GraceKennedy GROUP

Building a Culture of Excellence through Great People

Annual Report 2023

GraceKennedy 2023 Annual Report

At GraceKennedy, we believe that true excellence goes beyond our products and services. It is embodied by the unrelenting spirit of our amazing GK team.

This year, our annual report brings that belief to life, showcasing what excellence means to GK. Gain insights into our team's perspectives on working with purpose, embracing continuous improvement, and living GraceKennedy's core values — *Honesty, Integrity, Trust* — and our *We Care* ethos.

As we reflect on the achievements and milestones of another year at GK, we celebrate our team's remarkable contributions, and the unwavering support of you, our GK Family across the globe.

We are building a culture of excellence through great people.

Our 2030 Vision

To be the number one Caribbean brand with Jamaican roots and a global reach, by building on our core pillars of Foods and Financial Services to provide strong returns to our shareholders and improve the quality of life of our team members, customers and the communities we serve.

Our Purpose

To bring superior products and services to customers that contribute to a better global society and greater financial well-being.

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GK at a Glance 2023

TOTAL REVENUE
$155 BILLION

WHERE WE EARN

JAMAICA	57.3%
NORTH AMERICA	24.5%
EUROPE (INCLUDING THE UK)	11.6%
OTHER CARIBBEAN COUNTRIES	6.5%
OTHER COUNTRIES	0.1%

HOW WE EARN

FOOD TRADING	79%
MONEY SERVICES	6%
INSURANCE	9%
BANKING AND INVESTMENTS	6%

GK received the Governor General's Award for Excellence at the Jamaica Stock Exchange Best Practices Awards for the third consecutive year

Inaugural GK Environmental, Social, & Governance report was published

PERFORMANCE OVERVIEW

PROFIT BEFORE TAX
$11.4 BILLION 11%

PROFIT BEFORE OTHER INCOME
$7.5 BILLION 18%

NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS
$7.8 BILLION 10%

TOTAL ASSETS
$219.5 BILLION 12%

SHAREHOLDERS EQUITY
$79.1 BILLION 9%

73.4%
Employee Engagement Score

Senior Management Positions held by Women
55%

J$30M
in scholarships, bursaries and tuition support awarded, benefitting over 1,600 Jamaican students

1.1 MILLION KILOGRAMMES
of waste prevented from entering the Kingston Harbour by the Kingston Habour Cleanup Project, administered by the GK Foundation

1,100HRS
of counselling delivered to 780 clients by our Grace & Staff Community Development Foundation

4,900
Jamaican university students received support from our GK Campus Connect Food Bank

Chairman's Message

Dear Shareholders,

2023 proved to be a transformative year for GraceKennedy, marked by significant achievements and strategic advancements that have positioned our Company for a promising future. As we reflect on the achievements of the past year, I extend my sincerest gratitude to all shareholders for your unwavering support, which has been instrumental in driving our success.

Notably, in 2023 we surpassed the aspirational milestone of US$1 billion in revenue, a testament to our Company's relentless pursuit of excellence and commitment to delivering value to our stakeholders. The stage is set for GraceKennedy's continued growth and innovation in the years ahead.

Despite the challenges presented by a dynamic global economic landscape, our Company demonstrated resilience and agility, achieving strong financial results across our diverse business segments.

GK Foods performed exceptionally well, while GraceKennedy Financial Group continued to demonstrate growth, with both divisions delivering increased revenue and profit.

I am particularly proud to announce that GraceKennedy was once again honoured with the Governor General's Award for Excellence at the Jamaica Stock Exchange's Best Practices Awards, marking the third consecutive year we have received this prestigious honour. We also maintained the highest possible Corporate Governance Index rating (AA). These achievements solidify our position as a leader in good corporate governance. 2023 also saw the release of GraceKennedy's inaugural Environmental, Social, and Governance (ESG) '*We Care*' report, further reflecting our dedication to responsible corporate citizenship.

These accomplishments are a true testament to the dedication and hard work of the entire GraceKennedy team. On behalf of the Board of Directors, I extend my heartfelt gratitude to Group CEO Don Wehby, our Executive and Senior Management team, Directors, and every member of the GraceKennedy family.

Looking ahead, our team remains guided by our core values of *Honesty, Integrity, and Trust*, and our *We Care* ethos, which are the foundation of everything we do. I am confident that we will continue to create lasting value for all stakeholders.

GraceKennedy remains steadfast in our pursuit of our clear 2030 vision for sustainable growth and global expansion. Our Company is well positioned to seize emerging opportunities and to continue delivering superior value to our shareholders and customers.

"Together, we will continue to build on GraceKennedy's remarkable legacy."

Prof. Gordon Shirley, OJ
Chairman

CEO's Message

> "We are championing improvement and innovation across our business, and remain dedicated to serving the needs of our customers at the highest standard."

GraceKennedy is now a US$1 billion company.

2023 was a good year for GraceKennedy. For the first time in our history, we surpassed the US$1 billion revenue mark, a significant milestone in our journey towards becoming a US$2.1 billion company by 2030.

Our Vision

We have bold ambitions for the future of GK, and we are committed to making our vision a reality. ***Our 2030 vision sees GraceKennedy becoming the number one Caribbean brand in the world*** with 70% of our revenues and profits earned outside of Jamaica.

Notwithstanding a tough global economic climate characterised by high inflation and geopolitical unrest, we made significant strides towards achieving this vision in 2023.

Beyond expanding our food and financial services businesses locally and internationally, the year saw us make considerable progress across several key areas. We improved operational efficiency, successfully executed our mergers and acquisitions strategy, forged valuable partnerships, and accelerated our digital transformation journey across the GraceKennedy Group.

Our Purpose

In 2023, we also made significant strides in advancing our Environmental, Social, and Governance (ESG) agenda. At GraceKennedy, we believe that our purpose goes beyond profits. We strive ***to bring superior products and services to customers that contribute to a better global society and greater financial well-being.*** This commitment, grounded in our enduring *We Care* ethos, is the driving force behind ESG at GK.

Led by our GK Foundation and Grace & Staff Community Development Foundation we also continued upholding our well-established programme of corporate social responsibility, supporting various important causes - education, environmental sustainability, and the upliftment of vulnerable communities.

Our People

None of these achievements would be possible without the people who lie at the heart of our business. At GK, our people are undoubtedly our greatest asset.

Throughout our 102-year history, our GK team has remained central to our resilience and success. Embodying our core values of ***Honesty, Integrity, and Trust***, these amazing men and women consistently go above and beyond, showcasing their unwavering dedication to our Company and those we serve.

In 2023 not only did GK achieve outstanding financial results, but we also achieved a phenomenal employee engagement score of 73.4%. This reaffirms my long-held belief that there is a direct correlation between employee engagement and profitability.

At GK, we are truly ***building a culture of excellence through great people.***

I am incredibly grateful to be leading such an amazing Group. Thank you GK team for all your hard work, together, we are accomplishing incredible things.

Our GK Family

The unwavering support of our loyal customers is the driving force behind our relentless pursuit of delivering world-class products and services that consistently exceed expectations. The collaborative spirit and commitment of our dedicated business partners is a true testament to the power of teamwork. Our 17,000+ shareholders across 30 countries champion our growth and expansion. The communities we serve inspire us and give meaning to all that we do.

To you, our GK family around the world, thank you for continuing to choose GraceKennedy. We value your trust in us and remain committed to creating long-term value for you.

Looking Ahead

As we look towards 2030 and beyond, I am filled with pride in all that we have accomplished. The GK team has embraced the power of our collective strength and with a shared purpose, we fearlessly ***DREAM BIG!*** Together, we are championing improvement and innovation across our business, and remain dedicated to serving the needs of our customers at the highest standard.

GK is poised to realize our vision and to continue making a transformative impact on the lives we touch.

I am excited to see what the future holds for our Company. With this fantastic team, fuelled by a passion for excellence, and the ongoing support of our GK Family, I have no doubt the best is yet to come for GraceKennedy.

Don Wehby
Group CEO, GraceKennedy Limited

Ten-Year Financial Review

	'000 2023	'000 2022*	'000 2021*	'000 2020
Number of Shares (including treasury shares)	994,388	995,129	995,070	995,013
Stockholders' Equity	79,075,571	72,631,931	68,221,622	59,910,259
Percentage change over prior year	8.9%	6.5%	13.9%	14.5%
Market Capitalisation	78,974,295	82,814,635	99,526,901	62,367,415
Total Borrowings	32,436,957	28,318,585	27,988,518	25,233,708
PROFIT AND LOSS ACCOUNT				
Revenues	155,001,024	141,605,669	129,309,871	115,437,341
Percentage change over prior year	9.5%	9.5%	12.0%	12.0%
Profit before Taxation	11,368,397	10,241,577	11,676,117	9,708,975
Percentage change over prior year	11.0%	-12.3%	20.3%	58.4%
Profit after Taxation	8,378,997	7,615,157	8,940,309	6,856,926
Percentage change over prior year	10.0%	-14.8%	30.4%	34.5%
Net Profit Attributable to Stockholders	7,780,931	7,047,748	8,191,519	6,218,055
Percentage change over prior year	10.4%	-14.0%	31.7%	38.6%
Dividends paid to Stockholders	2,152,110	2,001,741	1,911,882	1,585,604
Percentage change over prior year	7.5%	4.7%	20.6%	3.0%
IMPORTANT RATIOS				
Return on Equity	10.3%	10.0%	12.8%	11.1%
Profit before Taxation / Sales	7.3%	7.2%	9.0%	8.4%
Profit after Taxation / Sales	5.4%	5.4%	6.9%	5.9%
Dividend Payout Ratio	27.7%	28.4%	23.3%	25.5%
Earnings per Stock Unit - basic ($)	7.86	7.11	8.27	6.28
Productivity per Employee (US$'000)	25.26	23.01	27.39	22.63
Number of Employees	2,003	2,001	1,984	1,934
Debt to Equity Ratio	41.0%	39.0%	41.0%	42.1%
Shareholders Equity per Stock Unit (excluding treasury shares) : JA$	79.94	73.31	68.91	60.54
Closing Stock Price - JSE : JA$	79.42	83.22	100.02	62.68
Closing Stock Price - TTSE : TT$	4.38	4.49	6.10	3.85
Price-Earnings Ratio	10.10	11.70	12.09	9.98

*Restated

'000 2019	'000 2018	'000 2017	'000 2016	'000 2015	'000 2014
995,005	994,887	994,887	994,887	992,837	993,669
52,326,410	44,614,427	45,222,812	42,063,925	38,047,441	36,533,101
17.3%	-1.3%	7.5%	10.6%	4.1%	11.5%
69,083,197	63,175,325	43,615,846	40,083,997	26,889,363	20,214,540
24,032,254	16,529,313	16,515,615	13,242,037	13,936,107	11,064,160
103,089,893	97,544,731	92,475,652	88,267,589	79,742,230	70,839,886
5.7%	5.5%	4.8%	10.7%	12.6%	5.3%
6,127,595	6,963,025	5,819,562	6,103,330	4,303,813	4,588,432
-12.0%	19.6%	-4.6%	41.8%	-6.2%	-9.6%
5,099,916	5,643,577	4,772,100	4,534,862	3,254,020	3,799,127
-9.6%	18.3%	5.2%	39.4%	-14.3%	0.1%
4,487,389	5,005,915	4,116,101	4,004,539	2,759,498	3,285,174
-10.4%	21.6%	2.8%	45.1%	-16.0%	2.0%
1,539,049	1,339,783	1,121,519	1,010,423	820,030	770,239
14.9%	19.5%	11.0%	23.2%	6.5%	5.9%
9.3%	11.1%	9.4%	10.0%	7.4%	9.5%
5.9%	7.1%	6.3%	6.9%	5.4%	6.5%
4.9%	5.8%	5.2%	5.1%	4.1%	5.4%
34.3%	26.8%	27.2%	25.2%	29.7%	23.4%
4.52	5.05	4.15	4.04	2.78	3.30
18.45	21.74	17.01	16.46	11.80	14.19
1,828	1,789	1,894	1,940	1,996	2,080
45.9%	37.0%	36.5%	31.5%	36.6%	30.3%
52.74	44.98	45.56	42.39	38.36	36.79
69.43	63.50	43.84	40.29	27.08	20.34
3.95	2.90	3.00	2.67	1.35	1.22
15.36	12.57	10.56	9.97	9.73	6.16

Notice of Annual General Meeting

NOTICE is hereby given that the Annual General Meeting of GraceKennedy Limited will be held at the GraceKennedy Headquarters, 42-56 Harbour Street, Kingston, Jamaica and electronically via an online platform which can be accessed via our website at www.gracekennedy.com on **Wednesday, 29 May 2024 at 2:00 p.m.** for the following purposes:-

1. **To receive the Audited Group Accounts for the year ended 31 December 2023 and the reports of the Directors and Auditors circulated herewith.**

   To consider and (if thought fit) pass the following resolution: -

   Resolution No. 1

   "THAT the Audited Group Accounts for the year ended 31 December 2023 and the reports of the Directors and Auditors circulated with the Notice convening the meeting be and are hereby adopted."

2. **To declare the interim dividends paid on 6 April 2023, 16 June 2023, 22 September 2023 and 15 December 2023 as final for the year under review.**

   To consider and (if thought fit) pass the following resolution: -

   Resolution No. 2

   "THAT as recommended by the Directors, the interim dividends paid on 6 April 2023, 16 June 2023, 22 September 2023 and 15 December 2023 be and they are hereby declared as final, and no further dividend be paid in respect of the year under review."

3. **To elect Directors.**

   The Directors retiring from office by rotation pursuant to Article 102 of the Company's Articles of Incorporation are Dr. Indianna D. Minto-Coy, Mrs. Gina M. Phillipps Black and Prof. Gordon V. Shirley who, being eligible, offer themselves for re-election.

   To consider and (if thought fit) pass the following resolution: -

   Resolution No. 3 (a)

   "THAT the Directors retiring by rotation and offering themselves for re-election be re-elected en bloc."

   Resolution No. 3 (b)

   "THAT Dr. Indianna D. Minto-Coy, Mrs. Gina M. Phillipps Black and Prof. Gordon V. Shirley be, and they are hereby re-elected Directors of the Company."

4. To fix the fees of the Directors.

To consider and (if thought fit) pass the following resolution: -

<u>Resolution No. 4</u>

a) *"THAT the amount shown in the Accounts of the Company for the year ended 31 December 2023 as fees of the Directors for their services as Directors be and is hereby approved."*

b) *"THAT the Compensation Sub-Committee, a Sub-Committee of the Corporate Governance & Nomination Committee of the Board of Directors is authorised until the conclusion of the next Annual General Meeting to fix the fees of the Directors."*

5. To appoint Auditors and authorise the Directors to fix the remuneration of the Auditors.

To consider and (if thought fit) pass the following resolution: -

<u>Resolution No. 5</u>

"THAT PricewaterhouseCoopers, Chartered Accountants, having signified their willingness to serve, continue in office as Auditors of the Company pursuant to Section 154 of the Companies Act to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company."

By Order of the Board
29 February 2024
Gail Moss-Solomon
Corporate Secretary

Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint one or more proxies to attend and vote in his/her stead. Such proxies need not be members of the Company. Instruments appointing proxies (a specimen of which has been circulated to members along with the Company's Annual Report) must be deposited with the Corporate Secretary of the Company, at 73 Harbour Street, Kingston, Jamaica, not less than forty-eight (48) hours before the meeting.

Further information on how to participate in this meeting is available on our website at www.gracekennedy.com

Management Discussion & Analysis

"I spend time thinking about the customer's perspective for every claim I process. That way I will ensure that the customer is always top of mind and make sure the claims process is fair, leading to more customers being satisfied with our service."

Shelly-Anne Williams
Operations Officer, Underwriting & Claims,
Key Insurance Company Limited

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Management Discussion & Analysis


The grand opening of Hi-Lo Negril

The inaugural GK Marketplace


Sports, Arts and Culture (SPARC) intra-company football


2023 Business Conference


The relaunch of our GK Internship Programme


The inaugural GK Marketplace

GK One is now Jamaica's number one digital platform for processing remittances

Launch of GK Mutual Funds, a partnership between the Trinidad and Tobago Unit Trust Corporation and GK Capital Management


Sports, Arts and Culture (SPARC) after work jersey party


Unibev Limited


Sports, Arts and Culture (SPARC) Sports Day

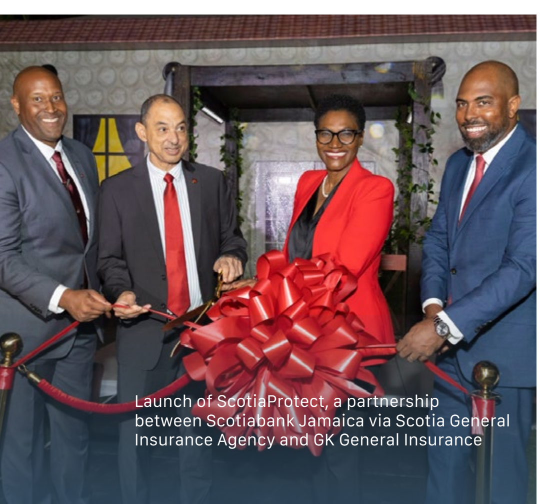

Sports, Arts and Culture (SPARC) Sports Day


Ground-breaking for new solar power system at Grace Food Processors (GFP) Meats in Savanna-La-Mar, Westmoreland, Jamaica.


The Catherine's Peak tent at the Sagicor Sigma Corporate Run. GK increased our stake in Catherine's Peak to 70% in 2023


SPARC intra-company domino tournament

2023 GK Business Conference


Launch of ScotiaProtect, a partnership between Scotiabank Jamaica via Scotia General Insurance Agency and GK General Insurance

Groupwide Data Protection Townhall

GraceKennedy's Campaign Map

2023 → 2024 → 2027 → 2030

GROWTH & SUSTAINABILITY

- Advance digital transformation
- Grow GraceKennedy-owned brands
- Grow international foods business
- Develop strategic partnerships
- Mobilise financial resources
- Grow domestic and regional financial and money services

CUSTOMER CENTRICITY & INNOVATION

- Enhance product development through market-led insights
- Develop global market research capabilities
- Design solutions rooted in consumer needs, attitudes, and behaviors
- Seek cross-product synergies and technological solutions
- Ensure high levels of consumer satisfaction

OPERATIONAL EFFICIENCY

- Develop project and change management skills
- Leverage IT platforms and improve efficiency
- Manage capital effectively
- Enhance risk management and internal controls
- Optimise Group structure
- Target international benchmarking for operational excellence

PERFORMANCE-DRIVEN ORGANISATION

- Maintain accountability and execution culture
- Align all team members with the strategy and vision
- Build expertise to support global expansion
- Align reward system with strategy and performance
- Develop effective leaders and staff at all levels through professional development
- Create an environment conducive to innovation

Management Discussion & Analysis

Disclosures

The management of GraceKennedy Limited is responsible for the integrity and objectivity of the information contained in the Management Discussion and Analysis. The information presented herein has been reviewed by our Group's Audit Committee on behalf of our Board of Directors. Management believes this information represents an objective review of our Group's past performance and future prospects.

All monetary figures are presented in Jamaican dollars, unless otherwise stated.

Who We Are

GraceKennedy Limited (GK) is a publicly listed company on the stock exchanges of Jamaica and the Republic of Trinidad & Tobago. Our Company was founded on February 14, 1922, and is the parent company of a group of subsidiaries operating mainly in the food and financial services sectors - the GraceKennedy Group (or GK Group). Our Group's operations are structured into two divisions:

- Food (GK Foods): Our food division is engaged in manufacturing, distribution, and retail. We manufacture Grace and Grace-owned brands, along with third-party brands at our manufacturing facilities in Jamaica and the UK. We distribute our Grace and Grace-owned brands throughout Jamaica and the wider Caribbean, including Belize and Guyana, as well as in Canada, the USA, the UK, and Europe. In Jamaica, we also distribute products for several major international food brands, and we are engaged in retail through our supermarket chain.
- Financial Services (GraceKennedy Financial Group): Our financial division offers a range of services for businesses and individuals across the Caribbean and the Caribbean diaspora globally. It includes commercial and merchant banking; investment and advisory services; general, creditor life and health insurance; insurance brokerage; and money services, including remittance, cambio and bill payment services.

Performance Measurement

GK's leadership team uses the Balanced Scorecard tool to evaluate and monitor our Group's performance. The Balanced Scorecard focuses on learning and growth, internal processes, customer, and financial objectives.

Learning and Growth:
Our team is critical to our success. We monitor our relationship with our team by tracking employee engagement, retention, and development.

Internal Processes:
By monitoring the efficiency of our internal processes and the effectiveness of our risk management strategies, we ensure smooth operations, proactively identify and address potential issues, and consistently improve the value we deliver.

Customer:
Maintaining focus on our customers and consumers is central to the delivery of our products and services. We monitor customer experience and service levels to ensure that our customers' needs are anticipated and met across all segments of our business.

Financial:
Key metrics linked to our revenue strategy and productivity levels are assessed to measure how well the implementation of our strategy has maximised shareholder value. We monitor revenue earned through existing and new markets, our ability to translate revenue into profit, and our allocation of capital. This is in keeping with our long-term vision to provide our investors with a competitive return on equity.

Key Expectations for 2023

Status Report

2023 was characterised by resilience, growth, and adaptability across GK. Throughout the year, our businesses remained committed to operating at the highest standard, notwithstanding global economic uncertainties associated with high inflation and geopolitical conflicts.

We continued to execute on our purpose *to bring superior products and services to customers that contribute to a better global society and greater financial well-being*. We also remained steadfast in working towards achieving our 2030 vision *to be the number one Caribbean brand with Jamaican roots and a global reach, by building on our core pillars of Foods and Financial Services to provide strong returns to our shareholders and improve the quality of life of our team members, customers and the communities we serve*. We advanced our mergers and acquisitions (M&A) strategy and sustained our focus on supply chain management and diversification.

A summary of our 2023 status is below.

2023 REPORT CARD

GOALS	STATUS
Continuing to grow our businesses through greenfield projects, joint ventures, M&A or strategic partnerships.	Pursuing strong partnerships and strategic acquisitions are key to realising our 2030 vision. In 2023, we executed on several initiatives in keeping with this long-term goal. M&A continued to play an integral role in our growth strategy. Our acquisition of Scotia Insurance Caribbean Limited (SICL), subsequently renamed GK Life Insurance Caribbean Limited, was completed in March. In addition to the seven Caribbean markets GK Life Insurance Eastern Caribbean Limited already served (Anguilla, Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines), GK Life Insurance Caribbean Limited now offers credit protection insurance in the five territories where SICL operated (Barbados, Belize, the British Virgin Islands, the Cayman Islands, and the Turks & Caicos Islands). Both companies operate under the GK Life Insurance brand. In 2023, GK Life Insurance Eastern Caribbean Limited also received regulatory approval to begin operating in St. Maarten, which will add a thirteenth market to its business. In February 2023, we increased our ownership in Catherine's Peak Bottling Company Limited from 35% to 70%. Catherine's Peak Bottling Company Limited, the owner of the Catherine's Peak pure spring water brand, is now a subsidiary of our Group. Additionally, in October, we acquired Unibev Limited, a manufacturing company specialising in fully integrated beverage production.

GOALS	STATUS
Continuing to grow our businesses through greenfield projects, joint ventures, M&A or strategic partnerships.	These acquisitions solidify GK's position in Jamaica's spring water market while vertically integrating our spring water operations. In alignment with our Jamaican food business's growth strategy to acquire strong consumer brands with local and international potential, the acquisitions also further our plan to position GK as a regional leader in food and beverage manufacturing. Several strategic partnerships were also established or expanded. Through World Brands Services, we expanded our partnership with Nestlé Jamaica Limited, increasing our channel and product coverage for the Nestlé portfolio in Jamaica. GK General Insurance Company Limited (GKGI) announced a new partnership with Scotia General Insurance Agency Limited. GKGI is now the underwriter of ScotiaProtect, a new digital platform which allows Scotiabank Jamaica's customers to secure quotations, purchase policies and make insurance claims. GraceKennedy Money Services (GKMS) signed an agreement with Unicomer Jamaica Limited (Unicomer) to offer Western Union (WU) services at its Courts retail stores across the island. This partnership is anticipated to ultimately result in 50 Western Union locations being added to our network, for increased customer convenience. To date, 19 Courts stores provide WU services through this new venture. GKMS also entered into an agreement with Lynk Jamaica to offer WU services through their digital wallet, which is expected to be implemented in 2024. GK Capital Management Limited (GKCM) launched GK Mutual Funds, a partnership with the Trinidad and Tobago Unit Trust Corporation, to offer stable and consistent investment solutions for Jamaicans. In 2023 the partnership between GK Life Insurance and Haven Technologies, a US-based insurance software provider, delivered on its promise to develop cutting edge digital solutions for our life insurance business. Through this partnership, our new core life insurance platform was launched in Antigua in December, which is anticipated to enhance operational efficiency and elevate client experience.

GOALS	STATUS
Bolstering our presence in the Jamaican food market by increasing our reach via various channels, executing strategic partnerships, and introducing new products.	We made significant strides towards increasing the reach and visibility of our food business in Jamaica. Our sales and distribution network was boosted by the addition of over 1,200 new points of sale, and the World Brands Services' agreement with Nestlé yielded positive results. Our food service channel also recorded growth, as we continue to build strong customer relationships and expand our product portfolio. New products were launched in the local market, and we successfully brought the production of Grace Browning in-house. Two co-pack deals were also arranged by our manufacturing business.
Optimising our food distribution channel in international markets through strategic investments, and additional focus on brand building, to increase earnings.	Our international food business continued to focus on the expansion of distribution points with key retailers such as Walmart, Publix, Kroger and ShopRite in the USA, and Asda, Tesco, and Sainsbury's in the UK. We also launched 13 new products on the international market, and continued to invest heavily in our Grace, La Fe, Nurishment and Encona brands.
Accelerating the introduction and adoption of digital products and channels in the Financial Division to meet consumer needs.	Our GK One mobile app continued to perform well, with significant growth in the volume and value of remittance transactions executed via the platform. In its first full year of operation, GK One has become Jamaica's number one digital platform for processing remittances. The app now features peer-to-peer transfers and allows top-ups at Bill Express locations and from bank accounts via the First Global Bank (FGB) Global Access platform. We completed direct digital integration with WU in 2023, making us the first WU agent to establish a direct app connection between our GK One app and WU for digital remittances. We also advanced our plans to expand GK One to four other Caribbean territories, pending regulatory approval. FGB also made notable progress in the digital space, unveiling an end-to-end onboarding process for new customers, and enhanced digital loan application procedures. The bank also launched its CVVKey app, which protects cardholders from fraud by introducing a dynamic security code for online purchases. GKCM launched *GK One Wealth* (gkonewealth.com), an online IPO platform that provides a secure, convenient, and user-friendly way for clients to view and apply for public offerings.

