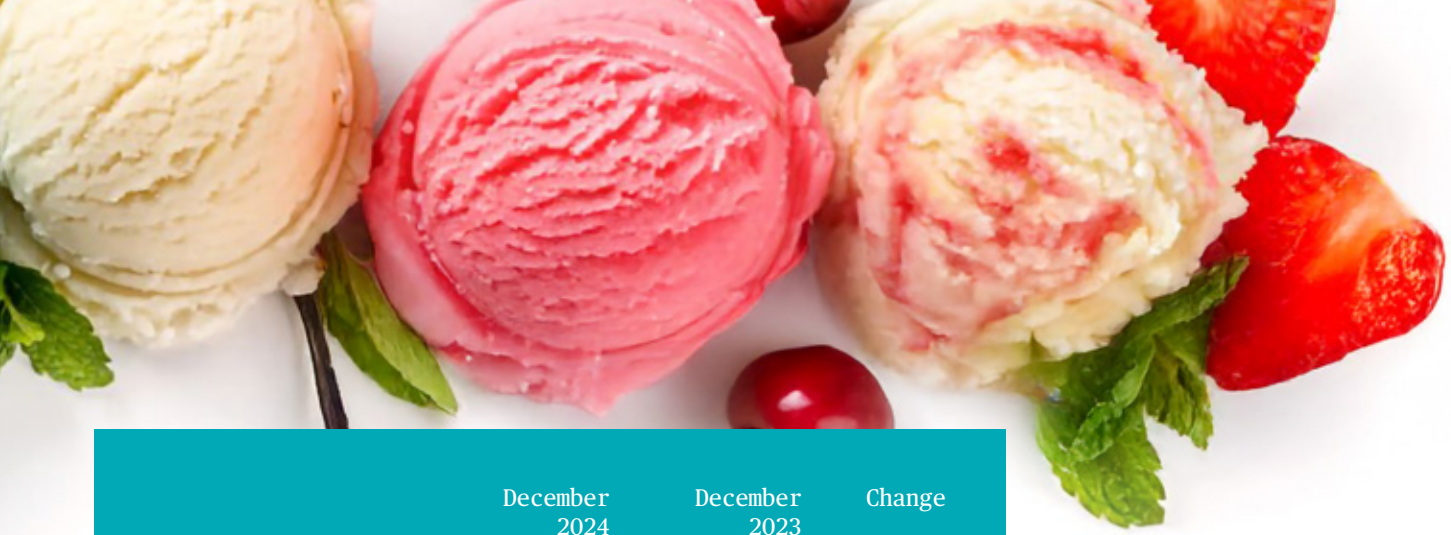
million. Our dividend payment of \$44.96 million meant that shareholders received a return on their investment. CFF's balance sheet of low debt, high current assets and strong equity retention reflects the simplicity but effectiveness of a well-run business with larger ambitions.

\$884.68M

Stock Price & Dividends

Whereas the prior four years from 2020 to 2023 had numerous equity listings on the JSE, there was a shift during 2024 as more companies listed more fixed income-like instruments. That was evident during 2024 as eight out of the ten securities listed were preference shares or bond instruments while the other two listings were initial public offerings (IPO) for Junior Market companies. The impact of relatively high interest rates on the equity market cannot be understated seeing as the only secondary market offering during 2024 didn't meet its target.

Whereas most Main Market indices trended upwards during 2024, the Junior Market Index declined by nearly 3% with 27 ordinary stocks declining, 18 improving and one holding firm. This is the second consecutive year where most Junior Market securities declined in value, a reflection of market sentiment adjusting capital allocation in a market with different investment returns. The value traded also declined 26.60% which mirrors a similar observation from 2023 and a sharp contrast to the record values observed in 2022. The top 10 shareholders increased their interest in CFF from 91.96% to 91.99% in 2024 with the Barita Capital Growth Fund's interest increasing from 6.81% to 7.12%.



	December 2024	December 2023	Change
JSE Index	335,794.94	325,699.79	3.10%
Junior Market Index	3,735.05	3,848.33	-2.94%
JSE Combined Index	347,896.22	339,158.12	2.58%
M&D Index	110.44	102.94	7.29%
CFF Stock Price	1.37	1.80	-23.89%

	High	Low	Close
Q1 (January - March)	1.92	1.40	1.59
Q2 (April - June)	1.70	1.54	1.55
Q3 (July - September)	1.60	1.11	1.49
Q4 (October - December)	1.49	1.12	1.37

CFF's stock price experienced a minimal decline in comparison to the Junior Market Index. However, it should be noted that most indices had a decline with the JSE Index trending further back and the Manufacturing and Distribution Index improving above its original base mark of 100 points. CFF's stock price peaked at \$1.85 in the first quarter and had its lows of \$1.03 in Q1 and Q4. CFF had 28 days of no trading in 2023 compared to 15 days of no trading in 2022. Although this is a relative increase, CFF's stock had significant volumes and value traded as investors reacted to the company's continued fundamental growth.

We maintained our dividend payment at \$0.05 per share which was paid on October 11 to shareholders on record as of September 20. This represented a 33% dividend pay-out ratio which is above the established 25% target in the dividend policy. This means that the company has paid out \$0.322 (\$3.22 pre-split) in dividends since listing on the JSE in December 2013. Thus, the company has effectively paid out dividends greater than its original listing price of \$0.23 (\$2.25 pre-split) which ended 2024 at \$1.37, a 652% improvement since the IPO. CFF had a 10-1 stock split in October 2020.

Risk Management

The risk management policy framework which has been established by the Board of Directors continues to be a critical part of the daily operations of Caribbean Flavours and Fragrances Limited. The management team are the key drivers in the management, operational and enterprise risks within the framework of the policy and are reviewed by the Audit Committee and the Board of Directors. The implementation of various strategies of managing and controlling inventory and cash are reviewed and trends are analysed.

A full evaluation of our risk is performed at every level of operation to ensure that all of the known elements of risk are effectively managed and mitigated. The various enterprise risks are measured and managed, standards are maintained, thorough inspection of raw material inputs and further testing at the completion of the manufacturing process ensures higher levels of standardisation product quality control.

Some of the risks identified in 2024 included:

Operational Risks - This arises from the inability to execute business due to internal or external factors that inhibit activity. This risk can further be compounded by employee errors, natural disasters and damage to physical assets. Apart from our insurance policies which cover us for various events, the company continues to invest in modern equipment and coordinate with suppliers to meet growing demand from our new cadre of customers.

the Company is cautiously managing credit terms with its customers whose foreign exchange challenges can impact the timely payment of receivables

Currency Risk - CFF is exposed to foreign exchange (FX) risk due to fluctuations in the exchange rate on transactions and balances that are denominated in currencies other than the JMD. CFF benefits from increasing exports which introduce more FX to the business and gives the company cover from volatility in FX rates. This is also complimented by ensuring pricing is done according to projected future FX rates. The company does not use hedging instruments such as derivatives to manage FX risk but maintains enough foreign currency on hand to deal with foreign currency obligations as they arise. This does not preclude the company from using derivatives such as FX forwards offered locally to hedge for FX risk.

Commodity and Supply Chain Risk - The company imports key inputs used in its processes to create the flavours and fragrances sold to its array of customers. CFF successfully navigated the prior two years which had a spike in commodity prices and logistics costs. That period saw the company negotiating lower prices and stocking up on additional inventory to meet projected demand from our customers. However, 2024 presented a major challenge from a logistics standpoint as some suppliers doubled their lead times from one to two months. That earlier order timeline was also impacted by the unavailability of ships travelling to Jamaican shores along with the climatic issues observed at the Panama Canal. The company has further diversified its supplier base and made advance orders to address some of these logistics challenges, but the situation is very dynamic with shipping rates from East to West increasing in recent times.

Credit Risk - CFF is exposed to credit risk where its customers, clients or counterparties fail to discharge their financial obligation to the company. This relates to the company's receivables balance extended to clients. CFF did not write-off any debts in 2024 and continues to prudently manage credit with all of its customers. There is no lifetime expected credit losses with CFF's 5 major customers that represent 27% of the trade receivables balance, a decline from the 38% figure in 2023. The reduced concentration of credit amongst

these customers reflects the growing diversification in our customer base.

However, the company is cautiously managing credit terms with its Trinidadian customers whose foreign exchange challenges can impact the timely payment of receivables. While CFF continues to make ardent strides to grow its export base across the region, it will be strategic in how it engages customers to grow the top line.

Interest Rate Risk - Interest rate risk relates to the value of a financial instrument's value or future payments changing due to market adjustments. CFF has invested into higher yielding instruments during the high-interest rate environment and continues to reinvest funds where applicable to increase interest income. The company's debt to equity ratio increased from 2% to 3% as the company took on a new loan during the 2024 period. Both loans have fixed interest rates and are sufficiently covered from the company's operations.