GOALS	STATUS
Executing a cross-selling strategy that effectively introduces and markets our wide range of products and services across the Food and Financial Services Divisions to existing and potential customers.	We continue to build a cross-selling culture across our Group, aimed at improving awareness of our product and service offerings. A data strategy has been developed, which will see further investment by GK in data analytics to provide business insights and drive operational efficiencies. The number of customers transacting with more than one GK company remained on a positive trajectory in 2023, and at the end of December, we had exceeded our cross-selling target by 15%. In September, we hosted our inaugural 'GK Marketplace' at our headquarters in downtown Kingston. The initiative, which is designed to promote cross-selling amongst our team, featured booths from 12 GK subsidiaries and attracted over 280 GK team members.
Improving the capabilities of employees through increased training, leadership development programmes and the strengthening of succession management throughout the Group.	Leadership development and capability building remained a priority, with training programmes offered in key account management, strategic business management, and project management. Over 70% of our permanent team members participated in customised training programmes. Among our key incumbents – those GK team members holding critical and strategic roles – 82% were equipped with strategic skills through specialised training initiatives. Succession planning continued to be a focus area for all companies. Fourteen senior leaders graduated from our Senior Leadership Development Programme, and 81% of our executive management team participated in training. We also strengthened succession planning by deepening our efforts with plans extended beyond the senior management level. We also achieve our highest ever employee engagement score in 2023 – 73%, which is six percentage points above the international benchmark of 67%.
Strengthening the use of change management across the Group through training and certification and the application of change management principles in project management.	We prioritised successful implementation by assigning dedicated change managers to each strategic project in 2023. This was complemented by upskilling key employees in both project and change management practices, with a focus on strengthening technical skills, as well as professional and leadership capabilities. We also provided training in Project Management Governance and Change Management Sponsorship Requirements for our senior leadership team.

2023 Financial Performance

+ 9.5% Record-Breaking Revenue

+ 17.9% Increase in Profit Before Income

+ 10% Net Profit Increase

2023 was a year of significant growth for GK, marked by record-breaking revenue of $155.0 billion, an increase of 9.5% or $13.4 billion over the corresponding period in 2022. With this result, we achieved a significant milestone, exceeding the US$1 billion revenue mark, demonstrating progress towards our 2030 vision of becoming a US$2.1 billion company.

Profit before other income was $7.5 billion, a $1.1 billion or 17.9% increase compared to prior year; while profit before tax (PBT) was $11.4 billion, 11.0% or $1.1 billion higher. Net profit was $8.4 billion, an increase of $0.8 billion or 10.0% when compared to the prior year.

Total assets grew by $23.3 billion to $219.5 billion, while total liabilities grew by $16.5 billion to $136.2 billion. Capital comprised shareholders' equity of $79.1 billion and non-controlling interests of $4.2 billion, compared to 2022, when shareholders' equity was $72.6 billion and non-controlling interest was $3.8 billion. Return on equity was 10.3%, a slight improvement compared to 2022, while earnings per share grew from $7.11 to $7.86.

The Group adopted IFRS 17, Insurance Contracts starting January 1, 2023. IFRS 17 brought significant changes to the accounting for insurance and reinsurance contracts and was adopted with retrospective application. This required the comparative figures for 2022 as well as the opening statement of financial position on January 1, 2022, to be restated.

2023 was characterized by high interest rates, and higher costs across our supply chain and distribution channels. High global inflation also limited the disposable income of remittance customers in our sending markets, leading to reduced foreign currency inflows to Jamaica, which adversely impacted the performance of our remittance business. Despite challenges, GK continued to thrive due to our strategic diversification in both business and geography, resulting in a robust financial performance.

How We Earned

GK earns from four operating segments: Food, Banking & Investments, Insurance, and Money Services. In 2023, revenue increased across three out of four segments, led by strong growth in Insurance. Our Insurance segment saw the biggest percentage increase in revenue, followed by our Banking & Investments and Food segments. Money Services recorded a decline in revenue. Profitability results were mixed, with our Insurance segment showing impressive growth and our Food segment experiencing solid gains. Money Services and Banking & Investments recorded reduced profits.

More details of the performance of our business segments can be found on page 31.

Where We Earned

Revenue by Geographical Area ($ Millions)	2016	2017	2018	2019	2020	2021	2022*	2023	2023 % Contribution to Revenue
Jamaica	45,344	47,657	51,777	57,413	61,635	69,272	78,608	88,644	57.3%
North America	22,218	24,023	24,801	25,760	31,490	34,324	37,112	38,019	24.5%
Europe (including the UK)	14,058	13,863	13,838	12,901	14,404	16,976	16,633	18,024	11.6%
Other Caribbean countries	6,339	6,673	6,941	6,879	7,682	8,529	9,092	10,143	6.5%
Africa and other regions	309	260	188	137	226	209	161	171	0.1%
Total	**88,268**	**92,476**	**97,545**	**103,090**	**115,437**	**129,310**	**141,606**	**155,001**	**100%**

*Restated

GK's vision of being a global consumer group includes achieving 70% of our revenue outside Jamaica by 2030. In 2023, we generated 42.7% of our revenue outside Jamaica. North America accounted for 24.5% of our total revenue, compared to 26.2% in 2022. European markets, including the UK, contributed 11.6% of total revenue in 2023.

Statement of Financial Position Review

During 2023, our Group's asset base increased by 12%, which was mainly attributable to an increase in investments, loan receivables and intangible assets. This expansion was driven by purchased goodwill resulting from the integration of our recent acquisitions, as well as increased investment securities within our Banking & Investments segment to strategically align our portfolio for growth.

The 13.8% increase in GK's liabilities was primarily due to an increase in customer deposits of $7.7 billion and an increase in bank and other loans of $4.1 billion to fund our acquisitions.

The growth in our Group's equity was largely due to net profit attributable to stockholders of $7.8 billion for the year and other comprehensive income for the period of $0.8 billion. The other comprehensive income was primarily due to the remeasurement of post-employment benefit obligations and positive foreign currency translation adjustments related to our overseas subsidiaries.

Stockholder Return

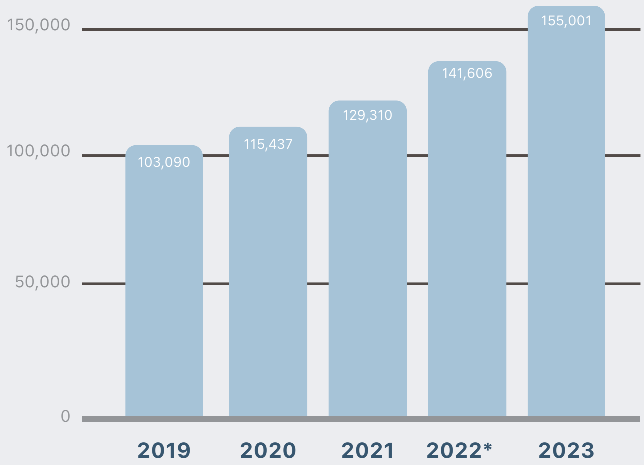
In 2023 trading conditions on the Jamaica Stock Exchange (JSE) main market were challenging, with both total trade value and trade volume experiencing substantial declines of 40.1% and 33.3% respectively. The JSE's Main Index saw a significant drop of 8.5%, primarily attributed to the Central Bank's monetary policies, which were characterised by sustained high interest rates aimed at curbing inflation.

Notwithstanding conditions of the local market, in 2023 GK's stock price recorded a relatively modest decline of 4.6% on the JSE, closing at $79.42 on December 29, 2023 ($83.22 on December 30, 2022). The price-earnings multiple stood at 10.10 times, marking a moderate decrease from the 11.70 times multiple recorded in 2022. At year-end, book value per share was $79.94, and the GK stock traded at a price to book value of 0.99 times, declining from 1.15 times at the end of 2022.

GK's dividend pay-out during the year totalled $2.15 billion or $2.17 per share, the highest amount paid out in our history. A dividend pay-out of $2.0 billion was recorded for the previous year.

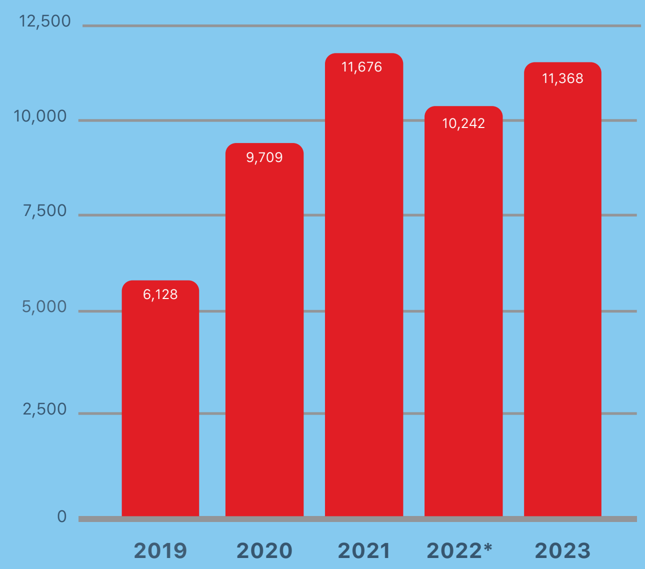
In November 2023 GK began our share buy-back programme, having received the requisite regulatory approval in August. Under the programme, GK is allowed to repurchase up to 1% of our Company's shares in issue, over a period of up to one year. The repurchase of shares will be conducted on the open market through our stockbrokers in Jamaica and Trinidad & Tobago, using cash reserves. We believe that investing in our own Company is a good use of capital for long term returns, as our share price is considered to be trading below its intrinsic value. The share buy-back will support us in achieving our 2030 vision, providing an opportunity to enhance shareholder value by helping to raise earnings per share.

Revenue
JA $ Millions



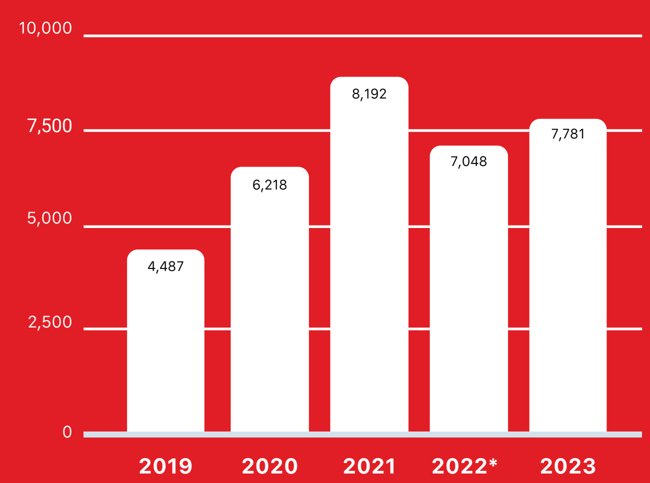
*Restated

Profit Before Tax
JA $ Millions



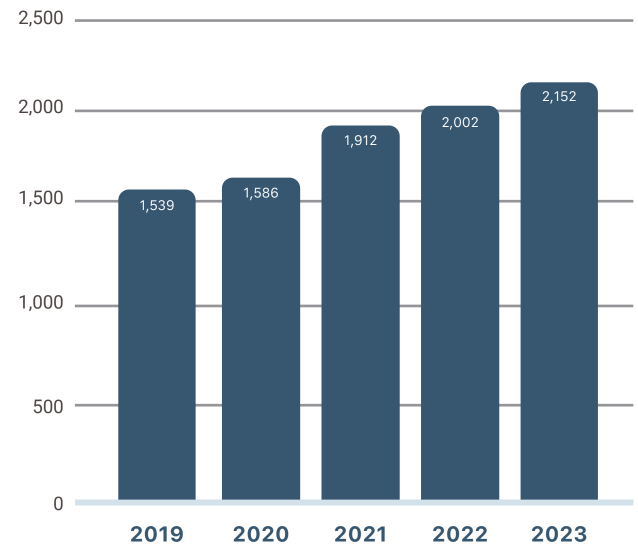
*Restated

Net Profit Attributable To Stockholders
JA $ Millions



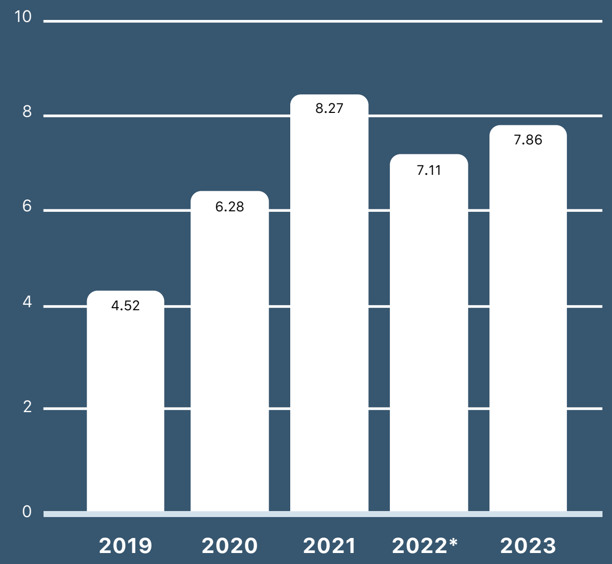
*Restated

Dividend
JA $ Millions



Earnings Per Stock Unit

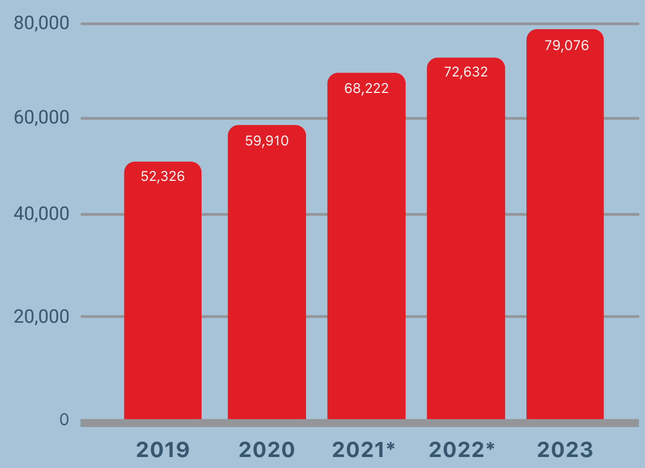
JA $



*Restated

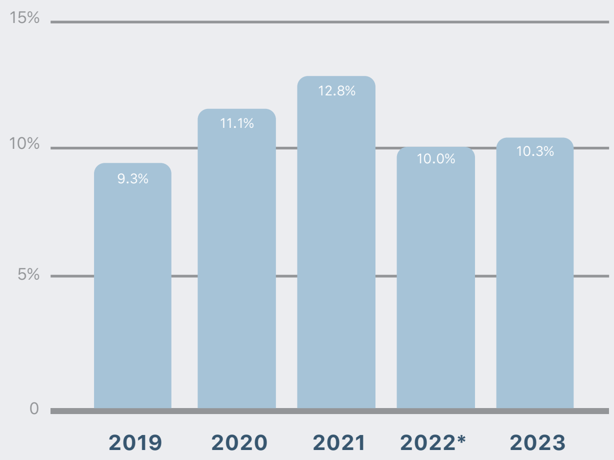
Shareholders Equity

JA $ Millions



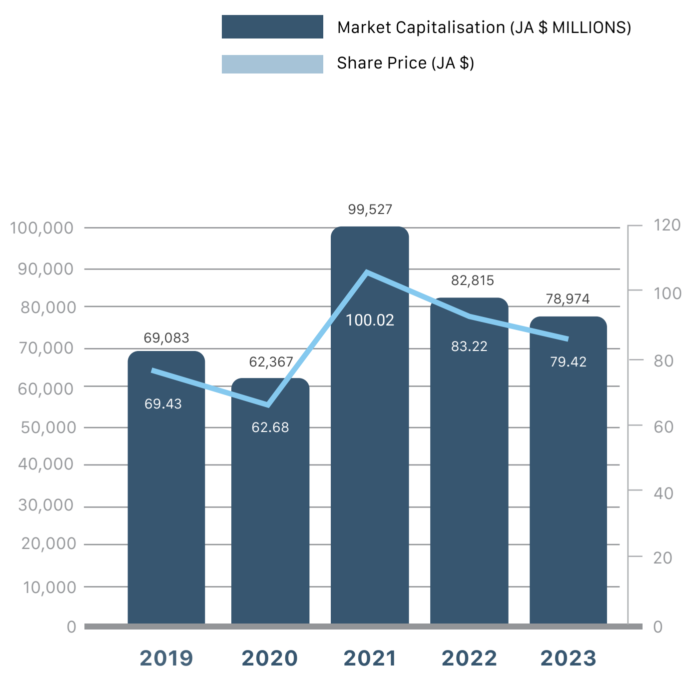
*Restated

Return on Equity



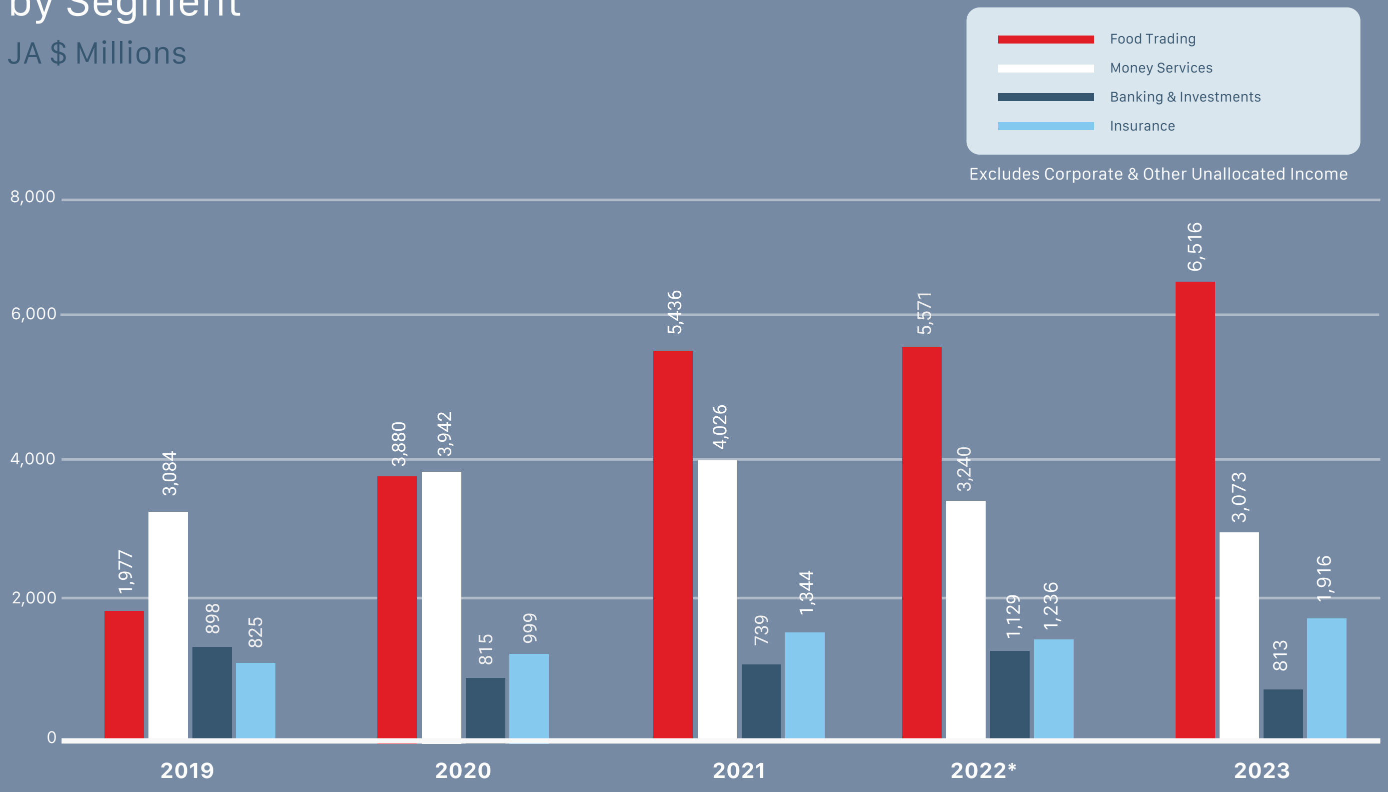
*Restated

Market Capitalisation



Contribution to Pre-Tax Profit by Segment

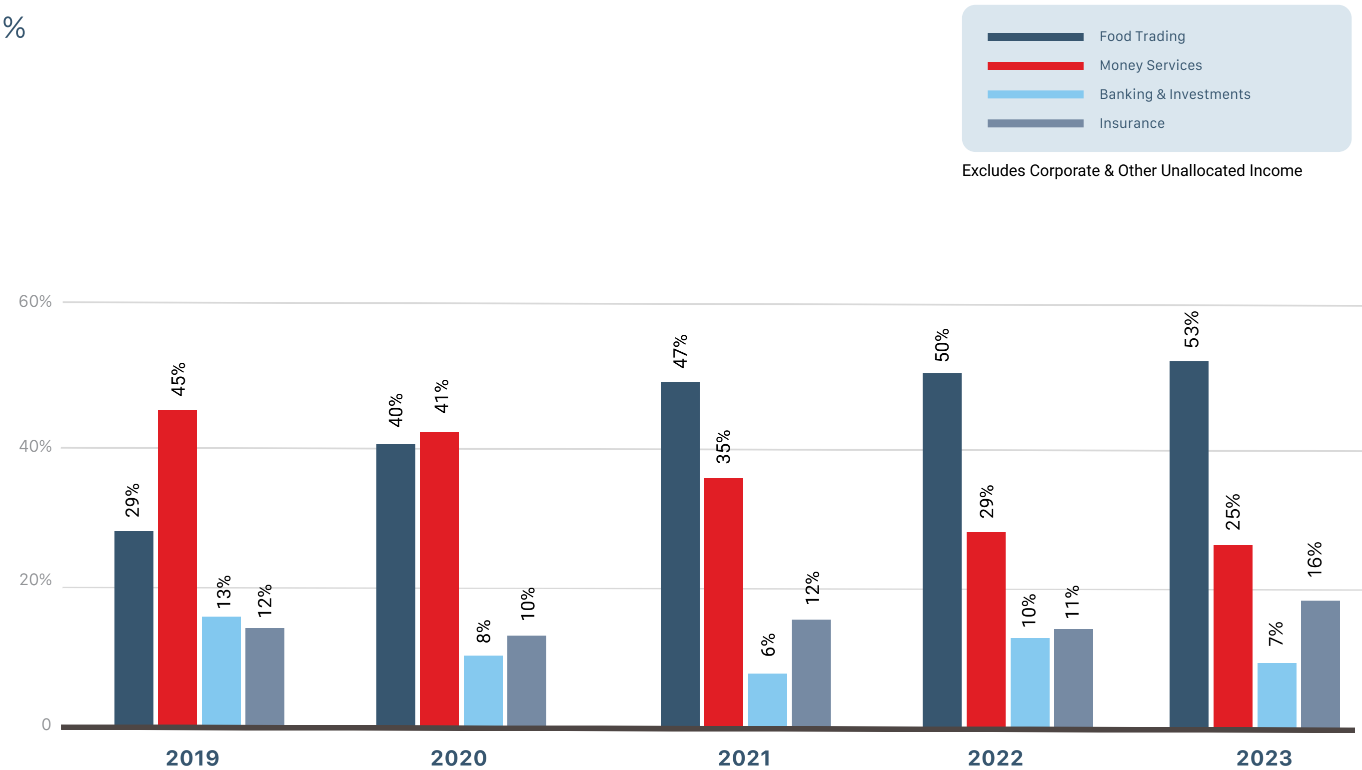
JA $ Millions



*Restated for Insurance Segment

Contribution to Pre-Tax Profit by Segment

%



Segment Analysis

GK earns in four major segments: Food, Banking & Investments, Insurance, and Money Services. The summary segment performance in 2023 was as follows:

- Our **Food** segment reported an increase of 17% in pre-tax profits, primarily due to growth in revenue from key products;
- Our **Banking & Investments** segment reported a 28% decrease in pre-tax profits, mainly due to the impact of unrealised fair value losses on our investment equity portfolios;
- Our **Insurance** segment reported a 55% increase in pre-tax profits, driven mainly by our recent acquisitions in the creditor life insurance business; and
- Our **Money Services** segment reported a decline of 5% in pre-tax profits, partly due to reduced remittance inflows into Jamaica and more competitive pricing.

Pre-tax profit was earned in the following proportions:

Food: 57%, up from 54% in 2022

Money Services: 27%, down from 32% in 2022

Insurance: 17%, up from 12% in 2022

Banking & Investment: 7%, down from 11% in 2022

Corporate & Other: -8% compared to -9% in 2022

Our 'Corporate & Other' activities are unallocated amounts related to corporate central office results, post-employment benefits and share-based payments.

Food

GK's Food segment operates in Jamaica and internationally.

Jamaican Market

In the Jamaican market, GK Foods operates through our sales and distribution businesses, Grace Foods and Services (GFS), Consumer Brands Limited (CBL) and World Brands Services (WBS); our retail business, Hi-Lo Food Stores; and our manufacturing business, which has six facilities in Jamaica: Grace Food Processors (GFP) (Meats), NALCAN, Grace Agro Processors (GAP) (Hounslow), GAP (Denbigh), Dairy Industries Jamaica Limited (DIJL) and Unibev Limited.

Our Jamaican food distribution business saw improved performance over prior year, demonstrating resilience amidst inflationary pressures which impacted consumer spending power. GFS delivered positive results, capitalising on its strong product offerings, improved margins, and effective cost-saving measures. Strategic partnerships, including the agreement to expand Nestlé's product coverage across Jamaica, contributed to WBS' significant growth in revenue and PBT. Similarly, CBL delivered strong growth in revenue and PBT, driven by successful product launches which tapped into new market segments and distribution channels.

Hi-Lo Food Stores delivered a strong performance in 2023, despite inflationary pressures, with our stores in Negril, Liguanea, at the University of the West Indies Mona, and GK Headquarters in downtown Kingston performing notably well.

In 2023, our Jamaican manufacturing business achieved positive outcomes. GFP (Meats) stood out as a strong performer, having significantly enhanced its production efficiency while increasing volumes. GAP Denbigh and GAP Hounslow improved revenue, despite grappling with prolonged and intense weather events in Jamaica, which impacted production; and DIJL also closed the year with revenue exceeding prior year.