Political Risk - The change of a political administration can result in a policy shift by the new government. There was an observed change in the political leadership across the globe during 2024 with some governments losing majority control of their political assemblies. Some of these new political administrations have begun to enact policies that can decrease the flow of funds back to the Caribbean which benefits from diaspora support. Also, uncertainty ahead of a country's election can impact spending in the general economy as citizens assess the implications of any political directorate's strategy.

Activities such as receiving of raw materials in our stores; implementation of monthly and full quarterly cycle counts of the inventory; enhancements of the disbursement procedures for fragrances; internal auditing of our cash and cashiers' daily lodgement; ratio analysis conducted on the monthly and quarterly financial statements have been critical to the effective management of our processes and overall improved business performance.

The requirement for achieving and retaining the Safe Quality Food (SQF) Certification contributed to the continued decisions to maintain ongoing audits of our processes and facility, thereby providing effective findings and actionable recommendations for eliminating risks.

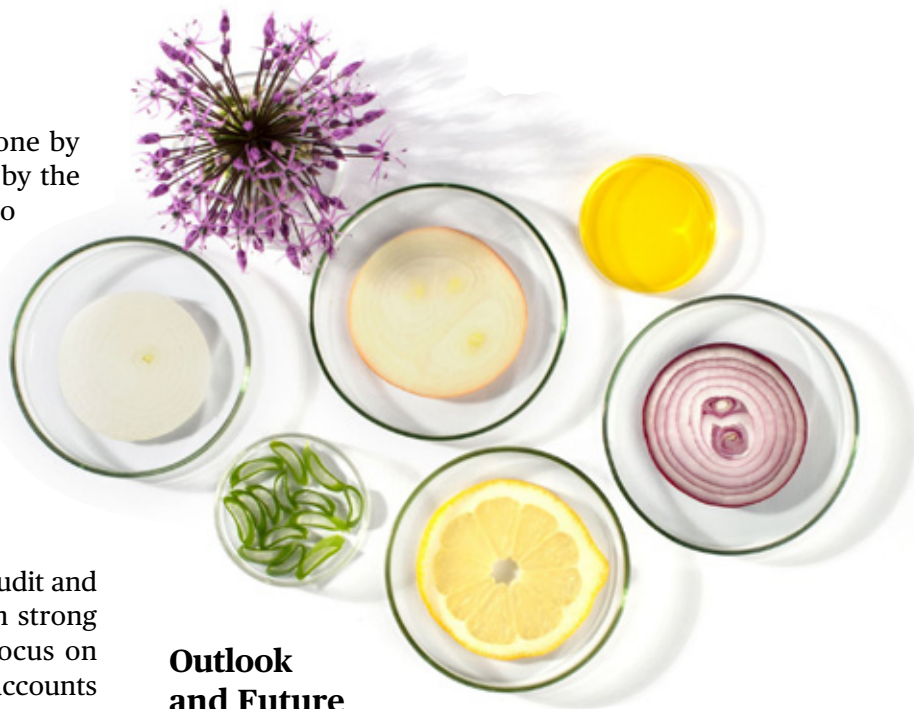
In addition to the various reviews being done by the management team, the oversight given by the internal and external audit teams serve to focus the Audit Committee in ensuring that our corporate governance objectives for effectively managing risks are met. The areas of insurance and insurable risk are reviewed at all times ensuring that coverage is adequate and reflects the changing nature of the business. CFF is compliant with the tax authorities and other regulatory bodies.

Guided by the findings of both the internal audit and external audit, we continue to benefit from strong internal controls. CFF has high levels of focus on the areas of cash sales, credit sales, aging accounts receivables and management of the inventory process. The company maintains key analysis of prevailing exchange rates and increased logistical costs which exist in the prevailing environment.

The Company will continue to manage its risks to protect its employees, assets and the interests of all its stakeholders.

We also take this time to remind shareholders that if they need to enquire on their dividend payments, they can contact the Jamaica Central Securities Depository which is our registrar and clarify any matters they may have. The company wants to encourage all shareholders to register for a dividend mandate so that payments can be remitted to your bank or brokerage account.

To ensure shareholder benefits and business continuity in the event of catastrophic occurrences, the implementation of robust internal measures to increase the security of our assets as well as the safeguarding of proprietary trade secrets, client's relationship and the data availability and assurance infrastructure have been undertaken. The implementation of the Data Protection Act also requires us to be more diligent in how we manage information in order to comply with the law. In addition, the growing threat of cyber actors requires CFF to continuously update its business recovery strategies and spend additional sums to secure our systems. The Company will continue to manage its risks to protect its employees, assets and the interests of all its stakeholders.



Outlook and Future

The 2024 financial year has been a period of heightened global uncertainty as the new administration in the United States of America (USA) has enacted a sweeping wave of new policies that have challenged the established paradigm. Apart from budget cuts across numerous agencies, a new series of tariffs were enacted for different trading partners, resulting in increased trade tensions amongst the world's largest economies. Global commodity prices and financial markets have fluctuated throughout the first half of 2024. The IMF revised its global growth forecast in April from 3.3% for 2025 and 2026 to 2.8% in 2025 and 3.0% in 2026.

Although the Caricom Private Sector Organisation was able to receive concessions for high port fees related to shipping across the region, additional budgetary provisions were signed into law recently. The planned introduction of a remittance tax is expected to accelerate the digitisation of these transfers to the Caribbean region but will impact some senders and their recipients in different markets. The company continues to assess the developments as they are announced, especially as these measures can change in a short time span.

Jamaica's air traffic through the two key international airports was marginally down during the first half of 2024. That reduction in demand was more pronounced at Sangster International Airport which was down 5.1% as fewer passengers went through the location. Different listed companies have reported mixed experiences on tourism earnings, with some companies still impacted by the delay in the reopening of the Ocho Rios Pier which was damaged during February 2024. Remittance inflows were up 4.1 per cent during the first five months

of 2025, a reflection of support from the Jamaican diaspora to their homeland. The country’s GDP also improved during the first quarter while unemployment and point-to-point inflation trended downwards for the reported periods.

Finance Minister Fayval Williams noted that the country’s Debt to GDP figures was projected to be 68.7% at the end of March 2025, the lowest this figure has been in 30 years. The country has also continued to focus on infrastructure investments which have been facilitated by the securitisation of existing infrastructure assets. Fitch Ratings and S&P Global Ratings have continued to affirm their BB- credit ratings for Jamaica while Moody’s Ratings maintained its rating at B1. If these credit rating agencies upgraded Jamaica’s credit rating to the investment grade region, it would open up new capital that could be invested in Jamaica. The BOJ continued its rate cuts and reduced its policy rate to 5.75 per cent on May 21, a positive signal to the financial markets. The USD-JMD weighted average FX selling rate also depreciated above \$160 in June, the first time in nearly five years that the FX rate has exceeded the \$150 region.

At the time of writing this report, the country’s general election was yet to be announced. The delay in the timing of the general election has seen a slowdown of demand in different market segments as business leaders wait on this election cycle to be completed. That means that certain marketing events and other product launches have been delayed by some customers as they seek to ensure that their message isn’t diluted or subdued by other advertisements.

	June 2014 \$ '000	Dec. 2024 \$ '000
Revenue	255,362	884,681
Gross Profit	101,635	317,236
Gross Profit Margin	39.80%	35.86%
Operating Profit	45,440	95,736
Profit before tax	51,188	109,378
Net Profit	50,547	83,876
Total Assets	178,227	903,816
Total Equity	156,710	690,625

CFF changed its financial year in June 2018 from June 30 to December 31 to align with that of its parent company. As such, the information referenced in the 2014 period was recorded under a different reporting period.

CFF has achieved a lot over the last decade in terms of scaling the business to new market segments and growing returns to shareholders. We have set bold goals for CFF which involves \$1 billion in total assets and \$1 billion in revenue, with one-third being derived from exports. The company is within striking distance of achieving the revenue and asset goals but has some way to achieve the export target.

The company currently supplies the largest manufacturers of beverages, confectionaries and spirits in Jamaica. These customers have all expanded their production capacity in the last three years and have large export goals. New and existing customers have requested samples from our protein and baked products portfolio which could materialise in new product segments. Some companies have requested special orders at different times to meet their product demand, but their growth will push CFF to new heights in the coming years.

The company will require exports and product innovation to grow to new heights. As a result, CFF has been actively building relationships in Guyana and Trinidad & Tobago which are the larger English-Speaking Caricom states. Trinidad has a large manufacturing base while Guyana is currently enjoying the benefits of being an oil producer. CFF has built good business with different Trinidadian manufacturers who are eager to work with the company, but this growth is impacted by the foreign exchange constraints of their domestic market. Guyana’s manufacturers are looking for alternative options which we can supply once negotiations are complete.

CFF has attended regional meetings in different Caricom markets as we seek to build out new opportunities in other Caricom states. Some mills in Jamaica and across the region have found a preference for our baked goods portfolio and the company is working on key formulations to meet their specifications. CFF’s continued partnership with IFF has produced tremendous returns and we look forward to expanding this relationship across the region.

Although the company has been seeking a commercial manager since 2023, that role was not filled during 2024. As a result, the company has instead concentrated on developing in house talent to grow our existing export markets where we can leverage relationships developed at different conferences. The company intends to grow its presence in Spanish-Speaking markets, but at the appropriate time where there are more resources available.

While the company has high expectations to grow business during 2025, this can be tapered by external events including natural disasters like hurricanes or other geopolitical events which are beyond the company's control. However, CFF is confident that our efforts over the last five years along with the growth of our related companies will rebound to the benefits of shareholders.

We welcome all shareholders to our AGM later in 2025 and extend all the best to you going forward in your personal endeavours. CFF formally celebrates its 25th anniversary on October 1 and we look forward to another 25 years of contributing to the Jamaican landscape.



Our Team



Accounts Team (L-R)

Tyrese Lindsay
Cashier

Christopher Carless
Chief Accountant

Ebonie Banjo
Junior Accountant

Business Development Team (L-R)

Allison Phipps
Business Development Officer

Janice Lee
General Manager

Janique McKenzie
Senior Business Development Officer



Lab Team (L-R)

Sherly Palmer
Food Quality and Safety Officer

Kyanna Woodhouse
Trainee Laboratory Technician

Rhonde Gaye McPherson
Quality Manager

Joddian Howard
Product Development Supervisor

Logistic Team (L-R)

Andrew Ferguson
Company Driver

Matthew Smith
Truck Assistant

Raymond Phillips
Company Bearer



Admin Team (L-R)

Janique McKenzie

Shelly-Ann Johnson

Janice Lee

Sherene Ormsby



Factory Team (L-R)

Romairo Bhalia
Jerome Simpson, Supervisor
Gavin Mowatt (top)
Kenneth Smith
Ireal Redwood

Safety Team (L-R)

Gary Stewart
Sheryl Palmer
Jerome Simpson
Sherene Ormsby
Romario Bhalai



Warehouse Team (L-R)

Richard Hamilton, Forklift Operator
Gary Stewart, Warehouse Supervisor
Andrea Beaufort
Chester Touzalin
Roger Lawrence



Safety Team (L-R)

Kimberly Davis
Aneka McFarlane
Jerome Simpson, Factory Supervisor
Denise Stephens
Myoka Lynch



(Left - Right)

Ryan Shorter
Maintenance Coordinator
Iris Graham
Office Attendant

Report on Corporate Governance 2024

The Board of Directors of Caribbean Flavours and Fragrances Limited (CFF) continues to lead the organization with integrity, transparency, accountability, and fairness. The Board remains committed to upholding the principles of good corporate governance, aligned with both global best practices and the local regulatory frameworks.

The Board ensures that all aspects of the company's operations adhere to sound ethical and professional standards. Special emphasis is placed on:

- Accounting practices and financial reporting compliance
- Food safety standards in accordance with the company's Safe Quality Food (SQF) certification
- Occupational health and safety as guided by the 2017 Jamaican OSH Act and factory regulations
- Workplace conduct, ensuring honesty, equity, and mutual respect

Directors are mindful that long-term profitability and sustainability are only achievable through disciplined adherence to these standards.

During the reporting period, the Board formally approved and implemented a Whistleblower Disclosure Policy. This policy:

- Defines misconduct and reportable concerns
- Outlines the reporting process
- Guarantees confidentiality and protection from retaliation for good-faith disclosures

This initiative reinforces the company's culture of openness, ethical accountability, and trust.

CFF's Occupational Health and Safety Policy continues to safeguard employee welfare and compliance. The company's OSH Committee meets monthly and actively monitors safety adherence. Performance indicators for the period:

>220	4
ACCIDENT-FREE DAYS	TOTAL ACCIDENTS (0 resulted in bodily harm)

This performance demonstrates the effectiveness of our safety systems and culture of vigilance.

In adapting to today's evolving business environment, the Board conducted meetings using a hybrid model, leveraging both virtual and in-person sessions. Board Committees remained operational, with active engagement across:

- Audit and Risk
- Compensation and Human Resources
- Strategy and Finance

In accordance with recent changes to the Jamaica Stock Exchange (JSE) governance policies, the company has taken steps to strengthen the Audit and Compensation Committees, ensuring full compliance. The Board maintains a clear focus on enhancing shareholder value and directors hold management accountable for the timely and effective execution of approved strategies. The Board monitors:

- Inventory efficiency
- Revenue growth
- Cost management

Each is reviewed monthly, forming a critical part of the company's operational information dashboard.

The Board continues to provide both strategic direction and entrepreneurial thought leadership, recognizing that consistent oversight and governance underpin

stakeholder confidence, profitability, and long-term resilience. Succession planning remains a priority and the company is committed to:

- Identifying and mentoring internal talent
- Attracting and retaining diverse leadership
- Ensuring continuity in strategic execution
- Agility in adapting to changing market and operational conditions

These efforts are essential to preparing the next generation of leadership and enabling the organization to meet future challenges with agility.

Board Composition

During the reporting period ended 31 December 2024, the Board was comprised of seven (7) members, four (4) of whom are independent members. Board members outlined hereunder:

Howard Mitchell Independent (Chairman)

Wilford “Billy” Heaven Independent

Clive Nicholas Independent

Carlton Samuels Independent
(Alternate Director to Chairman)

Anand James Executive Director

Derrick Cotterell Executive Director

Ian Kelly Executive Director

The Company continues to utilize the services of Mrs. Tania Waldron-Gooden as its external mentor, keeping with the mandate of the Jamaica Stock Exchange Junior Market rules. She continues to provide valuable insights and instructive guidance to ensure that the governing rules and regulations are adhered to.

The Board met on four (4) occasions during the financial year through the use of the face to face and the digital platform to deliberate on policy matters as well as to review management’s stewardship.

The table below outlines the Directors attendance:

Name	Meetings Attended
Howard Mitchell - Chairman	3
Clive Nicholas	4
Wilford “Billy” Heaven	2
Carlton Samuels	4
Anand James	4
Derrick Cotterell	4
Ian Kelly	4

In carrying out its work the Board was assisted by the following Board Committees:

AUDIT COMMITTEE

The Committee had four (4) meetings during the twelve (12) month period. The following tasks were executed:

- Reviewed and recommended budgets for approval by the Board of Directors
- Reviewed the integrity of the monthly, quarterly unaudited financial statements, dividend recommendations and audited annual financial statements
- Reviewed the effectiveness of internal controls and risk management systems and other matters that fall within its mandate, as well as inventory cycle counts, receivables aging management and their findings
- Reviewed the formal announcements relating to the Company’s financial performance to the Jamaica Stock Exchange and the timeliness of same
- Reviewed and maintained the independence, objectivity and effectiveness of the relationship with the external auditor
- Recommendation to the full Board of Directors the payment of a dividend to shareholders
- Made recommendations to the Board of Directors in relation to the reappointment of the external auditor as well as the remuneration and other terms of engagement.

The attendees to the Audit Committee meetings and their record of attendance are outlined in the table below:

Members & invited Attendees	Meetings Attended
Clive Nicholas - Chairman	4
Wilford “Billy” Heavens	2
Ian C. Kelly	4
Carlton Samuels	2
Janice Lee (Attendee)	4

COMPENSATION COMMITTEE

The Compensation committee’s overall responsibility is to oversee the company’s pay package including benefits and programs for Directors and Senior Executives and provide advice to the Board concerning such matters. The Committee met once during the year to review these matters and its recommendation was made to the Board. The composition of this Committee is outlined hereunder:

Members	Meetings Attended
Clive Nicholas	1
Wilford “Billy” Heavens	1
Anand James	1
Carlton Samuels - Chairman	1

STRATEGIC DEVELOPMENT & SCIENCES COMMITTEE

The Strategic Development and Sciences Committee was established to guide the company’s growth by identifying and advancing opportunities in agriculture-based product innovation. Its mandate focuses on leveraging research and development to create high-demand, export-ready products derived from ginger, turmeric, and pimento, aligning directly with the company’s long-term sustainability strategy.

During the reporting period, the Committee actively engaged with multiple stakeholder groups, both locally and internationally, to advance viable extraction projects. These projects are positioned as strategic pillars of the company’s future product expansion

and value-added innovation. Four meetings were convened over the period, two held locally and two with international partners, focused on refining proposals and exploring partnerships to support commercialization and global competitiveness.

Members	Meetings Attended
Howard Mitchell	0
Carlton Samuels	3



Members	Meetings Attended
Anand James	3
Derrick Cotterell	1

EXTERNAL AUDITOR

Baker Tilly continues to perform the duties of external auditors during the reporting period ended 31 December 2024 and was responsible for the auditing of the financial operations during said period. They have maintained a professional approach towards meeting timelines for the auditing and submission of the required statements and were compliant with the rules of the Jamaica Stock Exchange and the Companies Act. There were no reported incidents of fraud or any irregularities either from the exercise of the internal controls or the work of our external auditors.


Howard Mitchell
 Chairman

Corporate Social Responsibility

At Caribbean Flavours and Fragrances Limited (CFF), our commitment has always extended beyond profitability. We believe in a business philosophy grounded in fairness, growth, and ethical responsibility—both to our people and the wider community. This belief has shaped how we interact with the environment around us and how we develop our people internally.