The merger of the National Processors and GFP (Canning) manufacturing facilities into NALCAN began to see associated improvements in line efficiencies and utilisation rates. New solar power systems were installed at our GFP (Meats) manufacturing facility in Westmoreland, and our Hi-Lo Food Stores locations in Portmore and Montego Bay.

International Markets

GK's international food businesses also delivered an improved performance in 2023. GraceKennedy Foods (USA) LLC (GK Foods USA) delivered strong revenue and profit, expanding its reach, and boosting revenue across all regions, with our La Fe brand performing particularly well.

Grace Foods UK Limited (GF UK) delivered notably improved results in 2023, driven by the strong performance of our Nurishment brand and its focus on cost containment and improving operational efficiency. GF UK operates a manufacturing plant in Corwen, Wales, which plays a key role in its operations. We are currently exploring ways to improve efficiency and transfer knowledge between our Jamaican and UK manufacturing plants.

Grace Foods Canada Inc. experienced challenges stemming from inflation and supply chain disruptions. Grace Foods Latin America & Caribbean remained a consistent performer, reporting growth across all key markets, while GraceKennedy Belize Limited achieved moderate growth in revenue and profit.

Financial Services

Our GraceKennedy Financial Group (GKFG) demonstrated continued growth in 2023, achieving increased revenue and profit compared to the prior year.

GK's Banking & Investments segment showed mixed results with improved revenue but a decline in profit. Our Jamaican commercial bank, FGB, demonstrated growth during the period. Improved loan and investment yields, coupled with effective cost management, fuelled FGB's improved revenue and profit. SigniaGlobe Financial Group Inc., our jointly owned merchant banking business in Barbados, also ended 2023 with improved profit performance. In 2023, there was a downturn in the performance of the Jamaican equities market which negatively impacted the performance of GKCM. Notwithstanding, our investment and advisory arm continued to demonstrate resilience, and prioritise its customer-centric focus.

A key driver of GKFG's improved performance was our Insurance segment. Our acquisition of Scotia Insurance Caribbean Limited (SICL) in March 2023, subsequently renamed GK Life Insurance Caribbean Limited, played a pivotal role in bolstering our life insurance business.

GKGI also displayed positive results, exceeding revenue and PBT compared to 2022, and Key Insurance Company Limited achieved growth, with revenue exceeding the prior year. In 2023, Canopy Insurance Limited, our group life and health insurance joint venture, recorded its best performance since launch in 2019. Allied Insurance Brokers Limited achieved double-digit growth in PBT.

Our Money Services business, GKMS, reported marginal declines in revenue and PBT in 2023, amidst challenging economic conditions and a downturn in remittance inflows to Jamaica. Several strategic initiatives were executed during the period to protect margins and bolster our remittance business. GK Payment Services Limited, which operates our Bill Express and Coin Exchange brands, saw increased top-line growth in 2023, propelled by a record high in Bill Express digital transactions.

Risk Management & Internal Controls

Our Group faces a diverse range of financial, operational, strategic, regulatory, legal, and reputational risks. In 2023 we remained committed to robust and adaptable risk management, which is key to delivering value for our customers and shareholders. This commitment is reflected in our comprehensive internal control framework which allows us to proactively identify, assess and mitigate potential risks, while ensuring regulatory compliance. By prioritising strong risk management practices, we aim to drive sustainable growth and profitability; maintain operational resilience and agility; and enhance our reputation as a trustworthy company.

Key components of our risk management and internal control framework include:

- conducting regular risk assessments to adapt to the evolving business landscape;
- maintaining a strong governance structure led by our Board of Directors and supported by our Group's Audit Committee;
- implementing a robust system of checks and balances, ensuring clear segregation of duties to prevent conflicts of interest and mitigating fraudulent activities;
- ensuring the accuracy and integrity of financial reporting through meticulous review and verification processes;
- conducting Information Technology (IT) audits to assess the effectiveness of our IT controls and cybersecurity measures;
- conducting internal compliance audits to identify and address any areas of non-compliance promptly; and
- fostering a culture of continuous improvement by regularly reviewing and enhancing internal control processes.

Risk Governance & Culture

GK's commitment to risk management has been reinforced through our Enterprise Risk Management (ERM) programme. Our ERM approach includes the design and implementation of rigorous internal controls, which align with our approved risk appetite statement. We actively work to embed risk considerations into everyday decision-making across our business.

Our risk governance and culture are driven by a strong commitment to:

Promoting Risk Awareness – Our emphasis on risk identification, analysis, and control extends beyond the executive level to instil a culture of risk consciousness throughout our Group. This aims to ensure that our team understands their role in managing risks within their respective areas of operation.

Embedding Risk in Decision-Making – We encourage the integration of risk considerations into strategic decision-making processes. This supports the optimisation of resource allocation, fostering a proactive approach to compliance, and identifying opportunities for value creation.

Encouraging Accountability – Team members at all levels are empowered to take ownership of risks and the implementation of controls to bring residual risks within the established risk appetite. Our team is also empowered to report issues promptly, and actively participate in ongoing improvements of our risk management processes.

Continuous Learning and Improvement – We facilitate professional development; conduct regular risk assessments and reviews of strategic initiatives; and consider the risk exposure and appetite of all segments across the Group. This ensures that our risk governance framework evolves with the changing business landscape.

At GK, everyone is involved in integrating risk considerations into strategic planning, daily operations, and decision making. This makes risk management a natural part of our way of doing things, not just a set of rules.

The diagram on the following page shows GK's risk governance structure in operation, highlighting the interaction between each function.

GK Board of Directors

SETS RISK TONE

- Approves overall risk strategy and risk profile.
- Approves risk adjusted strategic objectives and initiatives.
- Reviews and approves risk policies.
- Establishes desired risk culture.
- Sets and approves risk appetite & tolerances.

GK Audit Committee

EVALUATES RISK EFFECTIVENESS & ASSURANCE

- Collaborates with Internal Audit to ensure risk assurance.
- Endorses overall risk strategy, key risk profiles and risk appetite & tolerances.
- Reviews key policies and recommends for Board Approval.
- Evaluates the effectiveness of the ERM framework.
- Evaluates management actions resulting from audit findings and risk reports.

GK Executive Committee

OWNS RISKS

- Integrates risk considerations into decision making.
- Aligns risks to strategy and objective setting.
- Collaborates with Senior Management.
- Facilitates desired risk culture.
- Implements management actions resulting from audit findings and risk reports.

GKL ALCO

PROVIDES RISK OVERSIGHT

- Manages balance sheet risks.
- Collaborates with ERM Committee.
- Aligns with Board and Executives.
- Develops asset & liability policies.
- Reports on asset & liability risks.

Group ERM Committee

PROVIDES RISK OVERSIGHT

- Integrates risk considerations into decision making.
- Aligns risks to strategy and objective setting.
- Collaborates with Senior Management.
- Facilitates desired risk culture.
- Implements management actions resulting from audit findings and risk reports.

Group Internal Audit

PROVIDES RISK ASSURANCE

- Conducts risk-focused audits.
- Reports on the effectiveness of the ERM framework.
- Evaluates compliance with established policies.
- Recommends improvement opportunities.
- Reports on gaps identified.

Group Risk Management

IMPLEMENTS RISK FRAMEWORK

- Implements ERM framework.
- Facilitates risk assessments and monitors controls.
- Establishes and monitors key risk indicators.
- Instils desired risk culture.
- Continuously improves ERM framework.

GK Foods Divisional Risk Management

IMPLEMENTS RISK FRAMEWORK

- Implements ERM framework.
- Collaborates with Group Risk.
- Instils desired risk culture.
- Facilitates risk assessments.
- Monitors key risk indicators and controls.

GK Financial Services Divisional Risk Management

IMPLEMENTS RISK FRAMEWORK

- Implements ERM framework.
- Collaborates with Group Risk.
- Instils desired risk culture.
- Facilitates risk assessments.
- Monitors key risk indicators and controls.

Enterprise Risk Management Framework

Our ERM framework is aligned with international best practice and focuses on integrating risk management with our strategy and performance. Our comprehensive ERM framework, consists of five components and is the cornerstone of GK's commitment to sound governance, an ethical culture, and strategic alignment.

Mission, Vision & Core Values → **Strategy Development** → **Business Objective Formulation** → **Implementation & Performance** → **Enhanced Value**

Key components of our ERM framework include:

1. **Governance and Culture** – Our Board of Directors plays a pivotal role in setting the tone for risk management for GK, ensuring that governance structures are robust, and promote transparency, accountability, and effective oversight of risk-related activities. Our core values and strong focus on risk awareness are the cornerstones of our culture. We cultivate a work environment where everyone understands the importance of proactive risk identification and open communication. This fosters a shared commitment to ethical behaviour and responsible decision-making.

2. **Strategy and Objective-Setting** – We integrate risk management into our strategic planning process, recognizing that effective risk management is not a standalone function but an integral part of shaping and executing strategy. Our strategic objectives are aligned closely with our well-defined risk appetite which ensures that risk considerations are embedded in our business strategies.

3. **Performance** – We prioritise the identification and assessment of risks that could impact the achievement of our strategic objectives. This includes conducting systematic analyses of potential risks and their severity in relation to GK's established risk appetite. We consider all our risks together to understand our overall risk picture. This assists with identifying the best way to manage those risks, ensuring risk management supports our strategic goals.

4. **Review and Revision** – Periodic reviews of entity performance are integral to our commitment to continuous improvement. These reviews assess how well our ERM framework is functioning and responding to changes. This allows us to identify areas for enhancement, ensuring that we remain agile and effective in navigating the evolving risk landscape.

5. **Information, Communication, and Reporting** – A steady flow of information from internal and external sources empowers our team to make well-informed risk management decisions. Regular reporting provides our businesses with insights into risks, controls, and the overall performance of our ERM framework.

GK's holistic approach to risk management positions our Group to navigate uncertainties effectively, make informed decisions, and drive sustained success across our diverse business sectors.

Risk Balanced Scorecard

Our balanced scorecard drives our ERM reporting, aligning seamlessly with our focus on enhancing stakeholder value. The balanced scorecard has four areas of focus:

1. **Financial** – Cultivating a safe environment in which our team can work towards achieving GK's strategic objectives by:
    - aligning risk management strategies with financial goals;
    - ensuring a secure business environment to safeguard stakeholder interests; and
    - monitoring and reporting on financial risk control efforts.
2. **Internal** – Facilitating risk controls with minimal disruption to business processes by:
    - implementing streamlined risk management processes to enhance efficiency;
    - developing and implementing tools that enable proactive risk identification and controls; and
    - minimising business process disruptions through effective risk management.
3. **Customer** – Equipping stakeholders and informing decision-making by:
    - educating stakeholders on risk implications and opportunities;
    - developing clear frameworks for risk communication and reporting; and
    - providing timely and insightful reporting on emerging risks and opportunities.
4. **Learning and Growth** – Investing in our risk management team by:
    - investing in ongoing professional development programmes;
    - equipping them with tools and technologies for effective risk management; and
    - fostering a culture of continuous learning and growth.

Key Risks

Financial Risks

Financial risks are the uncertainties and potential adverse outcomes that GK faces in managing our financial resources and achieving our financial objectives. These risks arise from various factors and events that impact the financial health and stability of our Group, including market fluctuations, liquidity constraints, credit defaults, interest rate movements, and other variables that can affect the value of assets, liabilities, and overall financial performance. Effective financial risk management involves identifying, assessing, and implementing strategies to address these risks, ensuring our Group's ability to navigate uncertainties and achieve our financial goals.

Market Risks

GK faces market risks tied to fluctuations in market prices, interest rates, or foreign exchange rates impacting the fair value of financial instruments. Volatility in markets also influences the performance of investments and financial assets. We actively monitor market conditions through research as well as our Risk and Treasury teams. These teams conduct extensive research and continuously monitor the price movement of financial assets both locally and internationally. This allows GK to adapt our investment strategies in response to changing market dynamics

Liquidity Risks

Liquidity risks involve challenges in meeting payment obligations linked to financial liabilities and replacing funds when withdrawn. Continuous cash flow measurement, projections, and assessing asset and liability maturities are integral to liquidity risk management. Liquidity risk is closely managed at both the subsidiary and Group level at GK. Appropriate cash flow measurements and projection measures are employed. The maturity of assets and liabilities is also continually assessed to ensure our liquidity requirements can be met.

Credit Risks

GK manages credit risk stemming from customers, clients or counterparties potentially causing financial loss by failing to fulfil contractual obligations. We carefully manage credit exposure, setting limits and placing restrictions on risk accepted for individual counterparties. Credit risk exposures arise from various sources including receivables, lending activities, and investment portfolios. Limits are set on the amount of risk accepted for single counterparties or groups, considering geographical and industry segments. Credit risk is also managed through the establishment of clear standards and credit policies.

Insurance Risks

Insurance risks increase where there is a lack of diversification in type and amount of risk, and its geographical location. To manage this risk, we maintain an appropriate balance between commercial and personal policies, considering guidelines set by the Board of Directors. We also maintain a reinsurance programme to limit our risks across all our business areas, partnering with highly rated international reinsurers. Our Insurance segment continues to actively diversify risks through regional expansion, reducing concentration of its business within specific markets.

Strategic Risks

Strategic risks include challenges that could impede the achievement of our strategic objectives. Strategic risks are proactively managed through an integrated approach embedded within our annual strategic planning sessions at both the subsidiary and Group level. Regular assessments throughout the year ensure that potential risks are identified and addressed promptly. This ongoing strategic risk management process is fundamental to protecting shareholder value and maintaining alignment with our overall business strategy.

Operational Risks

Operational risks arise from inadequate or failed internal processes, people, systems, or external conditions. We address this risk through internal audits, comprehensive Business Continuity Plans and fostering a culture of accountability. These measures aim to minimise disruption to our business operations and ensure effective risk management. All team members are held accountable for managing risk and internal controls. This includes reporting violations of policies, procedures, and laws through our Whistleblowing Policy. Regular internal audits are conducted to provide assurance that risk and internal control frameworks are operating effectively. A comprehensive Business Continuity Plan — which is tested and revised regularly — is in place to minimise disruptions to our business operations, especially during unforeseen events such as natural disasters.

Technology Risks

Technology risks encompass threats to business data, critical systems, and processes associated with the use, ownership, and operation of IT. We address IT risks such as security, availability, performance, and compliance via our Enterprise Information Security Management Framework. This framework ensures robust management of our IT-related risks and includes security measures to prevent unauthorised access or use of our business data. Steps are taken to ensure the availability of critical IT systems, minimising downtime and disruptions. Continuous monitoring of IT systems ensures optimal performance and minimises the risk of reduced productivity. The framework also includes measures to ensure our compliance with laws and regulations governing IT-driven business processes, such as data protection.

Cybersecurity Risks

Our focus has been on providing flexible, up-to-date, and secure technology platforms for our team. In 2023, the number of cybersecurity incidents continued to increase globally, with the Caribbean being one of the top regions to be specifically targeted by cybercriminals. To mitigate against mounting cybersecurity threats, GK engaged additional cybersecurity partners, while continuing to refine and bolster the security of our IT infrastructure.

Specific attention was given to a review and strengthening of our Cybersecurity Incident Management Response Protocols. We also implemented tools to help us manage our new data privacy compliance requirements and ramped up our focus on cybersecurity awareness training for our team. All GK team members and directors participate in mandatory annual cybersecurity training. These initiatives help to ensure the resilience and security of our data IT infrastructure.

Compliance Risks

Compliance risks arise from the potential failure to satisfy laws and regulations governing our business processes. We address these risks by establishing standards for assessing, managing, monitoring, and reporting compliance. Regular compliance audits and reviews are conducted to assess adherence to defined standards and regulatory requirements. Compliance-related issues identified during the audits are addressed promptly.

Significant Activities and Milestones

In 2023, our Group continued to face challenges associated with fluctuating global macroeconomic conditions, fiscal policies, climate change, and a dynamic regulatory and geopolitical environment. Group Risk played a pivotal role in supporting our businesses by proactively identifying risk exposures; and measuring and responding to risks.

Throughout 2023, Group Risk actively supported key strategic initiatives across our Group, solidifying our well-established culture of risk awareness. Some key risk activities in 2023 include:

- Providing transactional support for M&A activities, including due diligence reviews as well as operational, financial, and strategic risk assessments. In 2023 this facilitated GK's successful acquisitions of Catherine's Peak Bottling Company Limited, GK Life Insurance Caribbean Limited, and Unibev Limited.
- Supporting key projects aimed at enhancing efficiency and optimising critical business processes, such as the phase 1 implementation of our Enterprise Resource Planning System, SAP S/4 HANA. This support also extended to subsidiary-level operational efficiency projects.
- Supporting the implementation of supply chain optimization initiatives, with a focus on enhancing our alternate supplier framework to drive competitiveness.
- Developing and implementing GK's Enterprise Privacy Management Framework (EPMF) to address data privacy and protection concerns. This included rolling out our Data Protection Policy, hosting a groupwide Data Protection Townhall to sensitise our team about data privacy principles and best practices, conducting training on data privacy and protection, and supporting the integration of data privacy and protection into our Environmental, Social and Governance goals. The governance structure to support the implementation of the EPMF comprises of an Enterprise Privacy Committee at the executive level, a Privacy Office at the management level, and multiple Data Trust Stewards within our businesses.
- Providing support for GK's diversification strategy and managing concentration and counterparty exposures.
- Ensuring compliance with the evolving regulatory requirements in our food and financial services businesses.
- Strengthening our Enterprise Risk Management Framework by implementing phase 1 of our risk management software, which facilitated the successful migration of our top risks for all GK entities to a standardised risk registry. The software will enable agile methodologies and bolsters our capacity and effectiveness in risk assessments, controls testing and monitoring.
- Continuing the development of our risk team through comprehensive training programmes to equip them with the necessary skills and capacity to support our 2030 vision.

Group Internal Audit

Internal Controls

Our Board of Directors continues to execute on its mandate to ensure a robust internal control framework for GK, and consistently reviews the effectiveness of our Group's control environment. Internal controls are designed to assist in the evaluation, management, and mitigation of the risks to achieving our business objectives and provide reasonable assurance against misstatement or loss.

Our Board of Directors relies on Group Internal Audit (GIA) to reinforce the control framework by providing independent assurance that our risk management, governance, and internal control processes are operating effectively and efficiently. This includes reviews of our IT, security, operational and financial performance, key business, strategic and enterprise-wide risks as well as the compliance framework across our Group.

As an integral part of GK's corporate governance structure, our GIA unit and its activities are guided by a charter which is reviewed annually and approved by our Board of Directors, which it reports to independently (through the Group Audit Committee) on the effectiveness of the governance structure and risk management framework.

GK's system of internal controls is based on the control criteria framework of the Committee of Sponsoring Organizations (COSO) Internal Control Framework and the Control Objectives for Information Technologies (COBIT). This system is designed to provide reasonable assurance that:

- GK's control activities are effectively protecting against unnecessary risks;
- transactions are appropriately authorised and recorded;
- assets are safeguarded;
- clear policy development and good practice for IT controls are in place throughout our Group; and
- accounting records are sufficiently reliable to permit the preparation of financial statements that conform in all material respects with generally accepted accounting principles.

GIA's assessment of internal controls is based on COSO and COBIT, which evaluate the internal control measures adopted by Management, with all audits being conducted in accordance with the International Standards for the Professional Practice of Internal Auditing. Further, Management continues to maintain these internal controls through self-audits and ongoing monitoring.

GIA meets regularly with the various subsidiary audit committees and boards throughout our Group, as well as with the Group Audit Committee, providing information on key risks identified during the audits, along with the implementation status of the recommendations made.

The Group Audit Committee oversees the Internal Audit function, reviewing GIA's assessment of the adequacy and effectiveness of our internal controls, compliance with legal, statutory, regulatory, and other requirements, and management of risk. Control issues identified through the work of the internal and external auditors are reviewed by and discussed with the Group Audit Committee.

The Committee, during its activities, receives reports from various members of Management on significant accounting and tax, legal, regulatory, risk, fraud, and whistleblowing-related matters, as well as matters pertaining to IT and security. The Group Audit Committee Chair reports to the Board of Directors on all significant issues considered by the Committee. The Group Audit Committee met five times in 2023.

The Terms of Reference of the Group's Audit Committee are reviewed annually and approved by the Board of Directors. The various audit committees across our Group have oversight responsibility for:

i. the reliability and integrity of the accounting principles and practices, financial statements and other financial reporting;
ii. internal audit functions;
iii. risk management functions and processes;
iv. qualification, independence and performance of the external auditors of our Company;
v. the system of internal controls and procedures established by Management, and reviewing their effectiveness; and
vi. our compliance with legal and regulatory requirements.

GK's commitment to internal controls, ethics and integrity are reinforced through our Code of Ethics and Guidelines for Business Conduct, Anti-Fraud and Whistleblowing policies and our whistleblowing hotline. GIA in conjunction with Group Security continued to promote our whistleblowing hotline, which is administered by an external provider, as a method of facilitating the anonymous reporting of suspicious activities across our business.

Quality Assurance

GIA prides itself on maintaining the highest standards of audit as dictated by the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing and its corresponding Code of Ethics. The unit's quality assurance programme is documented, continuous, and monitored and reported on to the audit committees across our Group. On an annual basis, GIA conducts detailed self-assessments, and every five years an external assessment of the unit and its work is conducted by a reputable third party.

Significant Activities And Milestones

GIA continued to improve its quality and effectiveness during 2023 with a focus on continued client support and relationship building; and greater use of technology to drive efficiency and widen the scope of areas it reviews. Key activities included ongoing internal quality assurance, consultative and peer reviews, as well as training, certification and education programmes and exposure for the GIA team.

In 2023 GIA also:

- Formulated and agreed with the Group Audit Committee, GK's audit plan, strategy and scope of work; ensuring the annual internal audit plan was designed to assist in attaining our strategic objectives;
- Reviewed compliance with internal policies, procedures and standards, relevant external rules and regulations, and assessed the adequacy and effectiveness of our internal control system;
- Assessed business continuity management at the subsidiary and Group level;
- Conducted assurance reviews and analysed and assessed key business processes, and made recommendations to improve their effectiveness and efficiency;
- Provided strategic support through consultative reviews and participation in strategic planning discussions;
- Reviewed the adequacy and effectiveness of Management's processes for risk management, internal control and governance;
- Provided consultative services for key projects across our Group;
- Reviewed the internal audit charter for possible modification and approval by the Group Audit Committee and Board;
- Reviewed the GIA terms of reference;
- Reviewed means of safeguarding our Group's assets;
- Coordinated audit efforts with and provided support to our external auditors;
- Provided consultative support to Management pre- and post- major system and project implementations, to evaluate the extent to which adequate controls had been incorporated in the respective systems and processes; and
- Conducted formal review of policies, procedures and guidelines related to the internal audit function.

During the period under review GIA conducted 72 audits, with a focus on regulatory compliance, IT governance and security, financial controls, cash management and the general control environment.

Our Team

GK remains committed to attracting, developing, and retaining a high-performing and engaged team. We recognize our Company's success is driven by diverse talents working collaboratively toward a shared objective. Over our 102-year history, our team has played a pivotal role in our growth, demonstrating perseverance and passion in overcoming obstacles.

GK's People Agenda takes deliberate steps to:

- build our workforce capacity and internal systems for sustained growth;
- continuously develop our team's capabilities to address current and future business needs;
- enhance the full employee experience to foster productivity; and
- achieve excellence through value-added human resources (HR) programmes and solutions.

Strategic Talent Development

Capacity building remains a strategic priority for GK, as evidenced by our investment in talent development. In 2023 we partnered with external agencies and professional facilitators to provide development opportunities for our team members based on our strategic skills requirements. Some of the areas of training covered included business analytics, strategic business management, performance management, category management, performance coaching, and strategic thinking and critical analysis.

We also reintroduced our GK Internship Programme, which provides a platform for emerging talent to hone their skills and gain insights that are essential for professional growth. Our Jamaica-based GK Digital Institute Internship Scholarship Programme continued and equipped interns with hands-on experience in the digital space. Both programmes position GK as a hub for cultivating leaders of the future.

Strengthening Leadership Capability

Our Leadership Development programmes successfully progressed, offering our team engaging content, expert facilitation, and diverse learning experiences. Each programme is meticulously designed to align with our vision, fostering a robust leadership pipeline that propels organisational excellence and innovation.

In 2023, our GK Diamonds Programme positively impacted 19 future GK leaders through a focused curriculum fostering personal, technical, and professional growth. Our GK Supervisory Development Programme (SDP) which targets first-tier leaders was introduced to a new cohort of 20 team members, alongside 15 participants from 2022, who are now poised to graduate. Our Great Leaders Development Programme (GLDP) was also introduced to a new cohort of 26 mid-tier leaders in 2023. This programme emphasises practical leadership through blended learning, integrating GK specific scenarios and exercises to ensure relevance and immediate applicability. Fourteen senior leaders also successfully fulfilled the requirements of our Senior Leadership Development Programme (SLDP).

Our pilot Mentorship Programme was rolled out in 2023 and garnered positive feedback for assisting team members in navigating their career paths.

Succession management remains a top priority for GK, and we closely track and enhance the development activities of potential successors, to prepare them for future roles. A robust pipeline of candidates is maintained to ensure that we have the right talent in place.

Team Experience & Culture

In 2023, we recorded our highest ever employee engagement score of 73%, surpassing our previous record of 72% in 2021. This places GK 6% above the international benchmark of 67%, reaffirming our commitment to fostering a rewarding and vibrant work environment and showcasing the dedication and passion of our team.

A positive and engaging workplace culture is fundamental to our success, and we are committed to continually enhancing it and promoting our team's well-being. Our annual Employee Appreciation Week continues to serve as a platform to celebrate our exceptional GK team. In 2023, the event featured virtual and in-person activities, fostering camaraderie and connection across our Group. We also acknowledged the outstanding contributions of our team through enhancements to our recognition programmes and continued our focus on internal mobility as a strategy for our team to maximise their career growth potential.

Sports, Arts & Culture

Our Sports, Arts & Culture (SPARC) programme continued to boost team engagement and foster a strong sense of camaraderie in 2023.

SPARC intra-company sporting events were well received and supported. Hundreds of GK team members representing various GK entities in Jamaica participated in our highly competitive Sports Day in Kingston. SPARC also hosted intra-company netball, domino and football competitions.

SPARC also coordinated GK's participation in the Jamaica Business House Netball Association Competition. The GK team was crowned champions of the knock-out finals, open league rally; and emerged second at the Senior B divisional finals. GK was also represented at the Business House Football League Competition, with our team making it to the semi-finals.

Our Community

Guided by our *We Care* ethos and core values of *Honesty, Integrity, and Trust*, GK strives to be a responsible corporate citizen. We actively support our team members, customers, shareholders, and the communities we serve through various programmes aimed at positively impacting people and our planet.

Environmental, Social & Governance

GK recognizes that Environmental, Social, and Governance (ESG) objectives are crucial for our long-term success, ensuring we operate responsibly and profitably while contributing to a sustainable future for all stakeholders. In 2023 GK continued to advance our ESG agenda, releasing our inaugural *We Care* Report. The report, which has been met with an overwhelmingly positive response, showcases our strong commitment to sustainable business practices. It also introduced seven ESG goals and associated targets, each aligned with one of our five ESG themes and the UN Sustainable Development Goals.

Corporate Social Responsibility

In Jamaica, our corporate social responsibility (CSR) programme is spearheaded by our two foundations, the GraceKennedy Foundation and the Grace & Staff Community Development Foundation. Our subsidiaries also actively give back to the communities we serve around the world. This includes partnering with our foundations on important projects, as well as directly sponsoring charitable and community development projects.

In 2023, we actively invested in the communities we serve by supporting national development projects in Jamaica, as well as local civil society groups such as schools, food banks, and churches in our various markets.

Sports

In 2023, we upheld our unwavering commitment to the advancement of Jamaican sports by supporting significant youth sporting events. For the sixteenth consecutive year, our largest sponsorship remained the ISSA/GraceKennedy Boys' and Girls' Championships (Champs). Additionally, through our subsidiaries FGB and GKGI, we continued our longstanding support of the ISSA Grace Shield under-19 cricket tournament.

On the international stage, GK Foods announced a renewed three-year partnership with the Penn Relays. Held at the historic Franklin Field of the University of Pennsylvania in the USA, the Penn Relays closely follows Champs, providing Jamaican high school athletes a platform to showcase their talents on a global stage.

To learn more about GK's 2023 CSR activities and our ESG agenda please see pages 51 to 64.

Recognition & Awards

In 2023, GK was the proud recipient of the Governor General's Award for Excellence at the Jamaica Stock Exchange (JSE) Best Practices Awards for the third consecutive year. GK and its subsidiaries claimed a total of seven Best Practices awards at the ceremony.

For the JSE's 2022/23 reporting period GK also received the maximum Corporate Governance Index rating score – AA. The index measures how well a company conforms to the various principles of corporate governance.

GK was also honoured with the Governor General's Medal of Honour for our invaluable service to the Office of the Governor General, as well as a Centennial Award from the Jamaica Chamber of Commerce for 100 years of service to Jamaica.

Elsewhere in our Group, we earned a number of international awards. Consumer Brands Limited received Proctor & Gamble's Perfect Stores Award, and World Brands Services received the PepsiCo Go to Market Transformation Award.

The Grace Co-operative Credit Union received the 2023 Credit Union of the Year Award from the Jamaica Co-operative Credit Union League.

These awards demonstrate that GK is not only performing well, but doing so in accordance with the highest standards, guidelines and best practices established by the JSE and industry organisations and as benchmarked against our counterparts around the world.

Future Outlook

Certain statements contained in the Management Discussion & Analysis of financial condition and results of operations are forward-looking statements that involve risks and uncertainties. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about our industries, businesses, and future financial results. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed in other sections of this Annual Report.

Key Focus Areas For 2024

Our team remains focused on our 2030 vision to be the number one Caribbean brand with Jamaican roots and a global reach, by building on our core pillars of Foods and Financial Services to provide strong returns to our shareholders and improve the quality of life of our team members, customers, and the communities we serve. With a robust ESG framework underpinning our 2030 vision, we will continue to live our purpose to bring superior products and services to customers that contribute to a better global society and greater financial well-being. Our core values of *Honesty, Integrity and Trust*, and our *We Care* ethos continue to guide us in all that we do.

GK operates in a dynamic environment, characterised by rapid changes, uncertainty, and complexity. A culture of excellence is critical to fostering agility and resilience amongst our team. Even when there are obstacles that may seem impossible to overcome, the motivation to achieve our vision must be greater than the urge to avoid the challenges. Accordingly, in 2024, our team will be guided by the theme: B**uilding a culture of excellence through great people.**

We will continue to pursue ventures and initiatives that accelerate the pace at which we extract value from our strategic investments and move forward with our long-term strategy.

Our 2024 key strategic initiatives will be:

- driving our GK One mobile app locally and expanding to other territories;
- strengthening our human resources operating model to improve strategic support;
- improving our operational efficiency on a company-by-company basis, with focus on working capital and cash management;
- pursuing growth opportunities through M&A and strategic partnerships, and ensuring the successful integration of acquired companies;
- ensuring growth in revenue and profitability of our international food businesses;
- ensuring growth of our Grace and Grace-owned brands locally and internationally;
- optimising logistics and supply chain management;
- improving the international competitiveness of our manufacturing companies;
- transforming our GKMS business model to dominate the regional money services and payments space; and
- further growing our insurance segment through M&A and expanding into new markets using our new core life insurance platform, while increasing the profitability of recent acquisitions.

Our strategy for 2024 and beyond includes bold ambitions towards achieving our 2030 vision. We continue to align our strategic initiatives with four pillars:

- Growth and Sustainability
- Customer Centricity and Innovation
- Operational Efficiency
- Performance-driven Organisation

Growth And Sustainability

Our growth and sustainability focus continues to be on Digital Transformation, growth of our Grace and Grace-owned brands locally and internationally, and expansion of our Financial Services reach across the region.

A key strategic priority for 2024 will be dominating the regional remittance money services and payments space. Our team will diligently work towards building our customer base to fortify the GKMS and Western Union brands as market leaders.

We will expand digital access to our products and services through the launch of our GK One app in new markets, including Trinidad & Tobago and Guyana. Our Financial Group will also focus on driving regional expansion and bolstering profitability within the Insurance segment.

Our food business will grow the Grace and Grace-owned brands through new product development and an extensive promotional and media campaign. Significant emphasis will be placed on growing our Food Service channel through portfolio expansion, targeting new customers in existing segments, and establishing new supplier relationships and partnerships. There will also be a focus on increasing the profitability of our GK Foods USA, GF UK and GF Canada businesses and extending the footprint of Hi-Lo Food Stores across Jamaica.

M&A continues to play a pivotal role in achieving our long-term strategy. In addition to reaching out to potential acquisition targets and partners directly, our M&A Unit is also working with investment bankers to identify targets in our major overseas markets - North America, the UK, and Latin America and the Caribbean.

Customer Centricity And Innovation

GK remains committed to providing value to our customers by continually offering superior products and services that meet their diverse needs.

In 2024, we will continue to invest in and extract gains from the Grace and Grace-owned brands, with particular focus on the growth of the La Fe brand, to remain relevant and recruit new customers. Our food business will launch new products in new categories, consistent with consumer trends. Healthier, plant-based options, driven by our Better for You product category, will continue to be a key focus area.

We will also continue our focus on customer experience by developing new features and offering additional products in our GK One app. The app provides our customers greater access to and interaction with GK through a convenient, secure, all-in-one digital access point. Several new GK One features are in their pilot phase, including purchasing motor insurance, sending WU remittances, and receiving remittances to a bank account. The multi-lingual feature of our GK One app is also in development and will create additional expansion opportunities throughout the Latin America and Caribbean region.

GKFG will focus on the evolution of a data insights framework to drive new product development and cross-selling. Our financial solutions will be tailored to address the needs of our customers. We will also improve customer experience by enhancing and standardising service quality levels across our Banking & Investment, Insurance, and Money Services segments.

GK will also continue to explore the opportunities made possible for our business, our business planning, and our operations, by recent advancements in artificial intelligence (AI) and robotics, whilst managing the associated risks. An AI Committee comprising representatives from Risk, Legal, IT, and Business Operations has been established to oversee the development of a Groupwide AI governance strategy and policy, and to explore how AI can be leveraged to transform our operations.

Operational Efficiency

Operational efficiency to achieve net margin growth remains a key area of focus area for our Group. We will continue to execute our manufacturing modernization plan to increase export sales, while pursuing insourcing and private label co-packing opportunities, and we are actively pursuing leads to grow this segment further and increase production output. We remain committed to achieving our objective of increasing exports to 50% of our manufactured output by 2025.

Another key strategic initiative for our food business will be the implementation of logistics and supply chain optimization initiatives to improve service levels. This will be achieved through process optimization, technology integration and the expansion of our logistics and warehouse network.

GK continues to invest in core operating systems to drive efficiency across the Group. Our legacy Enterprise Resource Planning System, which was upgraded to SAP S/4 HANA in 2023, ensures that we are using the most up to date technology within our food business. In 2024, we will enhance our use of SAP S/4 HANA functionality to further improve user experience, business intelligence capabilities and operational efficiency. FGB will also commence its implementation of an enhanced core banking system to drive process efficiencies throughout the bank.

We will continue to reduce our reliance on conventional energy sources while creating a more environmentally friendly footprint.

Robust compliance and governance frameworks are important internal controls which will be employed, to ensure that our Group continues to operate at international best standards.

Performance-Driven Organisation

There is a strong correlation between employee engagement and the profitability of our Group. As such, creating a supportive environment for a highly skilled and motivated team is paramount to the success of our strategy.

In 2024, the results of our 2023 employee engagement survey will inform initiatives to improve our team's overall experience at GK.

We will maintain our focus on succession planning by executing development plans to ensure successor readiness. Strategic capabilities that will be relevant for jobs of the future have been identified, and we will continue to strengthen our team's capacity in this regard.

Our HR operating model will also be refreshed to improve strategic support, enhance operational efficiency, and strengthen analytical capabilities for sound decision-making.

GK recognises that our employees are our greatest asset. Our focus on talent acquisition, retention, and employee engagement will continue, and our pilot Mentorship Programme will be expanded.

Risk Management & Internal Controls

As we continue to execute our 2030 strategy, Group Risk will provide continued support to our business by proactively monitoring risks and opportunities and assessing the effectiveness of internal controls.

In 2024, focus will be placed on unlocking additional value from our new ERM software, primarily to conduct control testing and self-audits and monitoring. The software is expected to build capacity within the risk team, allowing for deeper analysis and proactive risk mitigation. Increased use of technology in the form of productivity tools and leveraging data visualisation to monitor key risks will enable faster decision-making and improved risk awareness across the Group.

Further integration of business continuity and ESG risk management activities into the overarching ERM framework will also be an area of focus, including stress testing to ensure proactive management of key risk exposures, with a particular focus on climate-related risks and compliance with regulatory requirements.

Targeted training sessions will also continue, equipping our team to adapt to the changing needs of the businesses and further integrate risk awareness into daily operations.

GIA will focus heavily on our Financial Group, and our Group IT Security and Data Privacy policies, procedures and governance in 2024 and will continue to monitor the following at the Group level:

- continuous risk assessment, enhancing risk management and governance practices;
- key stakeholder priorities;
- compliance; and
- optimising internal audit processes and resources.

In our ever-evolving business environment, GIA will continue to focus on training and leveraging technology to ensure it is equipped to meet new challenges.

Our Communities

GK's commitment to supporting the communities we serve around the world will remain a priority in 2024. To translate our newly established ESG goals and targets into action, cross-functional workstreams will be mobilized to integrate them across our Group. We are also building and refining our monitoring and reporting framework and our annual progress update will be published in late 2024. We will also continue our strong focus on community investment through the work of our Grace & Staff Community Development Foundation, GraceKennedy Foundation, and our subsidiaries.

Our 2030 Vision

GK's 2030 vision of becoming the number one Caribbean brand in the world sees our Group earning 70% of our revenues and profits outside of Jamaica. In 2024, we will continue to work assiduously towards achieving this vision by:

i. Pursuing our goal to list GK on an international stock exchange, as we look forward to significant growth related to our geographic expansion in major food markets across USA, Canada, and the UK;

ii. Expanding our financial services offering within the Caribbean; and

iii. Integrating ESG into our core business strategy to positively impact our global society and enhance the financial well-being of all our stakeholders.

With our highly skilled and motivated team aligned to our core values - *Honesty, Integrity, and Trust* – and guided by our *We Care* ethos, and people at the centre of all that we do, GK is well positioned to achieve our 2030 vision.

Strategic Objectives

	2023		2030
OUTSIDE OF JAMAICA	Revenue: **43%** Profits: **44%**		**70%** of revenue and profits
REVENUES	**US$1.0** Billion	2.1x	**US$2.1** Billion
PROFIT BEFORE TAX	**US$74** Million	3.4x	**US$250** Million
STOCK EXCHANGE	GK listed on JSE & TTSE		List GKFG and GK Foods on Caribbean and major overseas stock exchanges, respectively

Motivate employees to pursue growth, create a better life, attain wealth and achieve common goals.

ESG Integrate Environmental, Social, and Governance (ESG) principles into the core business to enhance long-term stakeholder value.

We Care

Environmental, Social & Governance | Corporate Social Responsibility | Reports from our Foundations

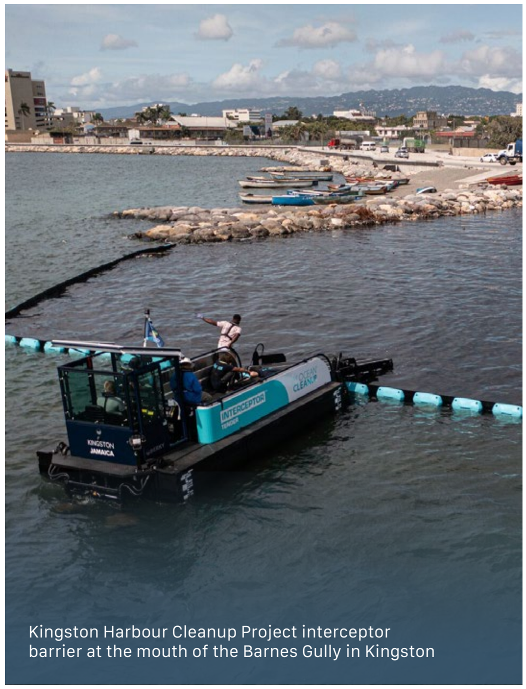
"I unleash excellence by improving customer engagement and delivering superior customer service."

Yanique Brooks
Customer Service Representative, Grace Foods & Services

GK Foods expressed its gratitude to the Jamaica Fire Brigade

Dairy Industries presents Easter packages to the Jamaica Fire Brigade

International Coastal Cleanup Day 2023



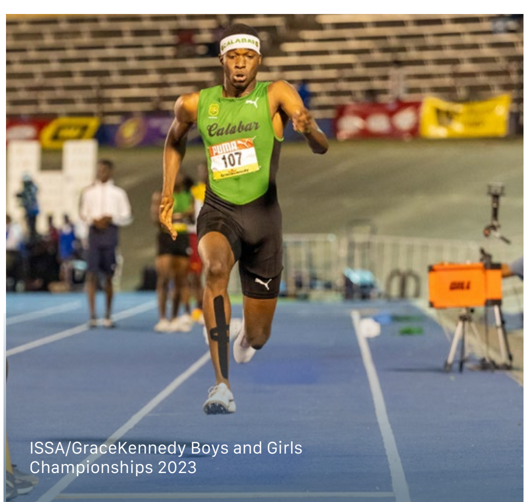
Kingston Harbour Cleanup Project interceptor barrier at the mouth of the Barnes Gully in Kingston

Carlton Alexander Memorial Bursary Awards

Launch of GK's inaugural ESG Report

GraceKennedy Foundation GK Campus Connect Food Bank

Grace & Staff Back-to-School Kick Off 2023



ISSA/GraceKennedy Boys and Girls Championships 2023

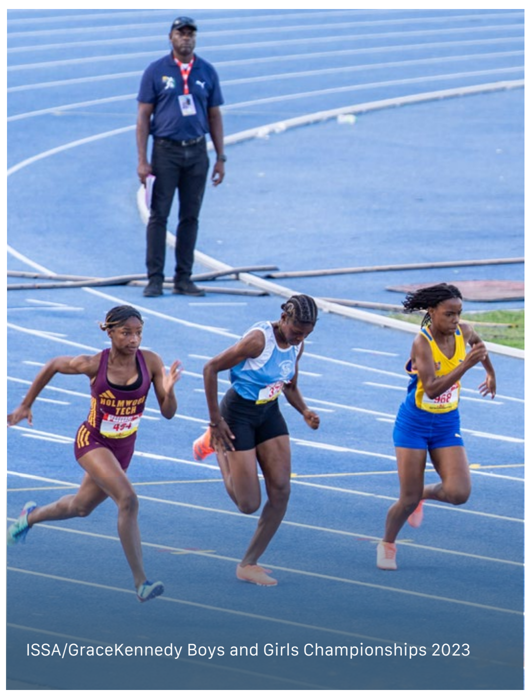
Presentation of the inaugural Luis Fred Kennedy/ Caribbean Maritime Institute scholarship award at the GK Foundation 2023 Scholars Awards Ceremony

2023 GraceKennedy Foundation Scholarship Awards

Presentation of a donation to Project STAR by GraceKennedy

Grace & Staff Community Foundation made a donation to Jamaican netballer, Latanya Wilson, and her family, following the tragic loss of their home to fire

ISSA/GraceKennedy Boys and Girls Championships



ISSA/GraceKennedy Boys and Girls Championships 2023

Don Wehby announced as the first patron of the GK Campus Connect Food Bank

State Minister in the Ministry of Foreign Affairs and Foreign Trade, the Hon. Alando Terrelonge, welcomes the 2023 GK Birthright interns to Jamaica

Carlton Alexander Memorial Bursary Awards

GraceKennedy Foundation wins RJR Gleaner Honour Award for Kingston Harbour Cleanup Project

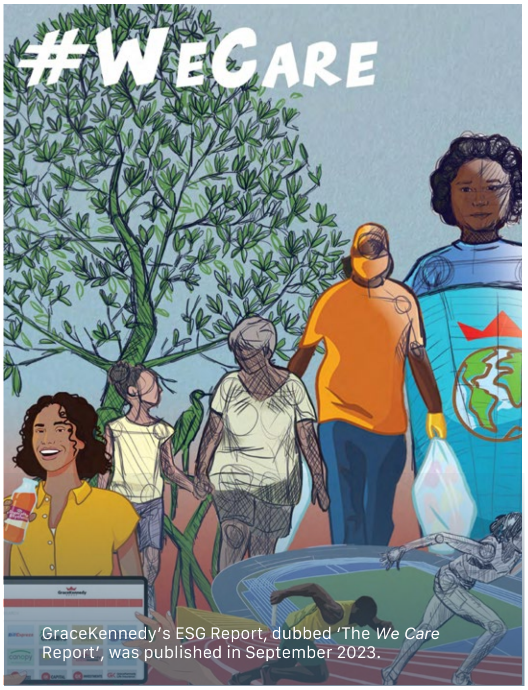
Presentation of GK's cash sponsorship towards the staging of the 2023 ISSA GraceKennedy Boys' and Girls' Champs

Grace & Staff Community Development Foundation Christmas Outreach

Volunteers celebrate their hard word at the GK Foundation Gun Boat Beach cleanup on International Coastal Cleanup Day.

GK Belize supported the Belize City Primary School Christmas Party hosted by the Salvation Army

Grace Foods UK volunteers at the Brixton Soup Kitchen in South London



GraceKennedy's ESG Report, dubbed 'The *We Care* Report', was published in September 2023.

The Grace & Staff team at the "Youth Advancement Through Parenting Education" Workshop in Savanna-La-Mar, Westmoreland.

Grace & Staff Community Development Foundation Christmas Outreach

GK's Mural in Downtown, Kingston was unveiled in 2023

Presentation of a donation to the Rae Town Sports & Recreational Centre Project.

We Care

At GraceKennedy, our core values of *Honesty, Integrity, and Trust*, and *We Care* ethos, are the foundation of our award-winning corporate governance programme. We actively strive to be responsible global citizens, adopting a holistic approach to supporting the well-being of both people and the planet.

Environmental, Social, and Governance

GraceKennedy is on a transformative journey to integrate Environmental, Social, and Governance (ESG) principles into our core business operations. This commitment to sustainability builds on our longstanding good corporate governance practices, and reflect our deep understanding of how ESG contributes to long-term value creation and a resilient future for GK and the communities we serve.

Scan to read our ESG Statement

Following the publication of our ESG statement in 2022, GK conducted our first comprehensive ESG materiality assessment in 2023. This exercise helped us identify the aspects of ESG that are of most significance to our internal and external stakeholders. Based on the assessment, we established seven ambitious ESG goals, each aligned with one of our five core ESG themes. These goals are accompanied by preliminary targets that outline our initial steps towards achieving our comprehensive ESG strategy.

THEME	GOAL	TARGETS
Adhering to the Highest Standards of Integrity	Build on our core values of *Honesty, Integrity and Trust* by enhancing our robust corporate governance framework	Build a hub on the GraceKennedy website where stakeholders can engage with our ESG materials, including policies and reports, by December 2024. Broaden our existing stakeholder engagement programme to support the ongoing assessment of our ESG priorities, by December 2024. Develop and implement a framework for monitoring and integrating stakeholder feedback on ESG, by December 2024. Publish a Group Environmental, Social, and Governance Policy, by December 2025.
Providing a Safe, Diverse and Respectful Workplace	Be an employer of choice by fostering a work environment where our team feels safe, respected, and valued for their unique contributions	Launch an integrated Group Health, Safety and Wellness Policy, by December 2025. Roll out diversity training for all GK businesses, by December 2024. Maintain an employee engagement score in line with international benchmarks.

THEME	GOAL	TARGETS
Promoting Responsible Products and Service	Build trust and inspire confidence among our stakeholders by fostering a culture of responsible data use and bolstering our privacy and data security framework	Launch our Group Data Protection Policy, by December 2023. Bolster Cybersecurity and Data Privacy awareness among our GK team and external stakeholders, by December 2026, and on an ongoing basis.
	Empower our customers to realise their financial goals by expanding the reach of our financial literacy programmes	Transform our GK Money Sense financial literacy social media campaign into a comprehensive training programme delivered across multiple channels with a broad reach by December 2025.
	Provide multi-cultural food offerings that enhance the well-being and wellness of our consumers	Improve the nutritional profile of our product portfolio by developing and implementing an accelerated Better for You product development strategy aimed at reducing fat, salt, and sugar in existing and new products, by December 2025.
Being Environmental Stewards	Reduce our environmental impact by increasing our efficient use of natural resources, expanding our sustainable packaging and recycling initiatives, and reducing our carbon footprint	Develop and initiate the implementation of strategies to reduce the use of virgin plastic in products we manufacture internally and through third parties, by December 2024. Launch a sustainability strategy for all GK businesses, including policies and programmes focused on and reducing the environmental impact of our operations and products, by December 2025. Expand programme for measuring and tracking scope 1 and 2 greenhouse gas (GHG) emissions across the Group and implement GHG reduction strategy for all GK businesses, by December 2026.
Enabling Inclusive and Vibrant Communities	Improve the quality of life in the communities we serve by increasing volunteerism and investment in initiatives that promote access to education, healthy lifestyles, environmental sustainability, and community development.	Launch an online portal within the ESG hub which tracks the corporate social responsibility (CSR) activities being undertaken across the Group, by December 2024. Increase the number of volunteer hours our team contributes to the communities we serve to 4000 hours per annum, and the value of our community investment to J$370 million per annum, by January 2030.

In September 2023, we proudly published our inaugural ESG "*We Care*" report, outlining GK's ESG journey to date, and detailing our goals and targets and the process by which they were established.

Scan to read our ESG Report

Corporate Social Responsibility

In Jamaica, our impactful corporate social responsibility (CSR) programmes are led by our dedicated foundations, the Grace & Staff Community Development Foundation (Grace & Staff), and the GraceKennedy Foundation (GKF). Details of the initiatives undertaken by both Foundations in 2023 are available on pages 59 to 64.

Scan to read our CSR Policy

Our subsidiaries in Jamaica and overseas also directly engage with the communities in which they operate through various CSR initiatives.

We Care at Home

Champs

The ISSA/GraceKennedy Boys' and Girls' Championships (Champs) continues to be GK's largest annual sponsorship, as we remain committed to youth development through sports in Jamaica. In 2023 over 3,200 students participated in the event, with many new track and field stars emerging and smashing records along the way.

GK invested over J$170 million in Champs 2023, including contributions and executions from Grace Foods, Western Union, and First Global Bank. A special award for the schools breaking the most Champs records was introduced, with funds being allocated to enhancing digital curricula at the schools of the winning athletes. GFS also provided its usual catering and hydration support for development meets leading up to Champs.

Project STAR

In 2023 we announced our J$15 million donation to Project STAR, a partnership between the PSOJ and the Jamaica Constabulary Force aimed at bringing about social and economic transformation in Jamaica. The donation will support Project STAR in its mission to uplift and empower underserved Jamaican communities through focused interventions.

Back-to-School Support

Ahead of the 2023/2024 academic year GK announced our investment of over J$64 million in back-to-school support, further showcasing our Group's dedication to education. This included the expansion of our Grace & Staff tuition assistance programme, and tertiary scholarships and bursaries awarded through GKF. The GraceKennedy Financial Group and GK Foods - Domestic also contributed to back-to-school initiatives through scholarships, community fairs, and donations.

Other Community Support

GK Foods' 2023 'Graceful Wish' campaign encouraged the public to submit projects aligning with its theme 'creating memorable moments by connecting families' in the areas of early childhood education, community development, and youth development through sports. Through the campaign, five projects received a share of J$4 million, while others were supported with Grace products. GK Foods also expressed its gratitude to the Jamaica Fire Brigade for their bravery during the active 2023 fire season by donating Grace and DIJL products.

Emphasising GK's ongoing commitment to education, GK Foods provided support to various Jamaican academic institutions, including donations to Providence Methodist Early Childhood Institution in Kingston, Spanish Town Primary School in St Catherine, Pembroke Hall Primary School in St Andrew, and Petersfield High School in Westmoreland by Hi-Lo Food Stores, WBS, DIJL, and GFP Meats, respectively. Grace Foods Latin America and the Caribbean also aided the children living at Reddies Place of Safety in Kingston through cash and kind donations to the home.

Within our financial group, our GKMS team in Jamaica supported football and community development through their sponsorship of the Portland Western Union Major League Football competition and emphasised our commitment to promoting literacy through their annual support of the Little Bee spelling competition for children. Additionally, 20 team members from GK General Insurance, GKCM, and the Grace & Staff Foundation volunteered their time and efforts at the 2023 Labour Day project, which focused on beautifying the End Time Basic School in Kingston.