We have continued to nurture our mentorship programme, built on a documented policy that prioritizes development through real-world exposure. Interns are given the opportunity to work within different departments—including our factory floor—gaining experience while pursuing their education. Over the last eight years, we have welcomed six interns, two of whom have successfully transitioned into permanent roles. As of this year, we are proud to be mentoring two university-level students through this programme.

Empowering through education has also remained a core pillar. Alongside mentorship, our team members are encouraged to advance personally and professionally. Those who pursue academic or technical training receive financial support from the company. In the past decade, CFF has supported staff in obtaining certification in technical training and has even assisted one team member in earning a Master's degree.



Two-day workshop hosted by Jamaica Flour Mills



READ ACROSS JAMAICA 2024

Closer to home, our team remained active in community education initiatives. Members of staff participated in **Read Across Jamaica Day**, reading to students at **Cockburn Gardens Primary and Junior High** and **End Time Basic School**. These visits weren't just symbolic; they included meaningful contributions—book packages, school supplies, and snacks for the children. At the End Time Basic School, our support has remained ongoing, and last December, we hosted a Christmas treat for the students to help bring joy to the season.



We take pride in our role as a technical partner to our customers, offering specialized seminars and workshops as part of our broader corporate social responsibility to support and strengthen the industries we serve. A recent example of this was our participation in a **two-day workshop hosted by Jamaica Flour Mills**, which led to our technical team being invited to present at the Caribbean Millers Association Annual General Meeting in St. Vincent and the Grenadines. This platform allowed us to showcase innovations from our Ingredients Portfolio to regional millers, facilitating knowledge sharing, collaboration, and capacity-building across the sector.

Our drive to remain at the forefront of industry advancement was further supported by **international training programs** for our **Business Development team**. Held in Kansas City and Bogota, these sessions provided practical exposure and valuable insights into emulsifiers, additives, and enzymes. Additionally, our technical team attended the Institute of Food Technologists (IFT) trade show in Chicago—an industry-leading event spotlighting global trends in the flavours and ingredients space. Through these initiatives, we continue to enhance our expertise not only for business growth but to better serve our partners and contribute meaningfully to the development of the food and beverage ecosystem throughout the region.



In October, during Breast Cancer Awareness Month, we partnered with Prince D. Bruce to host a special event dedicated to breast cancer survivors. This initiative not only supported survivors but also served as a moment of education, encouragement, and inspiration—reaffirming our belief in aiding community wellness and fostering resilience.

Additionally, we participated in Girls' Day at Hydel High School under the theme "Discovering One's Purpose." It was a moment of connection and empowerment, encouraging young women to identify their potential and understand the value of self-belief, vision, and action.

Within our own walls, we recognize that a unified team is a successful team. Gender equality is reflected in our workforce with a balanced composition of male and female employees. Promotion from within remains a key value, and we invest in strengthening our team through quarterly socials, where colleagues engage informally, strengthening bonds that translate into greater synergy on the job.

Through God's guidance and unwavering dedication, Caribbean Flavours and Fragrances continues to move forward—impacting lives, building communities, and playing an active role in nation building. We know our legacy is shaped not only by what we produce, but by how we uplift those we serve and work with every day.

Financials

for the year ended December 31, 2024



INDEPENDENT AUDITORS' REPORT

To the Members of
Caribbean Flavours and Fragrances Limited

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Caribbean Flavours and Fragrances Limited (“the Company”) set out on pages 43 to 81, which comprise the statement of financial position at 31 December 2024, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of material accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and comply with the Jamaican Companies Act.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company 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.

ADVISORY • ASSURANCE • TAX

PARTNERS: Wayne Strachan; FCA;FCCA;MBA Emile Lafayette; FCA;FCCA;MBA Roxiana Malcolm-Tyrell; FCA;FCCA;MBA Royal Thorpe; FCA;FCCA;MBA

Baker Tilly Strachan Lafayette trading as BakerTilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

INDEPENDENT AUDITORS' REPORT (Continued)

To the Members of
Caribbean Flavours and Fragrances Limited

Report on the audit of the Financial Statements (continued)

Our Audit Approach

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. Key audit matters are selected from the matters communicated with the Audit Committee members (those charged with Governance) but are not intended to represent all matters that were discussed with them. These matters are addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matters
The Company 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 judgement and estimates and the application of forward-looking information.	<p>Our audit procedures in response to this matter included:</p> <ul style="list-style-type: none"> ❖ 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. ❖ Assessing the appropriateness of the company's impairment methodology, management assumptions and compliance with the requirement of IFRS 9, Financial Instruments. ❖ Assessing the adequacy of the disclosures of the key assumptions and judgements as well as the details of the transition adjustment for compliance with IFRS 9. ❖ Testing the accuracy of the Company's ageing of accounts receivables. ❖ Testing the accuracy of the ECL calculation.

INDEPENDENT AUDITORS' REPORT (continued)

To the Members of
Caribbean Flavours and Fragrances Limited

Report on the audit of the Financial Statements (continued)*Other information*

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

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

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

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

Responsibilities of Management and those charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the 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 Company or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITORS' REPORT (continued)

To the Members of
Caribbean Flavours and Fragrances Limited

Report on the audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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 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 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 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 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 Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT (continued)

To the Members of
Caribbean Flavours and Fragrances Limited

Report on the audit of the Financial Statements (continued)*Auditors' Responsibilities for the Audit of the Financial Statements (continued)*

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

We communicate with those 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 the 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 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 circumstance, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

INDEPENDENT AUDITORS' REPORT (continued)

To the Members of
Caribbean Flavours and Fragrances Limited

Report on the audit of the Financial Statements (continued)*Report on other legal and regulatory requirements (continued)*

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

The engagement partner on the audit resulting in this independent auditors' opinion is Roxiana Malcolm-Tyrell.

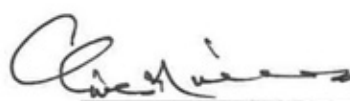


Chartered Accountants
Kingston, Jamaica
26 February 2025

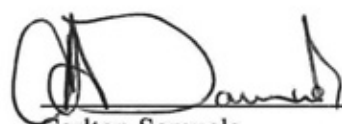
Statement of Financial Postion

As at 31 December 2024

		2024	2023
	Note	\$'000	\$'000
ASSETS			
Non-Current Assets			
Property, plant, and equipment	5	53,740	45,289
Right-of-use asset	6	61,737	68,147
Investment securities	7	45,000	45,000
Deferred tax assets	8	-	343
		<u>160,477</u>	<u>158,779</u>
Current Assets			
Inventories	9	211,433	216,985
Receivables	10	128,948	164,292
Taxation recoverable		2,343	6,070
Due from related parties	11	299,085	237,117
Cash and cash equivalents	12	101,530	112,576
		<u>743,339</u>	<u>737,040</u>
TOTAL ASSETS		<u><u>903,816</u></u>	<u><u>895,819</u></u>
EQUITY AND LIABILITIES			
Stockholders' Equity			
Share capital	13	56,200	56,200
Retained earnings		<u>634,425</u>	<u>595,509</u>
		<u>690,625</u>	<u>651,709</u>
Non-Current Liabilities			
Deferred tax liabilities	8	3,749	-
Long term loans	14	13,632	9,293
Lease liability	6	<u>69,806</u>	<u>74,338</u>
		<u>87,187</u>	<u>83,631</u>
Current Liabilities			
Payables	15	105,668	139,784
Taxation payable		8,088	11,942
Current portion of long term loans	14	7,404	4,165
Current portion of lease liability	6	<u>4,844</u>	<u>4,588</u>
		<u>126,004</u>	<u>160,479</u>
TOTAL EQUITY AND LIABILITIES		<u><u>903,816</u></u>	<u><u>895,819</u></u>

Approved for issue by the Board of Directors on 26 February 2025 and signed on its behalf by:


Director
Clive Nicholas



Director
Carlton Samuels

Statement of Comprehensive Income

Year ended 31 December 2024

	Note	2024	2023
		\$'000	\$'000
Revenue	16	884,681	900,805
Cost of sales	17	(567,445)	(576,017)
Gross profit		<u>317,236</u>	<u>324,788</u>
Other income		100	-
Expected credit loss assessment reversal on financial assets		1,451	-
Unrealised gain on investments valued at fair value through profit and loss		323	-
Selling and distribution expenses	17	(14,855)	(10,880)
Operating and administrative expenses	17	<u>(208,519)</u>	<u>(179,288)</u>
Operating profit	18	95,736	134,620
Finance income, net	20	<u>13,642</u>	<u>21,184</u>
Profit before taxation		109,378	155,804
Taxation	21	<u>(25,502)</u>	<u>(22,985)</u>
Net profit for the year, being total comprehensive income		<u><u>83,876</u></u>	<u><u>132,819</u></u>
 Earnings per ordinary stock unit attributable to shareholders of the company			
	22	<u>\$0.09</u>	<u>\$0.15</u>