We Care Abroad

In the US, GK Foods USA supported the American Friends of Jamaica Gala, which is an annual fundraiser for various Jamaican charities, whilst other donations supported various groups including churches, business associations and community groups near their operations. Initiatives in the Northeast USA also included a Coat Drive and Toy Drive. Meanwhile in the UK, Grace Foods UK contributed to the Brixton Soup Kitchen Food Bank with product donations and volunteer support.

In the Caribbean, GraceKennedy Belize supported the Salvation Army's Christmas parties which impacted 650 children. GK Trinidad & Tobago's community initiatives included support of the Living Water Community Food Drive, which donated critical non-perishable items to aid socially displaced individuals, and hosting an Annual Christmas Toy Drive, distributing gifts to children in need. SigniaGlobe's ongoing developmental project with the Barbados Cricket Association facilitated player growth both on and off the field through donations and sponsorship of workshops, highlighting the company's commitment to community development.

Grace & Staff Community Development Foundation Report

"At Grace & Staff, excellence means weaving compassion into the fabric of the communities we serve, recognising the potential in every individual and fostering an environment where they can thrive. My role goes beyond providing assistance; it involves empowering those we serve to envision and achieve a brighter future for themselves and their communities, listening attentively, asking powerful questions to inspire individuals to explore new ideas and approaches which leads to transformation, practicing empathy, being proactive and solution oriented, embrace changes as they arise and pivot and being committed to learning and growing which enhances my capacity to serve in fulfilling the mandate of the Foundation."

Marjaalaine Francis
Social Worker, Grace & Staff Community Development Foundation

Grace & Staff Community Development Foundation Report

The Grace & Staff Community Development Foundation (Grace & Staff) was established in 1979 in response to deteriorating social and economic conditions in communities adjacent to GK's headquarters in downtown Kingston. The Foundation is a partnership between GraceKennedy and our team and has expanded its reach over the years to communities surrounding GK's operations across the island.

Throughout 2023 Grace & Staff continued to empower Jamaican youth and uplift the communities it serves, using education, community outreach, and volunteerism as catalysts for change and development.

Education

Investing in Jamaica's future through tuition support

Grace & Staff's tuition support programme is specifically designed to alleviate financial barriers to education, to ensure that its student beneficiaries can pursue and achieve their full academic potential. In 2023 the Foundation expanded the support offered under this programme to encompass 1,563 Jamaican students, comprising 1,410 secondary and 153 tertiary students.

The Grace & Staff Chairman's Scholarship

Grace & Staff has also significantly expanded its tuition support by introducing its Chairman's Scholarship programme. The programme awarded J$100,000 scholarships combined with mentorship opportunities for 24 high-achieving Jamaican fifth-form students in 2023. The initiative goes beyond offering financial assistance, fostering the academic development and future aspirations of talented young Jamaicans. By providing personalized mentorship and guidance, Grace & Staff is equipping the scholarship recipients with the skills and support necessary to succeed in their future academic endeavours and chosen career paths.

Empowering Students at our homework centres

Serving an average of 400 students on a weekly basis in 2023, up from 300 in 2022, Grace & Staff's homework centres are a cornerstone of the Foundation's educational support framework, offering a hybrid approach to learning that incorporates both traditional and digital methodologies. This innovative model allows Grace & Staff to cater to the diverse learning needs of its students, facilitating a learning environment where they can thrive. There are six Grace & Staff homework centres, located in Majesty Gardens, Tower Street and Barbican in Kingston; Dela Vega City and Quarry Hill in Spanish Town; and Paradise in Westmoreland.

Cultivating tomorrow's innovators with STEM education

STEM Pop up Clubs

Recognizing the importance of fostering early interest in Science, Technology, Engineering, and Mathematics (STEM) fields, in 2023 Grace & Staff partnered with Bricks 4 Kidz to launch STEM Pop-Up Clubs across four target communities: Majesty Gardens, Quarry Hill, Dela Vega City, and Barbican. Delivered as five-week programmes, the pop-up clubs offered engaging and educational STEM activities, successfully reaching over 80 Jamaican children. Through the interactive and educational use of Lego®, participants delved into the world of STEM to gain a deeper understanding of complex concepts. The hands-on approach facilitated learning and fostered interest in these critical fields among the programme's participants.

STEM Centre

The GraceKennedy STEM Centre in downtown Kingston, Jamaica, which is operated by Grace & Staff, has provided a fertile ground for young minds to experiment, discover, and nurture their talents in these critical disciplines since 2014. In 2023 Grace & Staff hosted a comprehensive suite of programmes and activities at the centre, igniting curiosity and creativity in 100 student participants.

Uplifting Early Childhood Institutions

Grace & Staff successfully implemented 14 impactful projects in Jamaican early childhood institutions in nine parishes, significantly improving their infrastructure and providing young learners with essential resources to thrive. The projects supplied learning kits and essential equipment like stoves, refrigerators, and water tanks for the schools' daily operations, along with upgrades to their playgrounds. Additionally, seven of the targeted schools received support for their breakfast programmes through a partnership with GK Foods, ensuring vital nutritional support for their students.

Community Outreach

Spreading Christmas Cheer in Jamaican Communities

GraceKennedy's Christmas outreach in Jamaica, which is coordinated by Grace & Staff each year, touched the lives of nearly 1000 community members in 2023. The activity delivered Christmas cheer and care packages to those in need living in the communities of Central Kingston, Craig Town, Majesty Gardens, and Payne Avenue in Kingston, and Spanish Town in St Catherine.

Grace & Staff also hosted a Christmas treat for 45 students and 10 staff members at the St. Anne's Infant School in Denham Town, Kingston.

Approximately 126 volunteers from the GK group volunteered for our 2023 Christmas Outreach activities.

Fostering wellbeing through psychosocial support

Grace & Staff's counselling services provided support to 780 individuals in 2023, including direct beneficiaries, community members, and GK team members. The Foundation also has 85 dedicated mentors in our mentorship programme, which establishes crucial connections between youth and positive role models, to make a lasting impact.

Reflecting on 2023, Grace & Staff celebrates not only its own efforts, but the invaluable support and dedication of our partners, volunteers, and the communities we serve, which remains indispensable to its mission of making a meaningful difference in the lives of Jamaicans.

GraceKennedy Foundation Report

"For the past 10 years I have been working at the GraceKennedy Foundation. We are small team with a big impact. We strive for excellence in everything we do. Giving my very best isn't just my job; it's my dream, passion, and purpose. It's about intertwining purpose into every project that I do, showing that true excellence comes from heartfelt dedication and service to others."

Crystal-Gayle Williams
Project Officer, GraceKennedy Foundation

GraceKennedy Foundation Report

The GraceKennedy Foundation (GKF) was established in 1982 to mark the 60th anniversary of GraceKennedy. The Foundation's mission is to support GraceKennedy as a corporate citizen by spearheading initiatives aimed at fostering environmental sustainability, promoting healthy lifestyle choices, and expanding educational opportunities in Jamaica.

In 2023, the Foundation continued to create positive impact at the national level through its effective programmes.

Environment

The Kingston Harbour Cleanup Project hits 1 million kg milestone

A collaborative effort spearheaded by GKF, The Ocean Cleanup, and Clean Harbours Jamaica, with support from the public and private sectors, the Kingston Harbour Cleanup Project aims to stop solid waste from entering the Kingston Harbour in Jamaica. The project's strategy includes installing waste-trapping technology at seven of Kingston's most polluted gullies, effectively reducing the influx of solid waste and plastics into the harbour.

Since its launch in 2022, this pioneering initiative has achieved remarkable success, collecting over one million kilogrammes of waste to date. The project's impact also extends beyond solid waste removal. GKF has also organized beach cleanups along the Kingston Harbour coastline under the project, that have attracted more than 1,800 volunteers. The cleanups have not only collected of over 33,000 kilogrammes of garbage, they raise awareness of Jamaica's solid waste management challenges among participants.

In recognition of its work under the project, the Foundation was honoured with the prestigious 2022 RJRGleaner Honour Award in the Science and Technology category in 2023.

Supporting conservation efforts through the James S. Moss-Solomon Snr Chair in Environment

Under the leadership of Professor Mona Webber, our James S. Moss-Solomon Snr Chair in Environment at the University of the West Indies (UWI), Mona, the Foundation continued to facilitate marine science research and environmental conservation efforts, including mangrove monitoring and coral assessments in 2023. These environmental initiatives advance scientific knowledge and provide opportunities for academic development.

Championing Environmental Stewardship at GK

GKF continued to roll out its Earth365 initiative in 2023, which symbolizes GK's dedication to environmental sustainability. Under the Earth 365 banner in April GKF hosted Earth Week at GK, which featured a series of environmental messages and engagement activities targeting the GK team and our social media followers. GKF also continues to promote recycling at GK, facilitating the collection of plastic for recycling from 14 GK subsidiaries located in Kingston.

To mark International Coastal Cleanup Day, which was celebrated on September 16 in 2023, GKF staged its annual beach cleanup activity at the Gunboat and Buccaneer beaches in Kingston. Over 480 volunteers, including 135 GK team members and their families, joined forces with public and private sector organizations and non-governmental organisations to remove over 6,000 kilogrammes of waste from the coastline.

Promoting Healthy Lifestyles

Nourishing university students in need

The GKF operated GK Campus Connect Food Bank continued to play a vital role in supporting Jamaican university students in need. In 2023 the Food Bank provided monthly food packages to 250 students studying at UWI Mona, the University of Technology (UTech), and Edna Manley College of the Visual and Performing Arts (EMCVPA). Since its launch in 2019, over 5,000 packages have been distributed by the Food Bank and over 12,000 students have benefited from direct donations and partnerships with campus initiatives.

In April, GK Group CEO, Don Wehby, was announced as the first patron of the GK Campus Connect Food Bank. In this new capacity, Mr Wehby is playing an active role in attracting support for the Food Bank.

Education

Investing in the Future through scholarships and bursaries

In September 2023, scholarships valued a total of J$27 million were awarded to support 90 Jamaican university students attending UWI Mona, UTech, EMCVPA, Northern Caribbean University and the Caribbean Maritime University. Thanks to the generosity of the Kennedy family, and in partnership with GraceKennedy, the Luis Fred Kennedy Endowment Fund was established in 2023 to provide a four-year scholarship to a student studying at CMU. Seventeen laptops valued at J$2.3 million, were also donated to GKF Scholars in need.

Additionally, 21 children of GraceKennedy team members received bursaries valued at J$2.1 million, through the Carlton Alexander Memorial Awards in August.

Empowering students to reach their full potential

The GK Campus Connect programme was implemented in 2019 to deepen the connection between GKF's scholarship recipients and GraceKennedy.

Through the programme, 25 former GKF scholars have been employed across GraceKennedy, demonstrating its effectiveness in providing valuable hands-on training and launching careers for young Jamaican professionals. Under the programme, in 2023 six tertiary students pursuing degrees in digital related fields were selected for internships at the GK Digital Factory.

GKF also hosted its Campus Connect Making the A Grade Health and Wellness Seminar, in January 2023 which delivered informative sessions on health, nutrition, and stress management to over 200 university students.

Through GKF's Ace with Grace tutoring programme and its other outreach activities, GKF scholars completed 3,130 hours of community service in 2023.

Connecting young people with their Jamaican roots

GKF hosted four university students of Jamaican heritage from the USA, UK and Canada for its annual Jamaican Birthright Programme during the summer of 2023. The five-week professional and cultural internship programme offers second and third generation Jamaican university students the unique opportunity to gain hands-on experience interning at GK, while immersing themselves in Jamaica's culture through Heritage Pathway Tours, reggae festivals, and Independence celebrations.

GKF concluded 2023 with a remarkable year of environmental stewardship, promoting healthy lifestyles, and expanding educational opportunities. From championing sustainable practices and supporting students in need to fostering cultural connections, GKF's unwavering commitment to Jamaica continues to shine through its multifaceted approach.

Leadership Team & Corporate Data

"I believe I have a responsibility to continuously collaborate and provide support to ensure the smooth functioning of our office, allowing our team to focus on their respective tasks as we work towards achieving our Vision. I am very privileged to be part of a great team of people and to witness firsthand the pivotal role each of us play in building a culture of excellence."

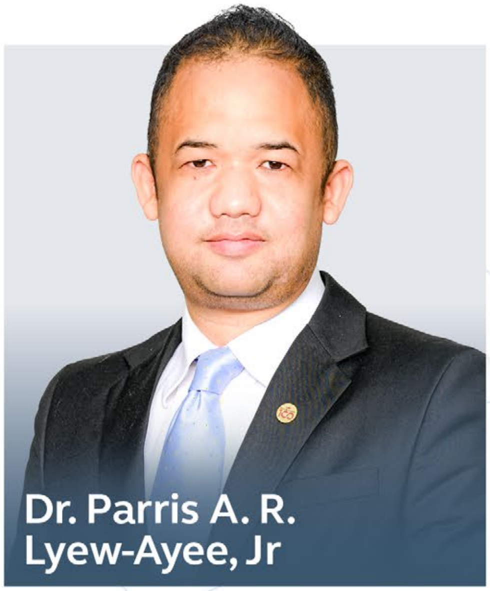
Camile Mundell-Barrett
Executive Assistant to Group CEO, GraceKennedy Limited

Board of Directors

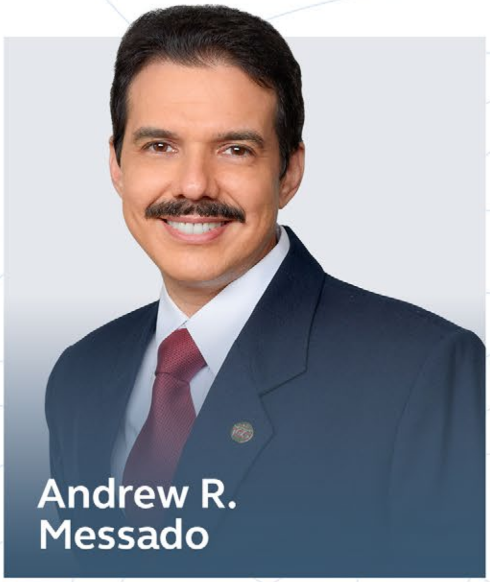
As at March 30, 2024

Chairman, GraceKennedy Limited and GraceKennedy Foods (USA) LLC. President & Chief Executive Officer of the Port Authority of Jamaica. Chair of GraceKennedy's Compensation Sub-Committee and Member of GraceKennedy's Corporate Governance & Nomination Committee. Chairman, Clarendon Alumina Production Ltd. Council Chairman, Caribbean Maritime University, Chairman Police Service Commission.

GraceKennedy Group Chief Executive Officer. Fellow Chartered Accountant. Government of Jamaica Senator and New Zealand's Honorary Consul to Jamaica.



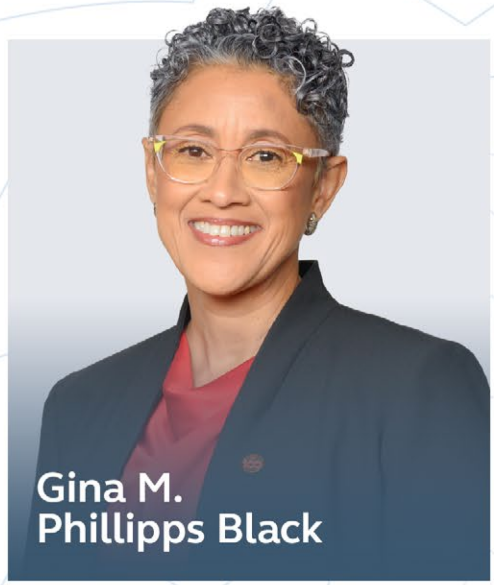
Managing Director of PAMAS Ltd. A member of GraceKennedy's Audit Committee, Corporate Governance & Nomination Committee, and Compensation Sub-Committee.



GraceKennedy Group Chief Financial Officer. Finance and Accounting professional. Fellow of the Institute of Chartered Accountants of Jamaica (ICAJ).

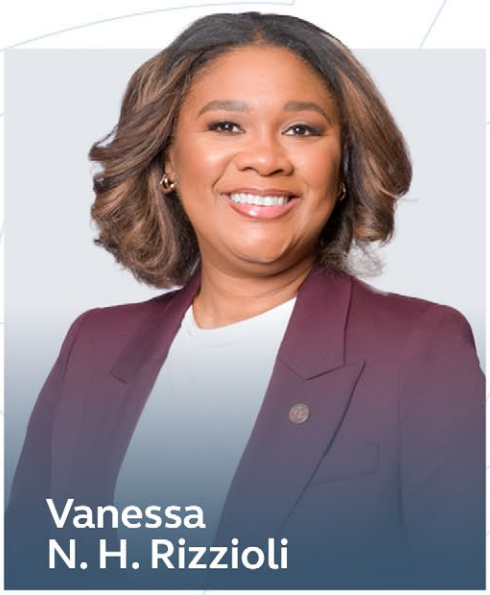
Dr. Indianna D. Minto-Coy

Deputy Executive Director and Senior Lecturer at the Mona School of Business & Management (MSBM) at The University of the West Indies, Jamaica. A member of GraceKennedy's Audit Committee and Corporate Governance & Nomination Committee.



Gina M. Phillipps Black

Attorney-at-law and Partner in the law firm, Myers, Fletcher & Gordon. Chair of GraceKennedy's Corporate Governance & Nomination Committee.



Vanessa N. H. Rizzioli

Director, Cranwicke Consulting, United Kingdom. A member of GraceKennedy's Audit Committee and Corporate Governance & Nomination Committee.

Peter E. Williams

Retired partner of PricewaterhouseCoopers Jamaica's assurance practice and fellow of the Institute of Chartered Accountants of Jamaica (ICAJ) and Association of Chartered Certified Accountants (ACCA).
Chairman of GraceKennedy's Audit Committee, a member of the Corporate Governance & Nomination Committee and Compensation Sub-Committee.

Directors & Corporate Data

As at December 31, 2023

Directors

Prof. Gordon V. Shirley, OJ
Chairman

Don G. Wehby, CD
Group Chief Executive Officer

Dr. Parris A. R. Lyew-Ayee, Jr

Andrew R. Messado
Group Chief Financial Officer

Dr. Indianna D. Minto-Coy

Gina M. Phillipps Black

Vanessa N. Rizzioli

Peter E. Williams

Corporate Secretary

Gail Moss-Solomon

Auditors

PricewaterhouseCoopers
Scotiabank Centre, Duke Street
Kingston, Jamaica

Attorneys

Myers, Fletcher & Gordon
21 East Street
Kingston, Jamaica

Bankers

The Bank of Nova Scotia Jamaica Limited
Citibank N.A.

CIBC First Caribbean International Bank
(Jamaica) Limited

First Global Bank Limited

National Commercial Bank Jamaica Limited

Sagicor Bank Limited

Registered Office

73 Harbour Street
Kingston, Jamaica

Registrar & Transfer Office

GraceKennedy Limited
73 Harbour Street
Kingston, Jamaica

Websites

www.gracekennedy.com
www.gracefoods.com
www.gracekennedyfinancialgroup.com

Senior Management

“As the HR Manager I contribute to building a culture of excellence through encouraging openness, building trust, and providing and environment where constructive feedback enables people to develop further within their role and the organisation.”

Jennifer Heale
HR Manager, Grace Foods UK Limited

Executive Office: Don Wehby, Andrew Messado, Gail Moss-Solomon, Annette Morrison, Tawana Gray, Judith Chung Gordon, Lee-Anne Bruce, Suzanne Nam, Deidre Cousins, Greig Lindo, Andrew Leo-Rhynie, Caroline Mahfood, Sandrina Davis

GK Foods – Domestic: Frank James, Naomi Holness, Debra Dodd, Zak Mars, Carl Barnett, Nariesha Murray-Graham, Shaun Lawson-Freeman, Dave DaCosta, Radcliffe Walker, Tamara Thompson, Andrew Wildish, Cathrine Kennedy, Renee Nathan

GK Foods – International: Andrea Coy, Danielle Longman, Derrick Reckord, Oswald Lyn, Ricardo Bryan, Nimal Amitirigala, Jack Zhu, Brian Mitchell, Kerry-Ann Lincoln

GraceKennedy Financial Group: Grace Burnett, Steven Whittingham, Marcia Henry Lawrence, Stacie Ann Wright, Nichole Case, Kerry-Ann Heavens, Amanda Beepat, Chaluk Richards, Marie Beckford, Radcliffe Daley, Terry-Ann Graver, Patsy Latchman-Atterbury, Kareem Tomlinson, Margaret Campbell, Troy Williams, Donald Edwards, Shari Brown, Crisy Laurent, Tammara Glaves-Hucey

Executive Office

As at March 1, 2024

Don G. Wehby, CD
Group Chief Executive Officer

Andrew Messado
Group Chief Financial Officer

Gail Moss-Solomon
General Counsel & Chief Corporate Secretary

Annette Morrison
Group Chief Human Resources Officer

Tawana Gray
Group Comptroller

Judith Chung Gordon
Group Chief Compliance Officer & Senior Legal Counsel

Lee-Anne Bruce
Chief Audit Executive

Suzanne Nam
Head of Corporate Communications

Deidre Cousins
Chief Information Officer

Greig Lindo
Head of Treasury & Corporate Finance

Andrew Leo-Rhynie
Head of Mergers & Acquisitions

GraceKennedy Foundation

Caroline Mahfood
Chief Executive Officer

Grace & Staff Community Development Foundation

Sandrina Davis
Chief Executive Officer

GK Foods Domestic

As at March 1, 2024

Frank James
Chief Executive Officer, GK Foods Domestic

Naomi Holness
Chief Human Resources Officer, GK Foods Domestic & International

Deidre Cousins
Chief Information Officer, GK Foods Domestic & International

Debra Dodd
Divisional Chief Financial Officer

Zak Mars
Head of Global Sourcing & Logistics

Carl Barnett
Senior General Manager, Manufacturing

Nariesha Murray-Graham
Chief Supply Chain Officer

Shaun Lawson-Freeman
Chief Legal Counsel & Corporate Secretary, GK Foods Domestic & International

Grace Foods Limited

Dave DaCosta
Managing Director

Dairy Industries (Jamaica) Limited

Radcliffe Walker
General Manager

Grace Foods & Services

Tamara Thompson
General Manager

Grace Food Processors (NALCAN) Division

Andrew Wildish
General Manager

Grace Food Processors (Meats) Division

Carl Barnett
General Manager

Hi-Lo Food Stores Division

Cathrine Kennedy
General Manager

World Brands Services Division

Renee Nathan
General Manager

Consumer Brands Limited

Tamara Thompson
General Manager

Grace Agro Processors Division

Carl Barnett
General Manager

Unibev Limited

Andrew Wildish
General Manager

GK Foods International

As at March 1, 2024

Andrea Coy
Chief Executive Officer, GK Foods International

Danielle Longman
Head of Planning & Strategy,
GK Foods International

GraceKennedy Foods (USA) LLC

Derrick Reckord
President & CEO

Oswald Lyn
Chief Financial Officer

Ricardo Bryan
Senior Vice President, Sales

GraceKennedy (Belize) Limited

Danielle Longman
Managing Director

Grace Foods Canada, Inc.