Statement of Changes in Equity

Year ended 31 December 2024

	Share capital	Retained earnings	Total
	\$'000	\$'000	\$'000
Balance at 1 January 2023	56,200	507,650	563,850
Total comprehensive income	-	132,819	132,819
Dividends (Note 23)	-	(44,960)	(44,960)
Balance at 31 December 2023	56,200	595,509	651,709
Total comprehensive income	-	83,876	83,876
Dividends (Note 23)	-	(44,960)	(44,960)
Balance at 31 December 2024	56,200	634,425	690,625

Statement of Cash Flows

Year ended 31 December 2024

	2024	2023
	\$'000	\$'000
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
Cash Flows from Operating Activities		
Profit before taxation	109,378	155,804
Items not affecting cash:		
Depreciation	13,990	9,442
Amortization of right-of-use asset	6,498	6,491
Expected credit losses	(1,451)	4,494
Loss on disposal of property, plant and equipment	-	1,108
Interest income	(16,626)	(17,623)
Interest expense	2,092	1,531
Lease interest expense	8,076	7,110
Foreign exchange gains	(7,184)	(12,202)
	114,773	156,155
Changes in operating assets and liabilities:		
Decrease/(increase) in inventories	5,552	(37,625)
Decrease/(increase) in receivables	35,349	(36,289)
Increase in due from related parties	(61,968)	(181,867)
(Decrease)/increase in payables	(30,635)	54,110
Cash provided by/(used in) operating activities	63,071	(45,516)
Taxation paid	(21,537)	(15,560)
Interest paid	(10,168)	(8,641)
Interest received	18,680	17,688
Net cash provided by/(used in) operating activities	50,046	(52,029)
Cash Flows from Investing Activity		
Purchase of plant and equipment	(22,441)	(16,550)
Net cash used in investing activity	(22,441)	(16,550)
Cash flows from Financing Activities		
Long term loans principal repayments	(6,217)	(4,152)
Long term loan proceeds	13,795	-
Lease liability principal repayments	(4,364)	(4,738)
Dividends paid	(44,960)	(44,960)
Net cash used in financing activities	(41,746)	(53,850)
Net decrease in cash and cash equivalents for the year	(14,141)	(122,429)
Net effect of foreign currency translation cash and cash equivalents	3,095	5,991
Cash and cash equivalents at the beginning of the year	112,576	229,014
CASH AND CASH EQUIVALENTS AT END OF YEAR	101,530	112,576
Represented by:		
Cash at bank and in hand	31,254	32,957
Short term deposits	70,276	79,619
	101,530	112,576

Notes to the Financial Statements

31 December 2024

1. Identification and Principal Activities

Caribbean Flavours and Fragrances Limited (“the Company”) was incorporated under the Companies Act of Jamaica and is domiciled in Jamaica. The Company is a subsidiary of Derrimon Trading Company Limited. The Company is listed on the Junior Market of the Jamaica Stock Exchange.

The company’s registered office is located at 226 Spanish Town Road, Kingston 11.

Its principal activity is the manufacture and distribution of flavours, mainly for the beverage, baking and confectionery industries. The Company also manufactures fragrances primarily for household and general cleaning and sanitation purposes.

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

2. Material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for all the years presented. Where necessary, prior year comparatives have been restated and reclassified to conform to current year presentation.

(a) Basis of preparation

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, as modified by the valuation of certain items. They are also prepared in accordance with the provisions of the Jamaican Companies Act.

The financial statements comprise the statement of comprehensive income, the statement of financial position, 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 company 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 4.

Notes to the Financial Statements

31 December 2024

2. Material accounting policies (continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards effective in the current year that are relevant to the company's operations

The following amendments to standards have been adopted by the Company for the first time which have been issued and are effective for mandatory adoption for the financial year beginning on or after 1 January 2024:

The amendments in Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (effective for annual periods beginning on or after 1 January 2024) affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability, income or expenses, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7) (effective for annual periods beginning on or after 1 January 2024). These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

Leases on sale and leaseback (Amendments to IFRS 16) (effective for annual periods beginning on or after 1 January 2024). These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

These amendments did not result in any material effect on the company's financial statements.

Notes to the Financial Statements

31 December 2024

2. Material accounting policies (continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards that are not yet effective and have not been early adopted by the company (continued)

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 company has not early adopted. The company 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.

Lack of Exchangeability Amendments to IAS 21 (effective for annual periods beginning on or after 1 January 2025). An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

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 yet effective that would be expected to have a material impact on the operations of the company.

Notes to the Financial Statements

31 December 2024

2. Material accounting policies (continued)

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis at rates to write off the carrying value of the assets over their expected useful lives. The rates used to write off the cost of assets are as follows:

Leasehold property	10%
Leasehold improvements	10%
Plant, machinery, furniture and fixtures	10%
Office computer and equipment	33 ^{1/3} %
Motor vehicles	25%

Leasehold improvements are classified as property, plant and equipment.

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

Repairs and maintenances are charged to the statement of comprehensive income during the financial period in which they are incurred.

(c) Right-of-use assets and lease liabilities

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

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

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

Notes to the Financial Statements

31 December 2024

2. Material accounting policies (continued)

(c) Right-of-use assets and lease liabilities (continued)

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 company 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 company:

- (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 company 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 company has no short-term leases or leases for low valued assets at this time.

Notes to the Financial Statements

31 December 2024

2. Material accounting policies (continued)

(c) Right-of-use assets and lease liabilities (continued)

Extension and termination options

Extension and termination options are included for the property leased by the company. These are used to maximise operational flexibility in terms of managing the asset used in the company's operations. The extension option is exercisable by the lessee provided that thirty (30) days written notice is given prior to the expiration of the initial term. Either party may terminate the lease on the provision that not less than twelve (12) months' notice in writing is given to the other party.

When the company renegotiates the contractual terms of a lease with the 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.

For contracts that both convey a right to the company to use an identified asset and require services to be provided to the company by the lessor, the company has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Notes to the Financial Statements

31 December 2024

2. Material accounting policies (continued)

(d) Inventories

Estimation – Inventories are carried at the lower of cost or net realized value. The estimation of net realized value is based on the most reliable evidence available, at the time the estimates are made, of the amount the inventories are expected to realize.

Additionally, estimation is required for inventory provision due to shrinkage, slow-moving and obsolescence. It is possible, based on existing knowledge, that outcomes within the next financial year that are different from those assumptions could require a material adjustment to the carrying amount reflected in the financial statements.

(e) Financial assets

The company classifies its financial assets into the category amortized cost. The classification depends on the purpose for which the financial assets were acquired.

The company's financial assets measured at amortized cost comprise trade receivables, cash and cash equivalents and investments in the statement of financial position. Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturity of three months or less.

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

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

Notes to the Financial Statements

31 December 2024

2. Material accounting policies (continued)

(f) 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.

(g) Dividends

Dividends on ordinary shares are recognized in shareholders' equity in the period in which they become legally payable. Interim dividends are due when declared and approved by the directors while shareholders approve final dividends at the Annual General Meeting. Dividends for the year that are declared after the reporting date are disclosed in the subsequent events note.

(h) Borrowings

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

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

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the income statement as interest expense.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Notes to the Financial Statements

31 December 2024

2. Material accounting policies (continued)

(i) **Payables**

Payables, including provisions, are stated at their nominal value. A provision is recognised in the statement of financial position when the company 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.

(j) **Provisions**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be determined.

(k) **Income taxes**

Where applicable, taxation expense in the statement of comprehensive income comprises current and deferred tax charges.

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

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

(l) **Financial instruments**

Financial instruments carried on the statement of financial position include investments, cash and bank balances, receivables, balances with related parties, payables, balances with directors, lease liabilities and borrowings.

The fair values of financial instruments and the associated risks are discussed in Note 3a.

Notes to the Financial Statements

31 December 2024

2. Material accounting policies (continued)

(m) Foreign currency translation

Foreign currency transactions are accounted for at the exchange rate prevailing at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated into Jamaican dollars at the exchange rate prevailing at the date of the statement of financial position, that is, in the case of each currency, the Bank of Jamaica weighted average buying and selling rates at that date. Gains and losses arising from fluctuations in exchange rates are reflected in the statement of comprehensive income.

(n) Revenue recognition

Sale of goods

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the company's activities. Revenue is shown net of returns, discounts and GCT. The company's revenue is generally derived from selling goods with revenue recognized at a point in time when control of the goods has been delivered to the customer and acceptance by them of the payment invoice. Once the physical delivery of the products to the agreed location and customer has occurred, and the Company is no longer liable for any of the goods, the transaction is considered complete.

Interest income

Interest income and expense are recognized in the statement of comprehensive income for all interest bearing instruments on an accrual basis using the effective yield method based on the actual purchase price.

Other operating income

Other operating income, where applicable, includes gains on disposal of assets recognized when the transaction is complete, rental of investment property recognized when earned, and miscellaneous inflows recognized when received and monies lodged to the Company's bank account.