Nimal Amitirigala
President

Jack Zhu
Chief Financial Officer

Grace Foods Latin America and Caribbean (GF LACA)

Danielle Longman
General Manager

Grace Foods UK Limited

Brian Mitchell
Managing Director

Kerry-Ann Lincoln
Chief Financial Officer

GraceKennedy Financial Group

As at March 1, 2024

GraceKennedy Financial Group Limited

Grace Burnett
Chief Executive Officer

Steven Whittingham
Deputy Chief Executive Officer

Marcia Henry Lawrence
Chief Human Resources Officer

Stacie Ann Wright
Divisional Chief Financial Officer

Nichole Case
Chief Information Officer

Kerry-Ann Heavens
Chief Legal Counsel & Corporate Secretary

Allied Insurance Brokers Limited

Amanda Beepat
Managing Director

GK General Insurance Company Limited

Chaluk Richards
General Manager

GK Insurance Brokers Limited

Marie Beckford
General Manager

GK Insurance (Eastern Caribbean) Limited

Chaluk Richards
Director

First Global Holdings Limited

Grace Burnett
Chief Executive Officer

First Global Bank Limited

Radcliffe Daley
President & CEO

Terry-Ann Graver
Chief Operating Officer

GK Capital Management Limited

Patsy Latchman-Atterbury
Managing Director

GK Investments Limited

Kareem Tomlinson
Managing Director

GraceKennedy Payment Services Limited

Margaret Campbell
Chief Operating Officer

GraceKennedy Currency Trading Services Limited

Margaret Campbell
Chief Operating Officer

GraceKennedy Remittance Services Limited

Grace Burnett
President & CEO

Margaret Campbell
Chief Operating Officer

GraceKennedy Remittance Services (Guyana) Limited

Troy Williams
Country Manager

GraceKennedy (Trinidad & Tobago) Limited

Donald Edwards
Country Manager

GraceKennedy Financial Group

As at March 1, 2024

GraceKennedy Money Services (Caribbean) SRL

Grace Burnett
President & CEO

GraceKennedy Money Services (BVI) Limited

Shari Brown
Regional Manager

GraceKennedy Money Services (Anguilla) Limited

Shari Brown
Regional Manager

GraceKennedy Money Services (Montserrat) Limited

Shari Brown
Regional Manager

GraceKennedy Money Services (St Kitts & Nevis) Limited

Shari Brown
Regional Manager

GraceKennedy Money Services (St Vincent & The Grenadines) Limited

Shari Brown
Regional Manager

GraceKennedy Money Services (Cayman) Limited

Margaret Campbell
Chief Operating Officer

GraceKennedy Money Services (Turks & Caicos) Limited

Margaret Campbell
Chief Operating Officer

GraceKennedy Money Services (Bahamas) Limited

Margaret Campbell
Chief Operating Officer

GK Life Insurance Eastern Caribbean Limited

Crisy Laurent
General Manager

GK Life Insurance Caribbean Limited

Crisy Laurent
General Manager

Key Insurance Company Limited

Tammara Glaves-Hucey
General Manager

Executive Committee

Don Wehby

Group Chief Executive Officer

Andrew Messado

Group Chief Financial Officer

Grace Burnett

Chief Executive Officer,
GraceKennedy Financial Group

Andrea Coy

Chief Executive Officer,
GK Foods International

Frank James

Chief Executive Officer,
GK Foods Domestic

Annette Morrison

Group Chief Human Resources Officer

Gail Moss-Solomon

General Counsel &
Chief Corporate Secretary

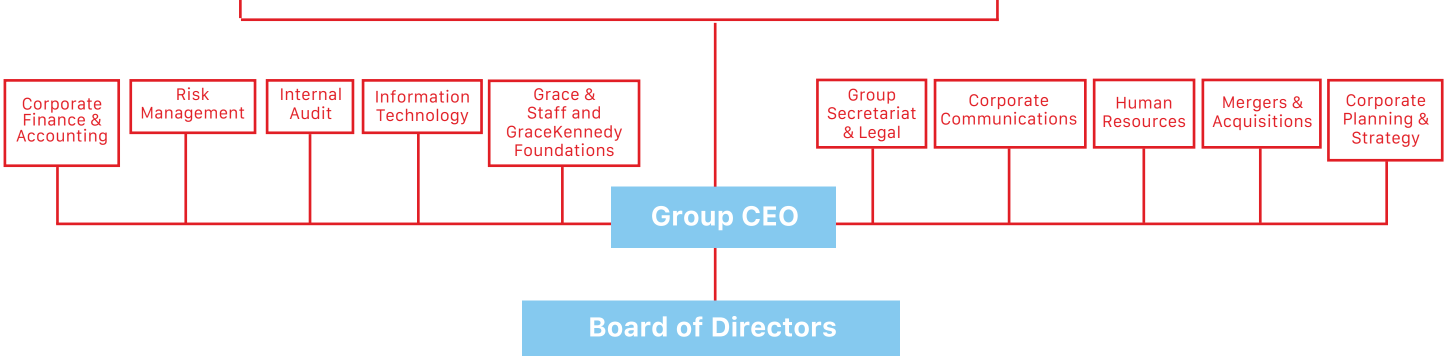
Steven Whittingham

Deputy Chief Executive Officer,
GraceKennedy Financial Group

Organisational Chart*

GK Foods
Grace Foods UK Limited
Grace Foods Limited
GraceKennedy Foods (USA) LLC
GK Foods & Services Limited
GraceKennedy (Belize) Limited
Grace Foods Canada Inc.
Consumer Brands Limited
Dairy Industries (Ja.) Limited
Grace Foods & Services
Gray's Pepper Products Limited
Catherine's Peak Bottling Company Limited
Majesty Foods LLC
Unibev Limited

GraceKennedy Financial Group	
GraceKennedy Financial Group Limited	Allied Insurance Brokers Limited
GraceKennedy Money Services Caribbean SRL	GK General Insurance Company Limited
GraceKennedy Remittance Services Limited	Key Insurance Company Limited
Grace Kennedy Currency Trading Services Limited	GK Insurance Brokers Limited
GraceKennedy Payment Services Limited	GK Insurance (Eastern Caribbean) Limited
GraceKennedy Remittance Services (Guyana) Limited	Knutsford Re
GraceKennedy (Trinidad & Tobago) Limited	GK Life Insurance Eastern Caribbean Limited
GraceKennedy Money Services (Anguilla) Limited	GK Life Insurance Caribbean Limited
GraceKennedy Money Services (Montserrat) Limited	First Global Holdings Limited
GraceKennedy Money Services (St. Kitts & Nevis) Limited	First Global Bank Limited
GraceKennedy Money Services (Bahamas) Limited	GK Capital Management Limited
GraceKennedy Money Services (St. Vincent & The Grenadines) Limited	GK Investments Limited
GraceKennedy Money Services (BVI) Limited	Canopy Insurance Limited
GraceKennedy Money Services (Cayman) Limited	GraceKennedy Properties Limited
GraceKennedy Money Services (Turks & Caicos) Limited	SigniaGlobe Financial Group Inc.



*Excludes non operating and non core entities. Refer to Note 2(b) and 2(c) of the Audited Financials for a comprehensive list of entities.

Shareholdings of Directors

As at December 31, 2023

	TOTAL	DIRECT	CONNECTED PARTIES	% OWNERSHIP
Don G. Wehby	13,925,406	11,570,799	2,354,607	1.40%
Andrew Messado	795,806	795,806	-	0.08%
Gordon V. Shirley	692,338	692,338	-	0.07%
Gina Phillipps Black	200,021	200,021	-	0.02%
Parris Lyew-Ayee Jr.	164,126	164,126	-	0.02%
Indianna Minto-Coy	45,906	45,906	-	0.00%
Peter Williams	20,408	20,408	-	0.00%
Vanessa Rizzioli	11,315	11,315	-	0.00%
TOTAL	**15,855,326**			

Shareholdings of Executive Committee Members & Senior Officers

As at December 31, 2023

	TOTAL	DIRECT	CONNECTED PARTIES	% OWNERSHIP
Don G. Wehby	13,925,406	11,570,799	2,354,607	1.40%
Frank A. R. James	3,105,392	3,105,392	-	0.31%
Gail Moss-Solomon	1,189,068	1,189,068	-	0.12%
Grace Burnett	1,088,455	1,088,455	-	0.11%
Andrea Coy	1,021,072	1,021,072	-	0.10%
Andrew Messado	795,806	795,806	-	0.08%
Steven Whittingham	639,318	639,318	-	0.06%
Naomi Holness	106,180	106,180	-	0.01%
John A. Leo Rhynie	89,442	89,442	-	0.01%
Lee-Anne Bruce	27,330	27,330	-	0.00%
Tawana Gray	6,480	2,100	4,380	0.00%
Judith Chung	2,100	2,100	-	0.00%
Greig Lindo	0	0	-	0.00%
TOTAL	**21,996,049**			

Stockholders' Profile

As at December 31, 2023

	ORDINARY STOCK UNITS	%
Insurance Companies, Trust Companies & Pension Funds	316,913,365	31.84%
Private Individuals	297,662,747	29.91%
Investment Companies/Unit Trusts	159,311,153	16.01%
Private Companies	100,871,104	10.14%
Others	86,429,041	8.68%
Directors & Senior Managers	23,130,163	2.32%
Nominee Companies	9,382,067	0.94%
Public Listed Companies	1,477,660	0.15%
	995,177,300	**100.00%**

Top Ten (10) Stockholders

As at December 31, 2023

	ORDINARY STOCK UNITS	%
NCB Insurance Agency and Fund Managers A/C WT109	46,229,800	4.65%
National Insurance Fund	46,090,036	4.63%
GraceKennedy Limited Pension Scheme	44,922,201	4.51%
Resource in Motion Limited	43,401,443	4.51%
Sagicor Pooled Equity Fund	32,857,230	4.36%
ATL Group Pension Fund Trustees Nominee Ltd.	21,952,905	3.30%
Douglas Orane	20,557,188	2.21%
NCB Insurance Agency and Fund Managers A/C WT157	16,798,182	1.69%
MASA INVESTMENTS LIMITED (Ansa McAl)	15,022,440	1.51%
FredKenn Limited	14,977,381	1.50%

Directors' Report

"Excellence is what I thrive on. Inspiring my team is what I love. Coaching, mentoring, caring and rewarding is my passion."

Joan McDonald
Store Manager, Hi Lo Food Stores

Directors' Report

For the year ended 31 December 2023

1. The Directors are pleased to present their report for the year ended 31 December 2023 and submit herewith the Consolidated Income Statement and Consolidated Statement of Financial Position for GraceKennedy Limited and its subsidiaries as at that date.

2. Operating Results

	$'000
Revenues	155,001,024
Profit Before Taxation	11,368,397
Net Profit After Tax	8,378,997
Net Profit After Tax Attributable to Stockholders	7,780,931

3. Dividends

The following dividends were paid during the year:

- $0.50 per ordinary stock unit was paid on 6 April 2023
- $0.50 per ordinary stock unit was paid on 16 June 2023
- $0.52 per ordinary stock unit was paid on 22 September 2023
- $0.65 per ordinary stock unit was paid on 15 December 2023

The Directors recommend that the interim dividends paid on 6 April 2023, 16 June 2023, 22 September 2023, and 15 December 2023 be declared as final for the year under review.

4. Directors

The Directors as at 31 December 2023 were as follows:

Prof. Gordon V. Shirley, O.J. – Chairman

Don G. Wehby, C.D. – Group Chief Executive Officer

Andrew R. Messado – Group Chief Financial Officer

Dr. Parris A. R. Lyew-Ayee, Jr.

Dr. Indianna D. Minto-Coy

Gina M. Phillipps Black

Peter E. Williams

Vanessa N. H. Rizzioli

5. The Directors retiring from office by rotation pursuant to Article 102 of the Company's Articles of Incorporation are Dr. Indianna D. Minto-Coy, Mrs. Gina M. Phillipps Black and Prof. Gordon V. Shirley, being eligible, offer themselves for re- election.

6. **Auditors**

Messrs. PricewaterhouseCoopers, the present Auditors, have signified their willingness to continue in office pursuant to section 154 of the Companies Act, 2004.

7. The Directors wish to express their appreciation to the management and staff for their achievements during the year.

By Order of the Board
29 February 2024
Prof. Gordon Shirley, O.J.
Chairman

Group Audit Committee Report

"I smile, so that every customer I talk to will feel more welcomed and comforted when they call us for assistance. That way I leave a lasting, positive impression on our customers and help to boost our Brand perception."

Kashari Banton
Customer Service Representative, First Global Bank

Group Audit Committee Report

For the year ended 31 December 2023

1. COMPOSITION

The Group Audit Committee (the Committee) consists of four independent non-executive members of the Board of Directors (the Board), one of whom is a "financial expert, a person with an understanding of financial statements and applicable accounting principles and experience in preparing, auditing, analyzing or evaluating financial statements" and the others, financially literate, in accordance with the Committee's Terms of Reference (TOR).

Scan code to read the
Group Audit Committee's TOR

2. AUDIT COMMITTEE MEMBERS:

1. Peter E. Williams (Chairman)
2. Dr. Parris A. R. Lyew-Ayee Jr.
3. Dr. Indianna D. Minto-Coy
4. Vanessa N. Rizzioli

3. MANDATE AND SCOPE

The responsibilities and activities of the Committee are governed by its TOR which are reviewed annually by the Committee and the GraceKennedy Corporate Governance Committee, then approved by the GraceKennedy Board of Directors.

The TOR complies with applicable laws, rules, regulations and the GraceKennedy Corporate Governance Code which was developed with reference to the UK Corporate Governance Code issued in 2018, the Private Sector Organization of Jamaica's, Jamaica Corporate Governance Code 2021 and the Jamaica Stock Exchange's Corporate Governance Guidelines.

The role of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities in respect of GraceKennedy and its subsidiaries in the key areas of:

- reliability and integrity of the accounting principles, processes and practices underlying the preparation and presentation of fairly stated financial statements and other financial reporting;
- effectiveness of the internal controls, governance, and risk management infrastructure, including internal audits, enterprise risk management, security and compliance with statutory and regulatory requirements; and
- qualifications, independence and performance of the external auditors, PricewaterhouseCoopers (PwC), and approval of the scope of and fees for audit and non-audit services.

In the execution of its responsibilities, the Committee is assisted by the Chief Audit Executive (CAE), who functions as head of the Group Internal Audit Department (GIA), the Group Chief Executive Officer, Group Chief Financial Officer, General Counsel & Chief Corporate Secretary, and other members of Management as required, all of whom have unrestricted access to the Committee.

In addition to the active support and guidance provided by PwC during Committee meetings, the Committee meets each quarter with PwC without any member of Management being present, to ensure that issues of objectivity and disagreements with Management, if any, are brought to its attention. In a similar vein, separate meetings are also held with the CAE without Management being present. The Committee Chairman also holds ad hoc meetings with PwC and the CAE during the year.

The Committee has four scheduled regular meetings per annum and a special meeting to approve the annual Management Discussion and Analysis (MD&A).

A written report is submitted to the Board of Directors by the Committee Chairman after each regular meeting, outlining the significant matters discussed and decisions taken.

The Chairman of the Committee holds one-on-one meetings with the chairs of each of the audit committees of GK's subsidiaries once per annum and there is also a meeting of all the audit committee chairs that is held once a year.

The Committee has the authority to engage at GK's expense, external legal, accounting and other professional expertise, when deemed necessary for the effective discharge of its responsibilities.

4. ACTIVITIES

The Committee met five times during 2023 as scheduled, that is, four regular meetings and a special meeting to approve the annual report's MD&A. There was full attendance by all Committee members. PwC's Group engagement partner and/or senior representatives of the firm attended all four regular meetings.

During the year, the Committee:

- assessed the independence, performance, and scope of the annual audit plan of PwC and recommended the firm's appointment by the stockholders and approval of its fees to the GK Board;
- on behalf of the Board, the Committee reviewed communications from PwC as required by ISA 260 - Communication with those Charged with Governance - a standard issued by the International Federation of Accountants and promulgated by the Institute of Chartered Accountants of Jamaica, confirming same, as part of the assessment of PwC's independence, objectivity, relationship matters and compliance with professional ethics;
- reviewed the scope of the annual audit plan of internal audit and related budget and staffing;
- reviewed internal audit reports covering financial, information technology (IT), operational and compliance audits, in respect of which recommendations for improvements were made to Management and the Board of Directors, which were accepted, and either implemented or are in the process of being implemented;
- reviewed management letters from external auditors relating to internal control issues and findings, and noted Management's action plans to address them;
- considered the involvement of GIA in special management requests for operational reviews and new projects and the outcome of such activities, and in reviewing these special matters, received assurance from the CAE that the independence and objectivity of GIA were maintained;
- carried out the annual assessment of the performance of the CAE and reviewed and approved GIA's TOR;
- reviewed the composition, duties and responsibilities of GK's and its other subsidiaries' audit committees and significant findings from their meetings, and examined and discussed half-yearly reporting on significant internal control and other matters by the chairs of these audit committees, as part of its oversight of such subsidiaries' audit matters;

- reviewed, and after consultation with management and PwC, recommended to the Board of Directors, unaudited quarterly financial statements and the 2023 audited annual financial statements for their approval and release to stockholders, being satisfied, after these consultations, that the financial statements complied with International Financial Reporting Standards (IFRS);
- reviewed and approved the MD&A report for inclusion in the annual report; and
- received updates from management and the external auditors on the implementation of IFRS 17 – Insurance Contracts – which became effective as of 1 January 2023.

5. CONTINUING EDUCATION

In keeping with the Committee's mandate and focus on continuing education, members of the Group's audit committees participated in GK's Directors and Management Training Workshops. Topics covered included GraceKennedy's Environmental, Social and Governance agenda; Nutrient Profile Programmes and their implications; the Role of the Board as it relates to IT implementation and Managing IT Risks; and the Jamaica Companies (Amendment) Act 2023.

Peter E. Williams
Chairman,
on behalf of the Audit Committee

Corporate Governance & Nomination Committee Report

"It is my duty to keep the place clean. I want you to enter the building in a clean environment, to welcome my staff and welcome customers. I support the business' goals by ensuring those around me, staff and employees, have the most comfortable, cleanest, and safest environment at our location."

Wally Walters
Ancillary, GraceKennedy Money Services

Code Challenge Quiz host Sandrina Davis

Key Insurance Company Limited was declared first runner up in the JSE Main Market Best Practices PSOJ Corporate Governance Award category

GraceKennedy receives Centennial Award from Jamaica Chamber of Commerce

Code Challenge Quiz trophies

GraceKennedy received the 2022 Jamaica Stock Exchange (JSE) Best Practices Governor General's Award for Excellence

GK received seven JSE Best Practices Awards in 2023

The Code Masters, representing GK Foods, emerged winners of the GK Code Challenge Quiz

GK Capital Management Limited was declared first runner up in the Expansion of Investors and Listed Companies Base category of the JSE Best Practices Member Dealers Awards

The Code Legends represented GKFG in GK's first ever Code Challenge Quiz

GraceKennedy received the prestigious Governor General's Medal of Honour

Corporate Governance & Nomination Committee Report

For the year ended December 31, 2023

Building on a Culture of Excellence in Corporate Governance

Our Board of Directors - Composition, Role and Responsibilities

"Excellence in Corporate Governance is one of the core pillars that underpins our Company's operations, providing a framework for transparency and accountability."

In promoting a culture of excellence in corporate governance the Board of Directors (Board) of GraceKennedy Limited (GK) is guided by applicable laws and regulations, international best practice, and the principles contained in our Corporate Governance Code (Corporate Governance Code) and the Board's terms of reference (TOR), complemented by applicable GK policies. These policies are consistent with GK's values and set the standards and expectations for the corporate governance practices and behaviour required across our Group, which support our long-term sustainable success. In 2023 GK published our revised Corporate Governance Code.

Scan to read the Corporate Governance Code

During the period under review our Board was comprised of eight (8) Directors: two (2) executive and six (6) non-executive. The appointment of non-executive Directors is a means of balancing interests on the Board. This mix of non-executive and executive Directors is in keeping with best practice, and brings a level of independence to discussions and the Board's decision making, as well as additional skills, expertise, and insights. The Corporate Governance Code requires our Board to be comprised of at least 30% males and 30% females. During the reporting period, 62% of the members of the Board were male and 38% female.

The composition of our Board and the skills and experience of the Directors, as summarised in the table below, allow it to provide leadership of our Company through the development of strategy, fostering innovation, managing risk, and ensuring accountability to stakeholders.

Name of Director	Academic Qualifications & Professional Affiliations	Expertise	Committee/Sub-Committee
Prof. Gordon V. Shirley, OJ	Doctorate in Business Administration (Operations Management (DBA), MSc. Business Administration (Operations & Finance) (MBA), BSc. (Mechanical Engineering)	Technology Product/ Service	Corporate Governance & Nomination Committee Member Compensation Sub-Committee Chairman
Dr. Parris A. R. Lyew-Ayee, Jr	D.Phil. (Geography), BSc. Earth Sciences	Environment and Hazards, Technology, Data Analytics	Audit Committee Member Corporate Governance & Nomination Committee Member Compensation Sub-Committee Member
Andrew R. Messado	MSc. (Accounting), BSc. (Accounting), Fellow Chartered Accountant (FCA)	Accounting, Finance	Audit Committee (Invitee) Compensation Sub-Committee (Invitee)
Dr. Indianna D. Minto-Coy	PhD, London School of Economics & Political Science, MSc (Government), BSc (Public Administration & International Relations)	Diasporas, Migration, Entrepreneurship, Corporate Governance	Audit Committee Member Corporate Governance & Nomination Committee Member
Gina M. Phillipps Black	Bachelor of Laws (LLB), Certificate of Legal Education (CLE)	Legal, Corporate Governance	Corporate Governance & Nomination Committee Chairman Audit Committee (Invitee)
Vanessa N. H. Rizzioli	Master of Law (LLM) (Corporate, Securities and Commercial Law), Bachelor of Laws (LLB), GradCGI, Graduate of the Chartered Governance Institute UK & Ireland	Transactional Legal Practise, Corporate Governance	Corporate Governance & Nomination Committee Member Audit Committee Member
Don G. Wehby, CD	MSc. (Accounting), BSc. (Accounting), Fellow Chartered Accountant (FCA)	Accounting, Finance	Audit Committee (Invitee) Compensation Sub-Committee (Invitee) Corporate Governance & Nomination Committee (Invitee)
Peter E. Williams	B.A. (History and Political Science), Fellow of the Association of Chartered Certified Accountants (UK) and Institute of Chartered Accountants of Jamaica (ICAJ)	Accounting, Finance	Audit Committee Chairman Corporate Governance & Nomination Committee Member Compensation Sub-Committee Member

Board Committees

"The Board has the appropriate committee structure and membership that enables it to perform its responsibilities efficiently and effectively."

The GK Board has established committees and subcommittees, which are constituted on an ongoing basis, or ad hoc, with authority to carry out specific functions. These committees are convened so that a small subset of the Board, with or without management members, may focus on specific issues. This creates the opportunity for deeper focus and thorough analysis to support informed decision making. In keeping with good governance principles, the decisions or recommendations of these committees and subcommittees are reported to the Board and, where required, ratified by the Board.

The standing committees are the Corporate Governance & Nomination Committee (CGNC), the Audit Committee, and the Banking & Transfer Committee. The Compensation Sub-Committee is a permanent subcommittee of the CGNC.

All committees are required to review their TOR at least annually, and where desirable, make recommendations on revisions to the Board for approval. In 2023 the Board made amendments to its TOR to ensure alignment with the changes made to the Corporate Governance Code. The committees and Board took into consideration all relevant legislation, rules, and regulations, as well as international best practices, when reviewing their TOR. The revised Board TOR is published on our website.

Scan to read the revised Board TOR

The Chairman

"The Chairman provides strong leadership of the Board to oversee the achievement of organisational excellence which enables long-term value creation for all stakeholders."

Our Board is led by an independent non-executive Chairman, Professor Gordon Shirley, who manages the conduct of Board meetings to ensure overall effectiveness. This entails facilitating the accurate and timely communication of information and meeting materials including, the report of our GK Group CEO, which is submitted for discussion at each Board meeting. Professor Shirley's management of meetings ensures Directors have the opportunity to assist with the development of proposals on strategy, while monitoring the performance of Management in their execution of agreed goals and objectives, and constructively challenging Management when the need arises. The Chairman promotes an environment whereby Board discussions foster thoughtful debate on the issues presented for consideration.

Company Secretary

"The Company Secretary is a strategic partner to the Board, supporting the promotion of a high standard of corporate governance throughout the Company."

Our Company Secretary, Gail Moss-Solomon, supports our Chairman in ensuring that our Board operates efficiently and effectively. This includes facilitating appropriate information flow between the Board and its committees, and between Management and non-executive Directors. The Company Secretary provides guidance to the Chairman and Board on their role and responsibilities in the areas of legal, regulatory, and financial obligations. Mrs Moss-Solomon also ensures that GK maintains good stakeholder relations, including communicating with shareholders and regulatory bodies, such as the Jamaica and Trinidad & Tobago Stock Exchanges, the Financial Services Commission of Jamaica, and the Trinidad & Tobago Securities Exchange Commission.

Board Meetings and Agenda

Our Board is required, by its TOR, to meet regularly, and at a minimum quarterly, to provide oversight of our business, and monitor the performance of Management with respect to our agreed strategic initiatives and risk management framework. During 2023 the Board met five (5) times. Special standing and ad hoc meetings were also convened by the Board and its various committees to discuss specific matters.

Agendas for Board and committee meetings are prepared based on a standing agenda of matters to be considered during the year. Where extraordinary matters arise for consideration, the agenda may be changed to accommodate those matters. Standing agendas are reviewed and approved annually by the CGNC and Board. Our Company Secretary prepares the meeting agenda and documents, which are circulated at least one week ahead of the scheduled meeting. This is required so that Directors have adequate time to review documents and prepare.

"A strong and independent non-executive element on the Board enhances the governance process by providing independent oversight, enhancing decision making and promoting transparency and accountability."

Independence

The ongoing assessment of the independence of Directors is a critical component of the review of our Board's composition, in keeping with the requirements of our governance framework. Our Corporate Governance Code defines the criteria for determining a Director's independence. The Director must not have any interest, position, affiliation, or relationship that might influence or reasonably be perceived to influence, in a material respect, their capacity to bring unbiased discussion and independent judgement on issues being considered by the Board.

To assist our Board in its assessment of whether a Director may continue to be considered independent, the CGNC receives and reviews each Directors' annual declaration and any other relevant information available. All non-executive Directors that served on the Board during the reporting period, including the Chairman, were considered independent.

Our GK Group CEO, Don Wehby, and Group CFO, Andrew Messado, were the two executive Directors on the Board during the reporting period.
All non-executive Directors are members of the CGNC.

Private sessions are convened with non-executive Directors only, to allow for open and frank discussion without Executives present. These structured discussions are led by the Chairman and are generally held immediately following each Board meeting. Non-executive Directors may raise any matter, whether arising from that meeting or otherwise. In addition, outside of a meeting, any Director may raise matters with the Chairman independently of any other member.

CGNC meetings are also structured, beginning with a private members only session, during which governance matters are discussed. This meeting is followed by a session with the GK Group CEO which provides him an opportunity to raise matters that should be discussed, without other Executives or members of the management team present, or before raising them at the Board meeting. The Group CEO is may also privately raise matters and seek guidance from the CGNC on areas of key performance and the execution of strategic objectives.

The structure of these meetings provides opportunities for transparent and open discussion, and feedback.

Transparency and Accountability

Directors are required to avoid conflicts of interest. Upon their appointment, and each year thereafter, Directors must declare their interests, so that an assessment can be made as to whether there are potential or actual conflicts which may adversely affect their ability to effectively carry out their role and fulfil their duties. Directors are also obliged to provide, in a timely manner, updates relating to changes in their declarations and report any significant changes in demands on their time. Where conflicts cannot be avoided, Directors are expected to inform the CGNC, the Board, or the Chairman at the earliest opportunity so that appropriate steps can be taken to manage the conflict. Additionally, at the commencement of each Board and Committee meeting, Directors are required to indicate whether they have any actual, potential, or perceived conflicts of interests.

Directors are required to attend Board and assigned Committee meetings, and to prepare adequately for, and participate actively in those meetings. The CGNC is pleased to report that attendance of the Company's Directors at Board and committee meetings continues to be outstanding, demonstrating a high and sustained level of commitment to the proper fulfilment of their duties and responsibilities.

Name of Director	Executive (E)/ Non- Executive (NE)	Board *	Corporate* Governance & Nomination Committee	Audit Committee*	Compensation Sub- Committee	Date of Appointment to Board
Prof. Gordon V. Shirley, OJ	NE	5/5	4/4	N/A	2/2	30-May-96
Dr. Parris A. R. Lyew-Ayee, Jr	NE	5/5	4/4	5/5	2/2	06-Mar-13
Andrew R. Messado	E	5/5	N/A	N/A	N/A	01-Apr-19
Dr. Indianna D. Minto-Coy	NE	5/5	3/4	5/5	N/A	26-Jun-18
Gina M. Phillipps Black	NE	5/5	4/4	N/A	N/A	08-Feb-12
Vanessa Rizzioli	NE	5/5	4/4	5/5	N/A	28-Jul-22
Don G. Wehby, CD	E	5/5	N/A	N/A	N/A	05-Oct-09
Peter E. Williams	NE	5/5	4/4	5/5	2/2	1-Apr-21

* Includes Special and Ad Hoc meetings

Throughout the year the CGNC also reviewed the directors' attendance schedule for key operating companies in the GK Group, and considered whether the attendance record of any director should be of concern or require further enquiry, or action.

Board Evaluations

To foster a culture of accountability and transparency, a formal evaluation of the Board's performance, and that of its committees is undertaken annually to assess their effectiveness. The evaluation is typically conducted by the GK Group's Business Intelligence Unit and administered electronically using an online survey tool. Every other year, this evaluation is extended to cover self and peer evaluations for each Director. The full format evaluation conducted in alternate years involves an assessment of the GK Board, a self-assessment, and a peer assessment of each Director. The self and peer assessments solicit responses related to the overall performance of the Director, including their skills and attributes, preparedness and participation in meetings, effectiveness, and understanding of their responsibilities. The shorter format evaluation places less emphasis on the peer review and more emphasis on the Board's overall performance and dynamics, captured by questions related to Board structure, culture, content and analysis of management reports, Board conduct and their monitoring of risks and trends. A board evaluation report is produced which highlights the key findings, including the strengths and weaknesses of the Board.

In the case of the full format evaluation, one-on-one discussions are held with each Director. These are led by the Chairman supported by the Chair of the CGNC. The Chair of the CGNC, with the support of the Chairman of the Audit Committee, leads the one-on-one discussion with the Board's Chairman on his performance evaluation. The outcome of the evaluation exercise in respect of individual Directors is important for gauging their contribution, independence and demonstrated commitment to the Company and helps the CGNC determine what training areas may be needed for Directors and Senior Managers.

In 2023, internationally recognised consulting agency, Nasdaq, administered a review of the Board for 2022. The Board achieved an overall effectiveness rating of 9.5/10. Notwithstanding this high score, and in discussing the results of the evaluation, the Board still identified areas that it will continue to strengthen, as it seeks to further improve its effectiveness. The CGNC also receives evaluation reports from the Chairs of the boards of key operating subsidiaries within the GK Group. The audit committees of regulated entities within the GK Group are also evaluated every two years.

Nomination & Appointment of Directors

GK has a policy governing the nomination, selection, and appointment of GK Group Directors. The CGNC utilizes a Director's Competency Matrix, the ongoing review of Board composition across the Group, and Board evaluation, as tools to identify and fill existing or potential skills gaps.

Board composition reviews also enable the CGNC to fulfil its mandate to ensure orderly succession planning and that an appropriate balance of skills and experience is maintained on the Board. At the subsidiary board level, this review also creates a framework of independent oversight and compliance with applicable governance and regulatory requirements. During 2023 the CGNC reviewed the composition of several subsidiary boards, to identify the boards which required strengthening or additional skillsets and, where appropriate, made recommendations for appointments to the Chair of those boards.

When considering the suitability of a nominee for appointment as a director of a subsidiary, the CGNC evaluates the nominee's qualifications, experience, and background, as well as the results of due diligence checks, before making a recommendation to the Board for appointment. Our Company Secretary is required to confirm that the due diligence checks did not indicate any adverse findings which could affect the nominee's suitability for appointment.

The interview covers any area of potential conflict of interest, considerations that may impact the independence of the nominee and whether the nominee is able to devote the time necessary to prepare in advance and to attend, and participate actively in Board meetings and, where applicable, committee meetings. The Group CEO, Chairman of the Board and CGNC Chair conducted several of these interviews during the period covered by this report.

The appointment of Executives to boards in the GK Group, except for the Divisional Boards, continues to be made by the Group CEO, in consultation with the Executive Committee. The process of appointment of Executives to the Divisional Boards follows the same procedure as that for non-executive Directors.

Satisfactory Board attendance and performance is an important factor when considering whether a retiring Director should be considered for re-election. The CGNC and Board considers the performance of a Director who is eligible for re-election, among other factors, such as required proficiencies, time availability, and their independence.

Our Board does not currently have tenure limits for non-executive Directors, outside of the rotation provisions in our Company's Articles. The term limit for subsidiary board directors is three consecutive terms of three years each, and a maximum term/term limit of nine years.

Orientation of New Directors

Our Company Secretary is responsible for onboarding new Directors. New Directors participate in a comprehensive induction to GK's affairs upon joining the Board. This process commences with a formal letter of appointment and Board package, containing key terms and conditions of the appointment, our Code of Ethics & Guidelines for Business Conduct (Code of Ethics), statements of their duties, rights and responsibilities, a confirmation of the time commitment envisaged, and the Board's expectations regarding involvement with committee work.

A clear understanding of our Company's business, vision, values, and strategic, operational, financial, compliance and risk management outlook are required for a Director to properly carry out their duties. For this reason, during the induction period, the new non-executive Director is exposed to GK and its subsidiaries through the provision of business and financial information, as well as the convening of one-on-one meetings with members of the Senior Management team, where additional information and clarification are provided. The CGNC has directed that this process should also include a session on the GK Group's financials, given their complexity.

The complex nature of our Company's financials is due to the geographical spread and diversity of our operations, as well as specific reporting requirements for several subsidiaries.

Directors' Liability Insurance cover is currently in place for Directors of GK and our subsidiaries, and is renewed annually. Each year, directors of the GK Group are provided with confirmation that this insurance cover is in place.

Training and Development

Directors are required to continuously update and refresh their skills and knowledge to effectively carry out their duties. The CGNC is responsible for ensuring appropriate board orientation, training, and development activities for the directors of the Group take place. GraceKennedy tangibly demonstrates our commitment to, and expectation of, appropriate corporate decision-making practices, through our approach to training for Directors, Executive Management, and staff, in technical and legal matters, corporate culture and ethics.

Additionally, Directors are expected to communicate with the CGNC regarding any continuing professional education and development programmes that may be considered desirable for the proper execution of their duties and our Company's success. Subsidiary boards are also required to engage in sector-specific training each year.

In consultation with the CGNC, our Company Secretary facilitates important continuous learning and the development of Directors' skills through Directors' Training Workshops which are conducted throughout the year, as well as, via ad hoc and sector specific training. These sessions are facilitated by local and overseas experts in areas which impact GK's businesses and strategic objectives.

Our Directors' Training Workshops have continued to be an essential tool for the ongoing development of directors and senior managers across GK. Selected topics are relevant and important for refreshing the skills of the directors and Management in the performance of their duties. They also assist in keeping directors and Management abreast of the latest developments in the legal, regulatory and business environment, including corporate governance, audit, strategy and information technology. In 2023, 100% of our GK Directors - over 170 directors of our subsidiaries and managers from across GK - participated in these training sessions which covered the following topics:

- Nutrient Profile Programmes
- Environmental, Social, and Governance (ESG)
- Beneficial Ownership-Overview of Companies (Amendment) Act, Jamaica
- The Role of the Board- IT Implementation and Managing IT Risks

In addition to Directors' Training Workshops, the CGNC members regularly share research, articles, presentations, and briefings on topics that are pertinent to, or considered to have the potential to impact GK's businesses, operations, customers, or our team.

Managers and Executives across the GK Group also received additional training during 2023 which included the following topics:

- International Sustainability Standards
- Enterprise Risk Management
- Strategic Thinking & Planning
- Leadership for Social Inclusion and Access to Rights
- Financial Risk

"The attainment of operational excellence depends on the adherence to high ethical standards as it fosters a culture of trust, integrity and accountability, essential for organisational excellence."

GraceKennedy's strong reputation as a leader in good corporate governance is founded on the principles and standards embodied in our Code of Ethics & Guidelines for Business Conduct. Our revised Code of Ethics was launched in 2023. The Code of Ethics was updated and brought into alignment with our 2030 Vision and Purpose and key emerging issues such as data privacy, cybersecurity, and outside business or other interests. The revised Code of Ethics reinforces GK's commitment to sustainability, wellness, equity, inclusion, diversity, and work-life balance, all in keeping with our ESG agenda. The Code of Ethics uses an inclusive tone and provides practical information to aid with understanding more complex topics, like insider trading and conflicts of interest. The revised publication is available in an interactive web page format on our website and a print-ready PDF, making it more user-friendly and accessible. During the year in review a Code Challenge Quiz was hosted to sensitize GK team members on the provisions of the revised Code of Ethics. Two teams, Code Legends and Code Masters, comprising of team members based in Jamaica and overseas, participated in the exciting event which was live streamed across the Group. The winner of the challenge was the Code Legends Team.

Scan to read the Code of Ethics & Guidelines for Business Conduct

All GK team members and directors are provided with a copy of the Code of Ethics upon their employment or appointment. On an annual basis, team members and directors are required to confirm that they were compliant with the Code of Ethics during the previous year. Compliance with the Code of Ethics is important, and our Company Secretary reports any circumstances relating to non-compliance to the CGNC.

Breaches or potential breaches of the Code of Ethics must also be reported, and infractions may result in disciplinary action in the case of GK team members, and termination or non-renewal of the term in the case of a director.

In addition to the Code of Ethics, GK has developed several other policies to guide and determine business conduct and practice, protect our business interests, mitigate risks, and ensure compliance with applicable laws and regulations. These polices are grouped into discrete areas such as Human Resources, Finance, Audit, Legal and Risk. They are shared with our team using one easily accessible location on our Company's intranet site, which allows for ease of access and greater transparency, accountability, and improved governance.

Our Board understands the importance of effective enterprise risk management, risk mitigation and compliance. A formal Delegation of Authority Policy is in force. The Board approves and monitors delegations to and by the GK Group CEO to Senior Management, and sets out matters reserved for the Board's approval. This monitoring assists our Group CEO and Board in ensuring that strategic decisions reflect good governance, and that the principles laid out in our Code of Ethics are honoured.

Our GK team members are important stakeholders in our corporate governance framework, and this is affirmed through the application of our Code of Ethics and policies related to safety and welfare, including our Infectious Diseases & Viruses, Corporate Social Responsibility, Flexible Work Arrangement and Community Involvement policies.

Our Whistle Blowing Policy protects individuals who, in good faith, report actual or perceived breaches, irregularities or wrongdoing within the GK Group.

The Policy has been made available to stakeholders on our website and outlines the process for the administration of whistle blowing reports. Reports are investigated through the Audit Committee. During the reporting period our Chief Audit Executive was responsible for maintaining a record of the number and types of Whistle Blowing reports made (using generic information and case numbers assigned for reference purposes), tracking these reports and analysing trends in order to take appropriate actions.

The Chief Audit Executive provides periodic reports to the Group CEO and the Audit Committee in respect of reports received.

Scan to read the Whistle Blowing Policy

GraceKennedy is committed to a reliable and transparent process through which breaches, irregularities or concerns over any wrongdoing occurring within the Group may be reported. All team members are responsible for reporting breaches and suspected breaches of the Code of Ethics or our Company's policies, as well as deficiencies in policies, procedures, or controls. The Whistle Blowing Policy provides that our team members should generally make reports to their immediate supervisor. Failing that, team members can make a report to their supervisor's supervisor, and so on up to the GK Group CEO. If an team member is not comfortable using the usual chain of communication, he or she may make the report directly to other members of Senior Management identified in the policy. Additionally, the policy also guarantees employees the availability of a Whistle Blowing hotline, to make a report. This hotline is administered by an independent external provider, and reports can be made without fear of loss of job or other reprisals. Periodically, reports are received by our Chairman, GK Group CEO and Board, as may be appropriate in the circumstances of each case. All reports are to be handled promptly and investigated fairly, without regard to alleged wrongdoer's length of service, position/title, or relationship to other team members or the Company. Management throughout the Group is obliged to fully support and cooperate with any investigation into a report received via the whistle blowing process.

An Effective Risk Management Framework and Governance

Our strong risk management and internal controls are overseen by our Group Chief Compliance Officer & Senior Legal Counsel, who provides reports to the Board through the Audit Committee.

These reports provide our Board with details of the informed decision-making processes, efficient allocation of resources, ongoing evaluation of risks and uncertainties facing GK, and the strategic steps taken to manage and mitigate those risks through sound risk management and internal control systems.

Disclosure, Transparency and Communication

In addition to the communication between our Board and Management, there is open, clear, and constructive dialogue between GK and our other stakeholders. The CGNC ensures that shareholders have an opportunity to make the Board aware of their views, issues, and concerns, and to understand our Company's strategy, operations and performance.

The GK Annual General Meeting (AGM) continues to be an important forum for shareholders to engage with Management and Directors to get a better understanding of various aspects of the Group's operations. The 2023 AGM was held in hybrid format to facilitate wide shareholder participation and engagement. Information was provided via our website and the website of the stock exchanges on which GK is listed to advise shareholders on how to participate in the AGM. Shareholders were able to cast their vote, make remarks and ask questions both online and in-person. GK's Articles of Incorporation facilitate the hosting of AGMs in this format.

Scan to read the Articles of Incorporation

The minutes of our AGM, and the questions and answers posed during the meeting, are made available to shareholders on our website and at the following AGM. Additionally, shareholders are advised that they may request a copy of the minutes of the AGM by sending an email to gracekennedy@gkco.com.

These will then be emailed to the shareholder or may be collected in hard copy from GK's headquarters in Jamaica. A video recording of the AGM is also available online on GK's YouTube channel

Scan to visit our Youtube Channel

GraceKennedy uses several other channels to keep our shareholders and other stakeholders informed and engaged, including our websites, social media pages and print publications. Significant or 'material' developments within GK are communicated by way of announcements to the stock exchanges, press releases, and where applicable, notices are published in daily newspapers circulating in Jamaica and Trinidad & Tobago. Press releases are also posted on our website

Scan to visit our Media Centre

At investor briefings, our Group CEO and Group CFO discuss recent financial statements, updating shareholders and other stakeholders on developments within the GK Group. These briefings are online presentations and open to the public, allowing anyone to watch via live stream. Questions may be submitted via email before or during the briefing. Responses are usually provided live. Notices of these briefings are posted on the Jamaica and Trinidad and Tobago Stock Exchanges' websites and GK's social media pages.

GK also publishes interim and full year results, as well as this Annual Report and accompanying financial statements. Shareholders have direct access to our Registrar and may reach out with questions via our dedicated investor relations email address gkinvestor@gkco.com.

Compensation Sub-Committee Report

Our Compensation Sub-Committee is comprised of independent non-executive Directors, Prof. Gordon Shirley (Chairman), Dr. Parris Lyew-Ayee, Jr. and Peter Williams. The sub-committee met twice during 2023, in keeping with the requirements of its terms of reference to discharge its responsibilities. All members attended the scheduled meetings.

The sub-committee determines the total compensation of the Group CEO and Senior Executives, and the remuneration of the non-executive Directors of GraceKennedy and our subsidiaries. Decisions taken by the Sub-Committee regarding compensation must support the business objectives of our Group, best practices, and all applicable rules and regulations.

The Compensation Sub-Committee is guided by our Corporate Governance Code and its TOR in determining the levels of remuneration of GK's Executives and Directors. One of the key principles regarding compensation which it considers in fulfilling its responsibilities is, remuneration of GK's Executives and Directors should be sufficient to attract, retain and motivate persons of the quality required to lead and manage our Company successfully. In keeping with this principle, during 2023 the sub-committee received updates on the compensation gap assessment of the Long-Term Incentive Scheme, which was undertaken by an external consultant, EY International, and made recommendations based on the outcome of this assessment.

Executive Compensation

During the reporting period, the Compensation Sub-Committee reviewed and made recommendations regarding the total compensation of the Group CEO and Senior Executives and assessed the performance of the Group CEO for the previous year against stated objectives.

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The sub-committee also governs GK's shareholder approved awards and option plans, including stock options granted to team members and directors across the Group.

Our Board has implemented equity-based compensation and incentive schemes with the approval of shareholders. This includes the Long-Term Incentive Scheme (the LTI Scheme) for eligible team members. In 2023, the sub-committee considered the goals and targets under the LTI Scheme and the LTI allocations for 2024. In addition to the LTI Scheme, GK has multiple performance-based incentive schemes in place that reward our team's achievements on a monthly, quarterly, or annual basis. These incentive-based plans reward our team based on a combination of our Company's performance compared to its budget and prior year results, as well as our teams' performance on jointly agreed and quantifiable individual objectives.

Directors' Compensation

The following fees were paid to non-executive Directors in 2023. In keeping with our thrust to improve efficiency and standardise the fees paid to directors it was agreed that per meeting fees would no longer be paid to GK Directors.

BOARD FEES (2023) (Payable to Non-Executive Directors only)	
Annual Retainers	
All Directors	$3,667,160
Additional Retainer Board Chair	$4,007,970
Additional Retainer Corporate Governance & Nomination Committee Chair	$507,680
Additional Retainer Audit Committee Chair	$1,336,000
Additional Retainer Compensation Sub-Committee Chair	$338,430

In addition to these fees, pursuant to the approval of the Compensation Sub-Committee, each non-executive Director was granted the amount of J$847,439 to purchase GraceKennedy shares on the open market in their name. This amount was prorated where applicable for months served on the Board during the year by the Director.

In keeping with the authority delegated by the shareholders at the AGM, the Compensation Sub-Committee also considered and approved a recommendation from the Group CEO, supported by the Group CFO, regarding the setting of fees for the non-executive Directors of GraceKennedy Limited and its subsidiaries for 2024. Executives who serve as directors on Boards within the GK Group do not receive fees for services performed in this capacity.

A Culture of Excellence

" Our Environmental Social Governance Journey is essential to our long-term sustainable success."

GraceKennedy's ESG journey demonstrates our commitment to being a good corporate citizen and playing our part in securing a more sustainable future for all. September 2023 marked a significant milestone in our ESG journey, the publication of our first *We Care* Report, which outlines GK's ESG goals and framework for the integration of ESG across our Group. Our Board through the CGNC is responsible for monitoring the implementation of this ESG framework. The CGNC receives updates from GK's ESG committee twice per year and in turn provides an update to the Board on the outcome of the discussions at the CGNC.

Recognition of Excellence in Corporate Governance

The Jamaica Stock Exchange (JSE) Best Practices Awards promotes and recognizes best practice standards for the companies listed on the JSE. For the third consecutive year, GraceKennedy won the Governor General's Award for Excellence at the 2022 JSE Best Practices Awards, which was held in December 2023. This award honours the listed company which consistently upholds international best practices to be declared the overall winner of the annual JSE Best Practices Awards.

At the ceremony, GraceKennedy was also declared winner of the PSOJ/JSE Corporate Governance Award, for companies listed on the JSE Main Market, first runner up in the Corporate Disclosure & Investor Relations and Best Website categories, and second runner up in the Annual Report category. GK subsidiary, Key Insurance, which is also listed on the JSE, was first runner up for the PSOJ/JSE Corporate Governance Award, for companies listed on the JSE Main Market, and our investment and advisory business, GK Capital Management Limited, was first runner up in the Expansion of Investors and Listed Companies Base category of the Member Dealers Awards.

We are grateful to have received these and other awards during 2023, which demonstrate our commitment to GK's core values of Honest, Integrity and Trust which guide the execution of our Company's strategic objectives.

GK also received an AA rating, the highest possible rating, on the Jamaica Stock Exchange Corporate Governance Index for the period 2022/2023. The Corporate Governance Index provides a measure of listed companies' adherence to principles and best practices of corporate governance.

We could not have achieved these awards without the great people at GK who live the values which form the foundation of our corporate governance framework. We appreciate all our stakeholders who hold us accountable to our commitment to each other, those we do business with and those we serve. GraceKennedy remains dedicated to bringing superior products and services to our customers that contribute to a better global society and greater financial well-being.

Gina Phillipps Black
Chair, on behalf of the Corporate Governance & Nomination Committee

Audited Financial Statements

"I contribute to building a culture of excellence by setting very clear goals and ensuring that the team understands the vision and that they have the training, guidance, and tools to achieve the goal. I also create a work environment that is not occupied by fear but one in which mistakes are seen as opportunities for development."

Radcliffe Walker
General Manager, Dairy Industries Jamaica Limited

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Independent auditor's report

To the Members of GraceKennedy Limited

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

Our opinion

In our opinion, the consolidated financial statements and the stand-alone financial statements give a true and fair view of the consolidated financial position of GraceKennedy Limited (the Company) and its subsidiaries (together 'the Group') and the stand-alone financial position of the Company as at December 31, 2023, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with IFRS Accounting Standards and with the requirements of the Jamaican Companies Act.

What we have audited

The Group's consolidated and stand-alone financial statements comprise:

- the consolidated statement of financial position as at December 31, 2023;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the company statement of financial position as at December 31, 2023;
- the company income statement for the year then ended;
- the company statement of comprehensive income for the year then ended;
- the company statement of changes in equity for the year then ended;
- the company statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

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

PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica
T: (876) 922 6230, F: 876) 922 7581, www.pwc.com/jm

B.L. Scott B.J. Denning G.A. Reece P.A. Williams R.S. Nathan C.I. Bell-Wisdom G.K. Moore T.N. Smith DaSilva K.D. Powell.

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

Our audit approach

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

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

In assessing the risk of material misstatement to the Group's consolidated financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the consolidated financial statements, we designed and performed audit procedures over various components. The Group comprised 48 reporting components, of which we selected 29 components, which represent the principal business units within the Group and covered entities within Jamaica, Barbados, British Virgin Islands, Trinidad and Tobago, Eastern Caribbean Countries, Canada, Cayman Islands, the United Kingdom, the United States of America, and Guyana.

Of the 29 components selected, we performed an audit of the complete financial information of 13 components which were selected based on their size, risk characteristics or both. For the remaining 16 components, we performed audit procedures on specific accounts and / or specified procedures within that component that we considered had the potential for the greatest impact on the significant accounts in the consolidated financial statements, either due to the size of these accounts or their risk profile. The audit work performed covered 97% of the Group's total revenues and 97% of total assets.

In relation to the remaining components, we performed other procedures, including analytical review procedures and testing of consolidation journals, intercompany eliminations and foreign currency translation recalculations to respond to any potential risks of material misstatement to the Group's consolidated financial statements.

For components that are in scope of the Group audit, we used component auditors from PwC network firms and non-PwC firms who are familiar with the local laws and regulations to perform this audit work. Throughout the audit we had regular meetings and correspondence with management and component auditor teams to follow up on progress of work for all components. The Group engagement team reviewed workpapers relating to the audit approach and findings of the component auditors.

pwc

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Adoption of IFRS 17, Insurance Contracts (Group) *Refer to notes 2(r) and 4(iv), 41 to the financial statements for disclosures of related accounting policies and balances.* On January 1, 2023 the Group adopted IFRS 17 with a transition date of January 1, 2022 and restated comparative information for 2022 and 2021 applying the transition provisions of IFRS 17. The adoption of the standard significantly impacted how the Group recognizes, measures, presents and discloses insurance contracts. The adoption of IFRS 17 resulted in a $636.14 million reduction in equity for the Group. Changes in accounting policies resulting from the adoption of IFRS 17 were applied using a full retrospective approach to the insurance contracts in force at the transition date. IFRS 17 is a complex accounting standard requiring considerable judgement and interpretation in its implementation, and impacts how the Group recognizes, measures, presents and discloses insurance contracts. In adopting the new standard, management used significant judgement in developing and implementing accounting policies, including policies specific to transition. With the application of the premium allocation approach there are many elements embedded in the determination of the carrying value of insurance contracts that required management to use significant judgement in making estimates and assumptions. We considered this a key audit matter as auditing the Group's transition to IFRS 17 was complex as it related to the measurement of the Group's insurance contract liabilities with regards to management's assumptions being: • discount rates, and • the non-financial risk adjustment.	Our approach to addressing the matter, with the assistance of our actuarial specialist, involved the following procedures, amongst others: • Evaluated the accounting policies and the elections involved in transition. • Assessed the appropriateness and consistency of key assumptions, including discount rate and risk adjustment, used in the measurement of insurance contract liabilities, by comparing to market data, entity specific facts and circumstances and our knowledge of the products and the requirements of IFRS 17. • Tested, on a sample basis, underlying support and documentation such as historical executed insurance contracts. • Tested the inputs and source information underlying the determination of the discount rates and non-financial risk adjustment. Developed a range of independent estimates and compared those to the discount rates and non-financial risk adjustment selected by management. • Assessed the IFRS 17 disclosures within the financial statements against the requirements of IFRS 17. Based on the results of our audit procedures, management's application of accounting policies as required by IFRS 17, in our view, was not unreasonable.

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contract liability for insurance contracts (Group) *Refer to notes 2(r), 4(iv) and 17 to the financial statements for disclosures of related accounting policies, estimates and balances.* As at 31 December 2023, total insurance contract liabilities amounted to $10.94 billion for the Group. Insurance contract liabilities are determined in accordance with IFRS 17. This requires the use of complex valuation models and assumptions to measure groups of insurance contracts as the total of fulfilment cash flows plus a risk adjustment for non-financial risk and a discount factor. The Group measures insurance contracts issued and reinsurance contracts held by applying the Premium Allocation Approach ("PAA"). There is generally less information available in relation to insurance contract liability, which can result in variability between initial estimates and final settlement. A range of methods may be used to determine these provisions. Management uses qualified external actuaries to assist in determining the valuation of insurance liability. The cost of capital method was used to derive the overall risk adjustment for non-financial risk. In the cost of capital method, the risk adjustment is determined by applying a cost rate to the present value of projected capital relating to non-financial risk. The bottom-up approach was used to derive the discount rates. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity premium'). The risk-free was derived using government bond rates available in the market denominated in the same currency as the product being measured. We focused on this area because the liability for insurance contracts issued measured under the PAA includes significant and complex assumptions such as: • discount rates; • claims settlement pattern; • methods used to measure insurance contract liabilities including the risk adjustment for non-financial risk.	The approach to addressing the matter, with the assistance of our actuarial experts, involved the following procedures, amongst others: • Obtained an understanding on management's end to end process and controls supporting the determination of insurance contract liabilities. • Tested, on a sample basis, the completeness and accuracy of insurance contracts and related claims to source documents as it pertained to premiums, unearned premiums, claims outstanding and claims paid. • Evaluated the suitability of the methodology used by management's actuary in establishing insurance contract liabilities against established actuarial practice and our knowledge and experience. • Performed a methodology and assumptions assessment of management's determination of discount rates and risk adjustment in the actuarial valuation considering market data and component specific facts and circumstances. • Evaluated and tested the reasonableness of management's claim settlement pattern by inspecting historical information and sensitised the outputs to evaluate for reasonableness and management bias. • Assessed the independence, experience and objectivity of management's actuarial experts. The results of our procedures indicated that the assumptions used by management for determining the valuation of insurance contract liabilities were not unreasonable.