(o) Comparative information

Where necessary comparative figures have been reclassified to conform with changes in presentation.

Notes to the Financial Statements

31 December 2024

2. Material accounting policies (continued)

(p) Related party transactions

A party is related to the company, if:

- (i) directly, or indirectly through one or more intermediaries, the party, is controlled by, or is under common control with, the company (this includes parents, subsidiaries and fellow subsidiaries); has an interest in the company that gives it significant influence over the company; or has joint control over the company;
- (ii) the party is an associate of the company;
- (iii) the party is a joint venture in which the company is a venturer;
- (iv) the party is a member of the key management personnel of the company or its parent;
- (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 company, or of any company that is a related party of the company.

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

Notes to the Financial Statements

31 December 2024

3. Financial risk management

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 instruments carried on the statement of financial position include investments, cash and cash equivalents, receivables, payables, related party balances, lease liabilities and borrowings.

a) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. The company's equities are the only financial instrument that is carried at fair value, also where fair value of financial instruments approximates carrying value, no fair value computation is done.

The carrying values reflected in the financial statements for cash and cash equivalents, trade and other receivables, and trade and other payables are assumed to approximate fair value due to their relatively short-term nature.

The fair value of long-term loans is assumed to approximate carrying value as the loans bear interest at market rates and all other conditions are at market terms.

Quoted equities fair values are based on the bid prices published by the Jamaica Stock Exchange determination of fair value and fair values hierarchy:

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. These two types of inputs have created the following fair value hierarchy:

Level 1 -Quoted prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

Level 2 -Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. This includes financial assets with fair values based on broker quotes.

Level 3 -Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available.

The company considers relevant and observable market prices in its valuations where possible.

Notes to the Financial Statements

31 December 2024

3. Financial risk management (continued)

b) Credit risk:

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

Credit review process

Management performs ongoing analysis of the ability of customers and other counterparties to meet their obligations.

Impairment of financial assets

The company has one type of financial asset that is subject to the expected credit loss model which is trade receivables for sales of inventory.

While cash and cash equivalents is also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

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

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2024, 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 2024

3. Financial risk management (continued)

b) Credit risk (continued)

31 December 2024	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	2%	3%	7%	30%	5%
Gross carrying amount – trade receivables \$'000	71,341	33,940	14,638	11,738	131,657
Impairment losses \$'000	(1,100)	(1,019)	(1,059)	(3,516)	(6,694)
	<u>70,241</u>	<u>32,921</u>	<u>13,579</u>	<u>8,222</u>	<u>124,963</u>
31 December 2023	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	1%	3%	7%	19%	5%
Gross carrying amount – trade receivables \$'000	87,526	42,509	12,801	26,546	169,382
Impairment losses \$'000	(1,094)	(1,147)	(927)	(4,977)	(8,145)
	<u>86,432</u>	<u>41,362</u>	<u>11,874</u>	<u>21,569</u>	<u>161,237</u>

The closing loss allowances for trade receivables as at 31 December 2024 and 31 December 2023 reconcile to the opening loss allowances as follows:

	Trade receivables	Trade receivables
	2024 \$'000	2023 \$'000
Opening loss allowance	8,145	3,651
Increase in loss allowance (credited)/recognised in profit or loss during the year	(1,451)	4,494
Closing loss allowance	<u>6,694</u>	<u>8,145</u>

Notes to the Financial Statements

31 December 2024

3. Financial risk management (continued)

b) Credit risk (continued)

Trade receivables (continued)

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 company, and a failure to make contractual payments for a period of greater than 90 days past due.

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 2024, there were no lifetime expected credit losses in respect of the five (5) major customers that comprise 27% (2023 – 38%) of the trade receivables balance.

As at 31 December 2024, there were \$2,087,412 (2023 -\$2,069,982) lifetime expected credit losses in respect of the remaining customers.

Other financial assets at amortised cost

Other financial assets at amortised cost include other receivables and balances due from related parties.

While the other financial assets at amortised cost are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

At the Statement of Financial Position date, except for cash and cash equivalents, there were no other significant concentration of credit risk and the exposure to credit risk of these financial assets were considered immaterial.

Notes to the Financial Statements

31 December 2024

3. Financial risk management (continued)

c) Liquidity risk:

Liquidity risk is the risk that the company 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 company'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;
- (iv) Optimizing cash returns on investment.

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:

	1 to 3 months	4 to 12 months	1 to 5 years	Total	Carrying amount
	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2024					
Payables	105,668	-	-	105,668	105,668
Long-term loans	2,235	6,706	15,200	24,141	21,036
Lease liability	3,110	9,330	105,744	118,184	74,650
Total financial liabilities	111,013	16,036	120,944	247,993	201,354
31 December 2023					
Payables	139,784	-	-	139,784	139,784
Long-term loan	1,337	3,564	9,801	14,702	13,458
Lease liability	2,962	8,886	112,556	124,404	78,926
Total financial liabilities	144,083	12,450	122,357	278,890	232,168

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 2024

3. Financial risk management (continued)

d) Market risk

The company takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates (see 3d (i)), interest rates (see 3d (ii)). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Market risk exposures are measured using sensitivity analysis. There has been no significant change in exposure to market risks or the manner in which the company manages and measures the risk.

(i) Currency risk

The company is exposed to foreign exchange risk arising from exposure primarily to the US dollar and Euro. Foreign exchange risk arises primarily from transactions for purchases, sales and investments. The Statement of Financial Position for the Company as at 31 December 2023 includes net foreign assets of US\$455,224 and €3,539 (2023: US\$566,171 and €3,179) in respect of such transactions.

The following table demonstrates the sensitivity to fluctuations in the exchange rates of the currencies held by the company before tax, with all other variables held constant.

		Change in exchange rate	2024	2023
			\$'000	\$'000
Devaluation	4% (2023 – 4%)		2,841	3,500
Revaluation	1% (2023 - 1%)		(710)	(875)

Notes to the Financial Statements

31 December 2024

3. Financial risk management (continued)

d) 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.

The company minimises interest rate risk by investing mainly in fixed rate instruments and contracting liabilities at fixed rates, where possible. The company's interest rate risk arises mainly from bank loans.

At the reporting date, the interest profile of the company's interest-bearing financial Instruments were:

	1 to 3 months \$'000	4 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000	Non- Interest bearing \$'000	Total \$'000
	2024					
Investment securities	-	30,000	15,000	-	-	45,000
Trade and other receivables	-	-	-	-	128,948	128,948
Due from related parties	111,863	-	-	-	187,222	299,085
Cash and cash equivalents	98,894	-	-	-	2,636	101,530
Total financial assets	210,757	30,000	15,000	-	318,806	574,563
Long-term loans	1,790	5,614	13,632	-	-	21,036
Lease liability	1,164	3,680	25,235	44,571	-	74,650
Payables	-	-	-	-	105,668	105,668
Total financial liabilities	2,954	9,294	38,867	44,571	105,668	201,354
Total interest repricing gap	207,803	20,706	(23,867)	(44,571)	213,138	373,209

Notes to the Financial Statements

31 December 2024

3. Financial risk management (continued)

d) Market risk (continued)

(ii) Interest rate risk (continued)

	1 to 3 months	4 to 12 months	1 to 5 years	Over 5 years	Non- Interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023						
Investment securities	-	-	45,000	-	-	45,000
Trade and other receivables	-	-	-	-	164,292	164,292
Due from related parties	205,568	-	-	-	31,549	237,117
Cash and cash equivalents	112,576	-	-	-	-	112,576
Total financial assets	318,144	-	45,000	-	195,841	558,985
Long-term loan	1,110	3,055	9,293	-	-	13,458
Lease liability	1,106	3,481	74,339	-	-	78,926
Payables	-	-	-	-	139,784	139,784
Total financial liabilities	2,216	6,536	83,632	-	139,784	232,168
Total interest repricing gap	315,928	(6,536)	(38,632)	-	56,057	326,817

Cash flow sensitivity analysis for financial instruments:

A change in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Change in basis points	Effect on profit before taxation 2024	Effect on Other Components of Equity 2024	Effect on profit before taxation 2023	Effect on Other Components of Equity 2023
	\$'000	\$'000	\$'000	\$'000
JMD/USD				
+100/+100	1,094	-	1,558	-
-100/-100	(1,094)	-	(1,558)	-

Notes to the Financial Statements

31 December 2024

3. Financial risk management (continued)

e) Capital management:

The policy of the company's Board of Directors is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business and ensure it continues as a going concern.

The company considers its capital to be its total equity inclusive of unappropriated profits and capital reserves. The company's financial objective is to generate a targeted operating surplus, in order to strengthen and provide for the future continuity of the company as a going concern in order to provide returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Directors regularly review the financial position of the company at meetings and monitor the return on capital and the level of dividends to the ordinary shareholders. They seek to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Debt is the total of long-term loans and bank overdraft less related party loans, if any. Total capital is calculated as equity as shown in the company's statement of financial position plus debt. The gearing ratios at the year-end based on these calculations were as follows:

	2024	2023
	\$'000	\$'000
Debt: long-term loans	21,036	13,458
Equity	690,625	651,709
Total Capital	711,661	665,167
Gearing ratio	3%	2%

Notes to the Financial Statements

31 December 2024

4. Critical accounting estimates and judgements in applying accounting policies

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the related actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the Credit risk note.

(ii) 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 during the ordinary course of business. In cases of such uncertainty, the company recognises liabilities for possible additional taxes based on its judgement. Where, on the basis of 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.

(iii) 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 company 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.

(iv) Fair value of financial assets

The management uses its judgment in selecting appropriate valuation techniques to determine fair values of financial assets adopting valuation techniques commonly used by market practitioners supported by appropriate assumptions (note 3(a)).

Notes to the Financial Statements

31 December 2024

5. Property, plant and equipment

	Leasehold Improvements \$'000	Plant, Machinery, Furniture & Fixtures \$'000	Office Computer & Equipment \$,000	Motor Vehicles \$'000	Total \$'000
Cost -					
1 January 2023	7,491	36,466	2,436	27,904	74,297
Additions	1,213	14,507	830	-	16,550
Disposals	(997)	(14,404)	(666)	-	(16,067)
31 December 2023	7,707	36,569	2,600	27,904	74,780
Additions	833	5,759	2,004	13,845	22,441
31 December 2024	8,540	42,328	4,604	41,749	97,221
Depreciation -					
1 January 2023	3,117	18,059	1,774	12,058	35,008
Charge for year	725	2,606	461	5,650	9,442
Relieved on disposals	(1,355)	(12,469)	(1,135)	-	(14,959)
31 December 2023	2,487	8,196	1,100	17,708	29,491
Charge for year	840	4,253	651	8,246	13,990
31 December 2024	3,327	12,449	1,751	25,954	43,481
Net book value -					
31 December 2024	5,213	29,879	2,853	15,795	53,740
31 December 2023	5,220	28,373	1,500	10,196	45,289

Notes to the Financial Statements

31 December 2024

6. 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

	2024	2023
	\$'000	\$'000
Balance as at beginning of the year	68,147	74,638
Remeasurement	88	-
Amortization	(6,498)	(6,491)
Balance as at end of year	<u>61,737</u>	<u>68,147</u>

Lease liability

	2024	2023
	\$'000	\$'000
Balance as at beginning of the year	78,926	83,664
Remeasurement	88	-
Lease payments	(12,440)	(11,848)
Interest expense	8,076	7,110
Balance as at end of the year	<u>74,650</u>	<u>78,926</u>

	2024	2023
	\$'000	\$'000
Current	4,844	4,588
Non-current	69,806	74,338
Balance as at end of year	<u>74,650</u>	<u>78,926</u>

(ii) Amounts recognized in the Statement of Comprehensive Income

The statement of profit or loss shows the following amounts relating to leases:

	2024	2023
	\$'000	\$'000
Amortization charge of right-of-use asset (included in administrative expenses)	6,498	6,491
Interest expense (included in finance costs)	<u>8,076</u>	<u>7,110</u>

(iii) Amounts recognized in Statement of Cash Flows

	2024	2023
	\$'000	\$'000
Total cash outflows for lease	<u>12,440</u>	<u>11,848</u>

Notes to the Financial Statements

31 December 2024

7. Investment securities

This represents corporate bonds which are fair valued through profit and loss.

	2024	2023
	\$'000	\$'000
Dolla Financial Services Limited - 2025	30,000	30,000
NCB Financial Group 11.5% 2026	15,000	-
National Commercial Bank Jamaica Limited – 2024	-	15,000
	<u>45,000</u>	<u>45,000</u>

Notes to the Financial Statements

31 December 2024

8. Deferred income taxes

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

	2024	2023
	\$'000	\$'000
Deferred income tax (liabilities)/assets	(3,749)	343

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

	2024	2023
	\$'000	\$'000
Net assets at beginning of year	343	1,740
Deferred tax charged to the statement of comprehensive income (Note 21)	(4,092)	(1,397)
Net (liabilities)/assets at end of year	(3,749)	343

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

	2024	2023
	\$'000	\$'000
Deferred income tax (liabilities)/assets:		
Property, plant and equipment	(2,173)	(1,796)
Lease liability, net of right-of-use assets	3,228	2,695
Interest receivable	(4,868)	(514)
Other	64	(42)
Net (liabilities)/assets at end of year	(3,749)	343

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

	2024	2023
	\$'000	\$'000
Deferred tax (liabilities)/assets to be recovered:		
- under 12 months	(4,804)	(556)
- after more than 12 months	1,055	899
	(3,749)	343

Notes to the Financial Statements

31 December 2024

9. Inventories

	2024	2023
	\$'000	\$'000
Raw materials	99,825	90,237
Manufactured finished goods	12,366	15,704
Imported goods for resale	51,268	45,462
Goods-in-transit	47,974	65,582
	<u>211,433</u>	<u>216,985</u>

For the year ended 31 December 2024, inventories valuing \$352,930 (2023: \$1,184,276) were written off during the year.

10. Receivables

	2024	2023
	\$'000	\$'000
Trade receivables	131,657	169,382
Less: Expected credit loss provision	(6,694)	(8,145)
	124,963	161,237
Other	3,985	3,055
	<u>128,948</u>	<u>164,292</u>

Movement of the expected credit loss provision is as follows:

	2024	2023
	\$'000	\$'000
Balance at beginning of year	8,145	3,651
(Decrease)/increase in expected credit loss provision	(1,451)	4,494
Balance at end of year	<u>6,694</u>	<u>8,145</u>

Notes to the Financial Statements

31 December 2024

11. Due from related parties

		<u>2024</u>	<u>2023</u>
		<u>\$'000</u>	<u>\$'000</u>
Interest bearing:			
Due from parent company:			
Derrimon Trading Company Limited	(a)	221,816	173,956
Due from fellow subsidiary:			
Marnock LLC	(b)	<u>53,855</u>	<u>39,747</u>
		<u>275,671</u>	<u>213,703</u>
Non-interest bearing:			
Due from parent company:			
Derrimon Trading Company Limited	(c)	<u>23,414</u>	<u>23,414</u>
		<u>299,085</u>	<u>237,117</u>

- (a) These represents Jamaican and United States dollars denominated loans to Derrimon Trading Company Limited, which attract interest rates ranging from 4% - 5%. Included in these amounts are interest receivable of \$14,716,000 (2023: \$6,784,000).
- (b) This represents a US\$280,000 and JMD\$8,000,000 loan to Marnock LLC, which attract interest rate of 3.5% per annum. Included in these amounts are interest receivable of \$2,702,000 (2023: \$1,351,000).
- (c) This represents advances to parent company, Derrimon Trading Company Limited which are interest free and have no repayment terms.

Notes to the Financial Statements

31 December 2024

12. Cash and cash equivalents

		2024	2023
		\$'000	\$'000
Cash at bank and on hand			
Cash at bank		28,618	31,474
Cash on hand		2,636	1,483
		<u>31,254</u>	<u>32,957</u>
Short term investments			
Jamaica Money Market Brokers Limited	(a)	32,563	31,137
Scotia Investments Jamaica Limited	(b)	7,040	5,399
NCB Capital Markets Limited	(c)	30,673	43,083
		<u>70,276</u>	<u>79,619</u>
		<u>101,530</u>	<u>112,576</u>

Cash at bank substantially comprise savings and operating accounts at licensed commercial banks in Jamaica. The rate of interest earned on the company's foreign currency savings accounts ranges from 0.0% to 0.4% (2023: 0.0% to 0.4%).

- (a) This represents investments in a repurchase agreement denominated in United States dollars with a maturity date of June 30, 2025, and with an interest rate of 4.25%.
- (b) This represents United States dollar investment in a money market fund.
- (c) This represents investment in a repurchase agreement denominated in Jamaican dollars with interest rate of 6.75% (2023: 8.25%).

Notes to the Financial Statements

31 December 2024

13. Share capital

	2024	2023
	No. of shares	No. of shares
Authorised		
Ordinary shares of no par value	<u>2,600,000,000</u>	<u>2,600,000,000</u>
Issued and fully paid		
Issued and fully paid ordinary shares	<u>899,200,330</u>	<u>899,200,330</u>
	2024	2023
	\$'000	\$'000
Ordinary shares of no par value	<u>56,200</u>	<u>56,200</u>

14. Long term loans

	2024	2023
	\$'000	\$'000
First Global Bank Limited (a)	8,948	13,458
First Global Bank Limited (b)	<u>12,088</u>	<u>-</u>
	21,036	13,458
Less: Current portion	<u>(7,404)</u>	<u>(4,165)</u>
	<u>13,632</u>	<u>9,293</u>

- a) This loan, which was received in September 2021 attracts interest of 7% per annum and is repayable over 60 months in equal monthly instalments of \$445,527. This loan is secured by a lien on a motor vehicle.
- b) This loan, which was received in March 2024 attracts interest of 8.50% per annum and is repayable over 60 months in equal monthly instalments of \$283,134.10. This loan is secured by a lien on a motor vehicle.

15. Payables

	2024	2023
	\$'000	\$'000
Trade payables	77,388	110,085
Accrued charges	7,464	8,240
Other	<u>20,816</u>	<u>21,459</u>
	<u>105,668</u>	<u>139,784</u>

Notes to the Financial Statements

31 December 2024

16. Revenue

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

17. Expenses by nature

	2024	2023
	\$'000	\$'000
Operating and administrative expenses		
Amortization of right-of-use asset	6,498	6,491
Audit fee	3,317	3,100
Expected credit loss provision of financial assets	-	4,494
Bank charges	3,850	2,890
Depreciation	13,990	9,442
Directors' emoluments	38,820	27,797
Directors' fees	1,600	980
Donations and subscriptions	1,137	1,169
Entertainment	352	891
Equipment rental	1,370	1,584
Loss on disposal of property, plant and equipment	-	1,108
Insurance	6,650	7,007
Legal and professional fees	15,126	10,356
Motor vehicles expenses	2,685	3,084
Office and general expenses	10,697	9,477
Repairs and maintenance	3,657	1,968
Staff costs (Note 19)	76,660	67,927
Security	4,024	2,551
Travelling	12,416	5,747
Utilities	5,670	11,225
	<u>208,519</u>	<u>179,288</u>
Selling and distribution expenses		
Selling, advertising, promotion and distribution	13,573	9,698
Transportation costs	1,282	1,182
	<u>14,855</u>	<u>10,880</u>
Finance income, net (Note 20)	(13,642)	(21,184)
Cost of sales	567,445	576,017
	<u><u>777,177</u></u>	<u><u>745,001</u></u>

Notes to the Financial Statements

31 December 2024

18. Operating profit

The following have been charged in arriving at operating profit:

	2024	2023
	\$'000	\$'000
Auditors' remuneration	3,317	3,100
Amortization of right-of-use asset	6,498	6,491
Depreciation	13,990	9,442
Director's emoluments: -		
- Managements remuneration	38,820	27,797
- Directors' fees	1,600	980
Staff costs (Note 19)	76,660	67,927

19. Staff costs

	2024	2023
	\$'000	\$'000
Salaries and wages	45,423	40,111
Statutory contributions	6,426	5,021
Casual labour	8,214	4,789
Other staff costs	8,014	7,284
Staff welfare and training	8,583	10,722
	76,660	67,927

20. Finance income, net

	2024	2023
	\$'000	\$'000
Interest income	(16,626)	(17,623)
Foreign exchange gains	(7,184)	(12,202)
	(23,810)	(29,825)
Loan interest expense	2,092	1,531
Lease interest expense	8,076	7,110
	(13,642)	(21,184)

Notes to the Financial Statements

31 December 2024

21. Taxation

- (a) Taxation is computed on profit for the year adjusted for taxation purposes and comprises income tax at the applicable rate: -

	2024	2023
	\$'000	\$'000
Current taxation at 25%	21,410	36,393
Remission of income tax at 50%	-	(14,805)
	21,410	21,588
Deferred income taxes (Note 8)	4,092	1,397
	<u>25,502</u>	<u>22,985</u>

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

	2024	2023
	\$'000	\$'000
Profit before taxation	109,378	155,804
Tax calculated at a tax rate of 25%	27,345	38,951
Adjusted for the effects of: -		
Expenses not allowed for tax purposes	(238)	518
Effect of permanent difference	1,878	1,244
Adjustment for the effect of remission of tax	-	(14,805)
Employment Tax Credit	(5,000)	(2,907)
Other charges and allowances	1,517	(16)
	<u>25,502</u>	<u>22,985</u>

- (c) Remission of income tax

By notice dated 13 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 (JSE) if certain conditions were achieved after the date of initial admission.

Effective 2 October 2013, the Company's shares were listed on the Junior Market of the JSE. The Company is entitled to a remission of income taxes for ten years in the following proportion:

Years 2014 - 2018 – 100% of standard rate

Years 2019 - 2023 – 50% of standard rate

Notes to the Financial Statements

31 December 2024

21. Taxation (continued)

(c) Remission of income tax (continued)

The Company's 100% remission of income taxes expired 2 October 2018, and as a consequence the Company's taxable profit was subject to 50% tax remission until 2 October 2023. With the expiration of the tax remission in 2023 for the year under review, 2024, the company was subject to tax at a rate of 25%.

22. Earnings per stock unit

Profit per stock unit ("EPS") is computed by dividing the net profit attributable to stockholders of the company of \$83,876,000 (2023: \$132,819,000) by the weighted average number of ordinary stock units in issue during the year, numbering 899,200,330 (2023: 899,200,330).

23. Dividends

	2024	2023
	\$'000	\$'000
Declared and paid at 0.05 (2023: 0.05) cents per share	44,960	44,960
Total dividends to shareholders	44,960	44,960

Notes to the Financial Statements

31 December 2024

24. Related party transactions

(a) The following transactions were carried out with related parties: -

	2024	2023
	\$'000	\$'000
Income:		
Sales to Derrimon Trading Company Limited	22,552	18,543
Interest income from Derrimon Trading Company	7,932	9,105
Interest income from Marnock LLC	1,351	1,664
Purchases:		
Purchases from Derrimon Trading Company Limited	611	1,743
Key management compensation:		
Directors' emoluments	38,820	27,797
Directors' fees	1,600	980
Expenses:		
Rent paid to a company connected to a director	12,440	11,848
Consultancy payments to a related party	8,415	5,973
Dividends:		
Dividend payment to the parent company	29,233	29,233

Notes to the Financial Statements

31 December 2024

24. Related party transactions (continued)

(b) Year end balances with related parties: -

		<u>2024</u>	<u>2023</u>
		<u>\$'000</u>	<u>\$'000</u>
Interest bearing:			
Derrimon Trading Company Limited	(a)	221,816	173,956
Marnock LLC	(b)	<u>53,855</u>	<u>39,747</u>
Non-interest bearing:		275,671	213,703
Derrimon Trading Company Limited	(c)	<u>23,414</u>	<u>23,414</u>
		<u>299,085</u>	<u>237,117</u>

Notes

[illegible]

Form of Proxy

Affix \$100
Stamp
here and
cancel

I/We _____ of _____
Name of Shareholder(s) Address of the Shareholder(s)
being member/members of **CARIBBEAN FLAVOURS AND FRAGRANCES LIMITED** (the “Company”) hereby
appoint

_____ of _____
Name of Proxy Address of Proxy

or failing him **The Chairman of the Board** of the Company as my/our proxy vote for me/us on my/our behalf
at the Annual General Meeting of the Company to be held on **Wednesday September 17, 2025 at 1:00pm** “in-
person” or via Zoom, accessible from our website at **caribbeanflavoursjm.com** and at any adjournment thereof.

Please indicate with an “X” in the space provided how you wish your proxy to vote on the Resolution referred
to. Unless otherwise indicated, the proxy will vote as he thinks fit.

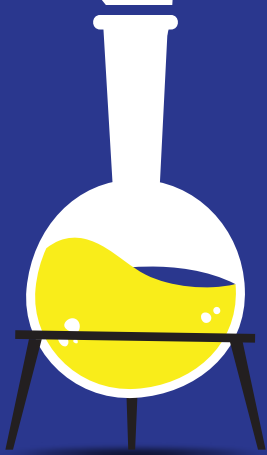
RESOLUTION	FOR	AGAINST
RESOLUTION NO. 1 - Directors’ Report and Auditors Report and Audited Financial Statements		
RESOLUTION NO. 2 - To ratify that the Ordinary dividend paid on 11 October 2024 as final for the year ended 31 December 31, 2024.		
RESOLUTION NO. 3 - Re-election of Director		
Resolution 3a “THAT Mr. Anand James be and is hereby re-elected a Director of the Company.”		
Resolution 3b “THAT Mr. Howard Mitchell be and is hereby re-elected a Director of the Company.”		
Resolution 3c “THAT Mr. Clive Nicholas be and is hereby re-elected a Director of the Company.”		
RESOLUTION NO. 4 - Directors’ Remuneration		
RESOLUTION NO. 5 - Appointment and remuneration of the Auditors		

Signed this ____ day of _____ 2025.

Signature of the Shareholder(s)


NOTES:


1. This Form of Proxy must be lodged at the Registered Office of the Company not later than forty- eight (48) hours before the meeting.
2. Any alterations in this Form of Proxy should be initialed.
3. In the case of joint holders, the signature of one holder will be sufficient but the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint-holders, seniority being determined by the order in which the names stand on the register.
4. If the appointer is a Corporation, this Form of Proxy must be executed under its common seal or under the hand of an Office or Attorney duly authorized.
5. An adhesive stamp of \$100.00 must be affixed to the Form of Proxy.



CARIBBEAN
FLAVOURS &
FRAGRANCES
L I M I T E D

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 (876) 923-4323