Key audit matter	How our audit addressed the key audit matter
Accounting for business combinations – intangible assets (Group) *Refer to notes 2(b), 4(ix) and 39 to the consolidated and stand-alone financial statements for disclosures of related accounting policies and balances.* The Group acquired 100% of the share capital of Scotia Insurance Caribbean Limited (SICL) and Unibev Limited (Unibev) on 31 March 2023 and 26 October 2023 respectively. On 14 February 2023 the group also acquired an additional 35% of Catherine's Peak Bottling Company Limited (CP) which brought its total shareholdings in the company to 70%. Management assessed that the acquisitions qualified as business combinations resulting in recognizing $2.5 billion of goodwill. Valuations of identifiable net assets acquired were performed as part of the Purchase Price Allocation (PPA) which resulted in the Group recognising trademarks, licences and exclusive agency agreement intangibles assets totalling $1.84 billion. We focused on this area due to the significance of intangible assets identified and the nature of business combinations, the accounting requirements of which can be complex and require management to exercise judgement in determining certain estimates. The most significant is the determination of the PPA. Management engaged external experts to assist with the determination of the PPA which encompassed identifying and estimating the fair value of intangible assets acquired. The determination of fair value involves significant areas of judgement, which is based on the inputs and assumptions in the model, such as business growth rates, attrition rate, future margins, commissions paid and discount rates.	Our approach to addressing the matter, with the assistance of our valuation specialists, involved the following procedures, amongst others: ● Read the share purchase agreement and evaluated the appropriateness of the accounting for the acquisition as a business combination against management's accounting policies and the applicable accounting standards. ● Held discussions with management to understand and evaluate their basis for determining assumptions. ● Evaluated the application of the valuation methodologies utilised to derive the fair value of the identified intangible assets. ● Tested the reasonableness of valuation assumptions and inputs by: ○ Corroborating the key variables, being the business growth rates, attrition rate, future margins, commission paid and discount rates, to historic and prospective financial, industry and economic information, taking into consideration our knowledge of the Group and its industries; ○ Where relevant, considered third party sources and challenged management's future revenue estimates considering changes in the market or actions by competitors. ● Assessed the competence and capability of management's valuation expert. ● We recalculated the goodwill, being the difference between the total net consideration paid and the fair value of the net assets acquired for mathematical accuracy. Based on the audit procedures performed, management's accounting, judgements and estimates relating to the business combination were not unreasonable

Key audit matter	How our audit addressed the key audit matter
IFRS 9 'Financial Instruments' – Probabilities of Default, Forward-Looking Information and Significant Increase in Credit Risk (Group) *Refer to notes 2(h), 3(c)(i), 4(viii), 6 and 9 to the financial statements for disclosures of related accounting policies, estimates and balances.* As at 31 December 2023, the Group's loans and advances totalled \$41.1 billion net of impairment. The Group's debt securities measured at amortised cost and fair value through other comprehensive income (FVOCI) totalled \$51.6 billion net of impairment. In aggregate, the above exposures represent 24% of total assets at the reporting date. The resultant impairment recorded under the expected credit loss (ECL) impairment model amounted to \$1.82 billion for loans and advances and \$363.7 million for debt securities. In assessing impairment, IFRS 9 prescribes a forward-looking ECL impairment model which takes into account reasonable and supportable forward-looking information as well as probability of default (PD). PD represents the likelihood of a borrower defaulting on their obligation over the next twelve months or over the remaining lifetime of the obligation. The twelve-month and lifetime PDs are determined differently for loans and advances and investments. For loans and advances, management developed PDs based on the Group's specific historical default rates for each industry classification. In performing historical analyses, management identified economic variables impacting credit risk and ECLs for each portfolio. For debt securities, which include sovereign and corporate securities, PDs are developed by reference to external data collated by Standard & Poor's (S&P) with adjustments for industry and country specific risks, where appropriate. The estimation and application of forward-looking information requires significant judgement. Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) which most closely correlate with credit losses in the relevant portfolio. Each macroeconomic scenario used in the ECL calculation incorporates forecasts of the relevant macroeconomic variables.	Our approach to addressing the matter, with the assistance of our valuation specialist, involved the following procedures, amongst others: • Updated our understanding of management's ECL model including any changes to source data and assumptions. • Tested the completeness of all loans and advances and debt securities to determine whether all items were included in the ECL models by agreeing the models to detailed loans and securities listings. • Evaluated the reasonableness of management's judgments pertaining to PD, SICR and forward-looking information, including macroeconomic factors, impacting the weighting of the scenarios as follows: **Loans and advances** PD: • Tested the critical data fields used in the ECL model for the PD determination, such as default date, effective interest rate, write-off data, and loan type by tracing data back to source documents. • Reperformed the calculation of days past due, a key data input into the PD parameter, in the Group's banking system on a sample basis. SICR: • Evaluated staging of loans and advances and compared our results to those identified and classified by management. **Debt Securities** PD: • Tested the critical data fields used in the ECL model, such as the maturity date, amortised cost, accrued interest, credit rating and interest rate by tracing data back to relevant source documents. • Agreed the credit ratings and historical default rates used to calculate the PDs on a sample basis, to external sources such as external rating agencies.

Key audit matter	How our audit addressed the key audit matter
In the event of a significant increase in credit risk (SICR), an allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument (lifetime ECL). The consideration for days past due as well as adverse changes in a borrower's credit rating, industry or the economic environment are factors considered in determining whether there has been a SICR. The estimation of ECL in Stage 1 and Stage 2 is a discounted, probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. The base case scenario is derived from macroeconomic forecasts which are publicly available. Upside and downside scenarios are set relative to the base case scenario based on reasonably possible alternative macroeconomic conditions. We focused on this area due to the complexity of the techniques used to determine PDs and identify SICR, and the number of significant judgements made by management regarding possible future economic scenarios as it pertains to loans and advances and debt securities.	SICR: ● Tested, on a sample basis, the accuracy of the initial credit risk and the credit risk at the reporting date using rating agency definitions of 'investment grade' and evaluated the appropriateness of the group classification of debt securities as Stage 2. ● Performed an independent qualitative assessment for a sample of borrowers to determine if there was any adverse public information affecting the criteria used to perform the staging. ● Inspected the financial statements of a sample of borrowers to determine if there was any significant downturn in financial performance and aid in assessing the staging for borrowers. **Forward-Looking Information (loans and advances and debt securities):** ● Assessed the reasonableness of the Group's methodology for determining economic scenarios including the appropriateness of the Gross Domestic Product and unemployment rate economic factors utilised by management. ● Evaluated the reasonableness of the increase in the weighting used for the worst-case scenario by agreeing the forward-looking economic information to external sources published or pronounced by reputable third parties. ● Sensitised the probability weightings used in the ECL calculation. The results of our procedures indicated that the assumptions used by management for determining the probabilities of default, significant increase in credit risk and forward-looking information were not unreasonable.

Other information

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

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

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

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

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

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

In preparing the consolidated and stand-alone financial statements, management is responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated and stand-alone financial statements

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

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

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

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

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

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

Report *on other legal and regulatory requirements*

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

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

The engagement partner on the audit resulting in this independent auditor's report is Paul Williams.

PricewaterhouseCoopers

Chartered Accountants
February 29, 2024
Kingston, Jamaica

GraceKennedy Limited
Consolidated Statement of Financial Position
31 December 2023
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	Restated 2022 $'000	Restated 2021 $'000
Assets				
Cash and deposits	5	27,044,833	25,178,016	30,036,681
Investment securities	6	54,107,105	47,501,347	40,479,250
Pledged assets	6	-	28,875	9,361,518
Receivables	7	20,288,461	19,112,621	16,845,028
Inventories	8	21,419,655	22,029,962	19,228,919
Loans receivable	9	41,126,156	36,800,390	33,322,490
Taxation recoverable		1,962,407	1,431,955	1,063,158
Investments in associates and joint ventures	10	5,091,316	5,346,501	4,524,211
Investment properties	38	885,500	789,900	765,900
Intangible assets	11	11,009,653	6,368,497	6,176,933
Fixed assets	12	30,434,522	28,369,118	26,223,419
Deferred tax assets	13	1,617,877	1,355,301	1,332,769
Pension plan asset	14	4,497,214	1,824,473	7,097,995
Total Assets		**219,484,699**	**196,136,956**	**196,458,271**
Liabilities				
Deposits		60,348,124	52,655,288	48,143,926
Securities sold under agreements to repurchase		-	28,469	7,249,565
Bank and other loans	15	32,436,957	28,318,585	27,988,518
Payables	17	22,392,580	21,619,251	23,460,877
Insurance contract liabilities	17(a)	10,944,098	9,716,050	8,562,995
Taxation		1,871,452	1,213,519	789,425
Provisions	18	52,751	49,467	48,303
Deferred tax liabilities	13	1,662,442	1,803,487	1,783,144
Other post-employment obligations	14	6,519,587	4,298,567	6,768,762
Total Liabilities		**136,227,991**	**119,702,683**	**124,795,515**
Equity				
Capital and reserves attributable to the company's owners				
Share capital	19	157,805	264,596	284,387
Capital and fair value reserves	20	8,251,105	8,994,935	7,409,599
Retained earnings		60,474,240	54,287,035	50,934,595
Banking reserves	21	4,520,711	4,220,711	3,920,711
Other reserves	22	5,671,710	4,864,654	5,672,330
		79,075,571	72,631,931	68,221,622
Non-Controlling interests	23	4,181,137	3,802,342	3,441,134
Total Equity		**83,256,708**	**76,434,273**	**71,662,756**
Total Equity and Liabilities		**219,484,699**	**196,136,956**	**196,458,271**

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

Gordon Shirley — Chairman

Donald Wehby — Group Chief Executive Officer

GraceKennedy Limited

Consolidated Income Statement

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	Restated 2022 $'000
Revenue from products and services		149,012,040	136,855,398
Interest revenue		5,988,984	4,750,271
Revenues	25	155,001,024	141,605,669
Direct and operating expenses		(146,920,862)	(134,868,628)
Net impairment losses on financial assets		(543,452)	(347,204)
Expenses	26	(147,464,314)	(135,215,832)
Profit before Other income		7,536,710	6,389,837
Other income	27	4,100,724	3,870,600
Profit from Operations		11,637,434	10,260,437
Interest income – non-financial services		681,679	558,772
Interest expense – non-financial services		(1,724,850)	(1,250,823)
Share of results of associates and joint ventures	10	774,134	673,191
Profit before Taxation		11,368,397	10,241,577
Taxation	29	(2,989,400)	(2,626,420)
NET PROFIT		8,378,997	7,615,157
Attributable to:			
Owners of GraceKennedy Limited	30	7,780,931	7,047,748
Non-Controlling interests	23	598,066	567,409
		8,378,997	7,615,157

	Note	$	$
Earnings per Stock Unit for profit attributable to the owners of the company during the year:	32		
Basic		7.86	7.11
Diluted		7.79	7.04

GraceKennedy Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	Restated 2022 $'000
Profit for the year		8,378,997	7,615,157
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
(Losses)/gains on revaluation of land and buildings		(571,252)	2,095,902
Changes in fair value of equity instruments at fair value through other comprehensive income		(273,196)	(63,316)
Remeasurements of post-employment benefit obligations		859,244	(1,421,851)
Share of other comprehensive income of associates and joint ventures		(29,484)	105,907
		(14,688)	716,642
Items that may be subsequently reclassified to profit or loss:			
Foreign currency translation adjustments		649,448	(890,561)
Changes in fair value of debt instruments at fair value through other comprehensive income		76,515	(510,101)
Share of other comprehensive income of associates and joint ventures		46,991	(43,970)
		772,954	(1,444,632)
Other comprehensive income for the year, net of tax		758,266	(727,990)
Total comprehensive income for the year		9,137,263	6,887,167
Attributable to:			
Owners of GraceKennedy Limited		8,606,890	6,219,389
Non-Controlling interests	23	530,373	667,778
		9,137,263	6,887,167

GraceKennedy Limited

Consolidated Statement of Changes in Equity

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

		Attributable to Owners of the Parent						Non-Controlling Interest	Total Equity
	Note	Number of Stock Units '000	Share Capital $'000	Capital and Fair Value Reserves $'000	Retained Earnings $'000	Banking Reserves $'000	Other Reserves $'000	$'000	$'000
Balance at 1 January 2022 (Restated)		990,009	284,387	7,409,599	50,934,595	3,920,711	5,672,330	3,441,134	71,662,756
Profit for the year		-	-	-	7,047,748	-	-	567,409	7,615,157
Other comprehensive income for the year		-	-	1,516,898	(1,419,268)	-	(925,989)	100,369	(727,990)
Total comprehensive income for 2022		-	-	1,516,898	5,628,480	-	(925,989)	667,778	6,887,167
Transactions with owners:									
Issue of shares	19 (a)	21	1,533	-	-	-	-	-	1,533
Sale of treasury shares	19 (b)	2,773	195,163	72,306	-	-	(139,616)	-	127,853
Purchase of treasury shares	19 (b)	(3,539)	(345,177)	-	-	-	-	-	(345,177)
Share-based payments:									
Value of services received	19 (e)	-	-	-	-	-	468,923	2,133	471,056
Exercised		-	-	-	-	-	(61,065)	(309)	(61,374)
Transfer of shares to employees	19 (a)	38	2,300	-	-	-	(2,300)	-	-
Transfer of treasury shares to employees	19 (b)	1,491	126,390	21,833	-	-	(147,629)	(594)	-
Increase in non-controlling interests on acquisition of subsidiary	23	-	-	-	-	-	-	38,997	38,997
Dividends paid by subsidiaries to non-controlling interests	23	-	-	-	-	-	-	(346,797)	(346,797)
Dividends paid	31	-	-	-	(2,001,741)	-	-	-	(2,001,741)
Total transactions with owners		784	(19,791)	94,139	(2,001,741)	-	118,313	(306,570)	(2,115,650)
Transfers between reserves:									
From capital reserves		-	-	(25,701)	25,701	-	-	-	-
To banking reserves		-	-	-	(300,000)	300,000	-	-	-
Balance at 31 December 2022 (Restated)		990,793	264,596	8,994,935	54,287,035	4,220,711	4,864,654	3,802,342	76,434,273
Profit for the year		-	-	-	7,780,931	-	-	598,066	8,378,997
Other comprehensive income for the year		-	-	(727,485)	858,384	-	695,060	(67,693)	758,266
Total comprehensive income for 2023		-	-	(727,485)	8,639,315	-	695,060	530,373	9,137,263
Transactions with owners:									
Repurchase of shares	19 (a)	(789)	(61,687)	-	-	-	-	-	(61,687)
Sale of treasury shares	19 (b)	147	4,931	6,232	-	-	-	-	11,163
Purchase of treasury shares	19 (b)	(3,500)	(269,392)	-	-	-	-	-	(269,392)
Share-based payments:									
Value of services received	19 (e)	-	-	-	-	-	415,065	2,493	417,558
Exercised		-	-	-	-	-	(108,038)	(677)	(108,715)
Transfer of shares to employees	19 (a)	48	4,061	-	-	-	(4,061)	-	-
Transfer of treasury shares to employees	19 (b)	2,453	215,296	(22,577)	-	-	(190,970)	(1,749)	-
Increase in non-controlling interests on acquisition of subsidiary	23	-	-	-	-	-	-	211,261	211,261
Dividends paid by subsidiaries to non-controlling interests	23	-	-	-	-	-	-	(362,906)	(362,906)
Dividends paid	31	-	-	-	(2,152,110)	-	-	-	(2,152,110)
Total transactions with owners		(1,641)	(106,791)	(16,345)	(2,152,110)	-	111,996	(151,578)	(2,314,828)
Transfers between reserves:									
To banking reserves		-	-	-	(300,000)	300,000	-	-	-
Balance at 31 December 2023		989,152	157,805	8,251,105	60,474,240	4,520,711	5,671,710	4,181,137	83,256,708

GraceKennedy Limited
Consolidated Statement of Cash Flows
Year ended 31 December 2023
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
SOURCES/(USES) OF CASH:			
Operating Activities	33	17,427,013	(51,252)
Financing Activities			
Loans received		16,762,011	11,698,299
Loans repaid		(14,141,373)	(12,479,840)
Dividends paid by subsidiary to non-controlling interests	23	(362,906)	(346,797)
Repurchase of shares	19	(61,687)	-
Purchase of treasury shares	19	(269,392)	(345,177)
Sale of treasury shares	19	11,163	127,853
Issue of shares	19	-	1,533
Exercise of share based payments	19	(108,715)	(61,374)
Interest paid – non financial services		(1,607,489)	(1,216,797)
Dividends	31	(2,152,110)	(2,001,741)
		(1,930,498)	(4,624,041)
Investing Activities			
Additions to fixed assets[(a)]	12	(2,265,443)	(1,930,222)
Proceeds from disposal of fixed assets		288,152	210,747
Additions to investments		(14,792,210)	(15,768,076)
Cash outflow on acquisition of subsidiaries	39	(4,001,322)	(85,970)
Cash outflow on purchase of interest in associates and joint ventures		-	(496,093)
Proceeds from sale of investments		9,481,426	17,444,205
Net proceeds from disposal of joint venture		-	346,159
Additions to intangibles	11	(1,115,250)	(985,452)
Interest received – non financial services		663,577	641,873
		(11,741,070)	(622,829)
Increase/(decrease) in cash and cash equivalents		3,755,445	(5,298,122)
Cash and cash equivalents at beginning of year		22,431,564	27,911,181
Exchange and translation gains/(losses) on net foreign cash balances		246,327	(181,495)
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	26,433,336	22,431,564

The principal non-cash transactions include:

(a) Acquisition of right-of-use asset of $1,440,778,000 (2022: $892,678,000), (Note 12).

GraceKennedy Limited
Company Statement of Financial Position
31 December 2023
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Assets			
Cash and deposits	5	2,147,963	2,974,595
Investment securities	6	7,063,227	7,167,954
Receivables	7	2,831,736	2,242,166
Inventories	8	3,732,265	4,662,440
Loans receivable	9	5,603,020	2,672,800
Subsidiaries	35	1,630,716	1,204,889
Taxation recoverable		439,485	323,927
Investments in associates	10	49,698	574,698
Investments in subsidiaries		23,145,517	20,450,636
Intangible assets	11	1,114,297	620,500
Fixed assets	12	2,206,176	2,776,834
Deferred tax assets	13	-	265,278
Pension plan asset	14	4,497,214	1,824,473
Total Assets		**54,461,314**	**47,761,190**
Liabilities			
Bank and other loans	15	13,386,968	11,424,197
Payables	17	4,057,730	3,635,603
Subsidiaries	35	3,384,036	1,917,735
Taxation		264,845	414,730
Deferred tax liabilities	13	137,451	-
Other post-employment obligations	14	2,959,894	2,065,803
Total Liabilities		**24,190,924**	**19,458,068**
Equity			
Share capital	19	157,805	264,596
Capital and fair value reserves	20	386,625	422,931
Retained earnings		29,368,644	27,324,273
Other reserves	22	357,316	291,322
Total Equity		**30,270,390**	**28,303,122**
Total Equity and Liabilities		**54,461,314**	**47,761,190**

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

Gordon Shirley — Chairman

Donald Wehby — Group Chief Executive Officer

GraceKennedy Limited

Company Income Statement

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Revenue	25	30,959,416	29,238,580
Cost of goods sold		(22,794,055)	(22,176,706)
Gross Profit		8,165,361	7,061,874
Other income	27	6,657,219	5,937,002
Administration expenses		(11,994,090)	(10,626,682)
Net impairment losses on financial assets		(30,493)	(30,145)
Profit from Operations		2,797,997	2,342,049
Interest income		1,027,249	714,355
Interest expense		(1,036,739)	(682,688)
Profit before Taxation		2,788,507	2,373,716
Taxation	29	(164,305)	(156,618)
NET PROFIT	30	**2,624,202**	**2,217,098**

GraceKennedy Limited

Company Statement of Comprehensive Income

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	2023 $'000	2022 $'000
Profit for the year	2,624,202	2,217,098
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Gains on revaluation of land and buildings	256	13,843
Changes in fair value of equity instruments at fair value through other comprehensive income	(20,217)	(17,129)
Remeasurements of post-employment benefit obligations	1,572,279	(2,721,489)
Other comprehensive income for the year, net of tax	1,552,318	(2,724,775)
Total comprehensive income for the year	4,176,520	(507,677)

Items in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in Note 29.

GraceKennedy Limited

Company Statement of Changes in Equity

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Number of Stock Units '000	Share Capital $'000	Capital and Fair Value Reserves $'000	Retained Earnings $'000	Other Reserves $'000	Total $'000
Balance at 1 January 2022		990,009	284,387	332,078	29,830,405	210,965	30,657,835
Profit for the year		-	-	-	2,217,098	-	2,217,098
Other comprehensive income for the year		-	-	(3,286)	(2,721,489)	-	(2,724,775)
Total comprehensive income for 2022		-	-	(3,286)	(504,391)	-	(507,677)
Transactions with owners:							
Issue of shares	19 (a)	21	1,533	-	-	-	1,533
Sale of treasury shares	19 (b)	2,773	195,163	72,306	-	(139,616)	127,853
Purchase of treasury shares	19 (b)	(3,539)	(345,177)	-	-	-	(345,177)
Share-based payments:							
Value of services received	22	-	-	-	-	366,831	366,831
Exercised		-	-	-	-	(39,905)	(39,905)
Transfer of shares to employees	19 (a)	38	2,300	-	-	(2,300)	-
Transfer of treasury shares to employees	19 (b)	1,491	126,390	21,833	-	(104,653)	43,570
Dividends paid	31	-	-	-	(2,001,741)	-	(2,001,741)
Total transactions with owners		784	(19,791)	94,139	(2,001,741)	80,357	(1,847,036)
Balance at 31 December 2022		990,793	264,596	422,931	27,324,273	291,322	28,303,122
Profit for the year		-	-	-	2,624,202	-	2,624,202
Other comprehensive income for the year		-	-	(19,961)	1,572,279	-	1,552,318
Total comprehensive income for 2023		-	-	(19,961)	4,196,481	-	4,176,520
Transactions with owners:							
Repurchase of shares	19 (a)	(789)	(61,687)	-	-	-	(61,687)
Sale of treasury shares	19 (b)	147	4,931	6,232	-	-	11,163
Purchase of treasury shares	19 (b)	(3,500)	(269,392)	-	-	-	(269,392)
Share-based payments:							
Value of services received	22	-	-	-	-	278,106	278,106
Exercised		-	-	-	-	(72,632)	(72,632)
Transfer of shares to employees	19 (a)	48	4,061	-	-	(4,061)	-
Transfer of treasury shares to employees	19 (b)	2,453	215,296	(22,577)	-	(135,419)	57,300
Dividends paid	31	-	-	-	(2,152,110)	-	(2,152,110)
Total transactions with owners		(1,641)	(106,791)	(16,345)	(2,152,110)	65,994	(2,209,252)
Balance at 31 December 2023		989,152	157,805	386,625	29,368,644	357,316	30,270,390

GraceKennedy Limited
Company Statement of Cash Flows
Year ended 31 December 2023
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
SOURCES/(USES) OF CASH:			
Operating Activities	33	5,147,029	2,214,175
Financing Activities			
Loans received		11,191,841	7,971,845
Loans repaid		(7,894,829)	(7,899,074)
Repurchase of shares	19	(61,687)	-
Purchase of treasury shares	19	(269,392)	(345,177)
Sale of treasury shares	19	11,163	127,853
Issue of shares	19	-	1,533
Exercise of share based payments	19	(72,632)	(39,905)
Interest paid		(962,573)	(660,181)
Dividends	31	(2,152,110)	(2,001,741)
		(210,219)	(2,844,847)
Investing Activities			
Additions to fixed assets[(a)]	12	(170,148)	(140,050)
Proceeds from disposal of fixed assets		348,302	57,540
Additions to investments		(967,537)	(4,051,452)
Loans receivable, net		(2,930,221)	274,336
Proceeds from sale of investments		1,132,042	4,836,615
Investment in subsidiary		(2,169,881)	(1,332,862)
Additions to intangibles	11	(593,758)	(351,086)
Interest received		1,009,149	797,456
		(4,342,052)	90,497
Increase/(decrease) in cash and cash equivalents		594,758	(540,175)
Cash and cash equivalents at beginning of year		1,112,845	1,654,331
Exchange and translation gains/(losses) on net foreign cash balances		1,480	(1,311)
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	1,709,083	1,112,845

The principal non-cash transactions include:

(a) Acquisition of right-of-use assets of $Nil (2022: $Nil), (Note 12).

1. Identification

GraceKennedy Limited (the company) is a company limited by shares, incorporated and domiciled in Jamaica. The registered office of the company is located at 73 Harbour Street, Kingston, Jamaica.

The company is a publicly listed company having its primary listing on the Jamaica Stock Exchange, with further listing on the Trinidad and Tobago Stock Exchange.

The Group is organised into two divisions namely, GK Foods and GK Financial Group. The GK Foods division comprises all the food related companies while the GK Financial Group division comprises all the financial services companies in the Group. For the purpose of segment reporting the Group reports its results under the four segments described below.

The principal activities of the company, its subsidiaries, associates and joint ventures (the Group) are as follows:

Food Trading -
Merchandising of general goods and food products, both locally and internationally; processing and distribution of food products; and the operation of a chain of supermarkets.

Banking and Investments -
Commercial banking; stock brokerage; corporate finance; advisory services; and lease financing.

Insurance -
General insurance, health insurance, group and creditor life insurance, and insurance brokerage.

Money Services -
Operation of money transfer services, cambio operations and bill payment services.

2. Significant 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, unless otherwise stated.

(a) Basis of preparation

These consolidated financial statements have been prepared in accordance with IFRS ® Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS® Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC ® Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC ® Interpretations).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

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

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

- Definition of Accounting Estimates – Amendments to IAS 8
- IFRS Interpretations Committee agenda decisions issued in the last 12 months:
  - Lease Forgiveness of Lease Payments (IFRS 9 and IFRS 16)
  - Multi-currency groups of insurance contracts (IFRS 17 and IAS 21)
  - Definition of a Lease – Substitution Rights (IFRS 16)

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Amendments to IAS 1 – Non-current Liabilities with Covenants

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

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

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

- IFRS 17, 'Insurance contracts' (effective for annual periods beginning on or after 1 January 2023). IFRS 17 was issued as replacement for IFRS 4 'Insurance contracts' and requires a current measurement model where estimates are re-measured each reporting period. This standard has brought significant changes to the accounting for insurance and reinsurance contracts. The key changes are that IFRS 17 requires an entity to recognise profits as it delivers insurance services (rather than when it receives premiums) and to provide information about insurance contract profits the entity expects to recognise in the future. This information will provide metrics that can be used to evaluate the performance of insurers and how that performance changes over time.

  The Group adopted the new standard at 1 January 2023 with retrospective application, which required the comparative figures to be restated. The transition impact of the adoption is therefore recognised in the opening statement of financial position on 1 January 2022 with the income statement for the 2022 financial year and statement of financial position at 31 December 2022 also restated.

  Details of the new accounting policy in relation to IFRS 17 are outlined in Note 2 (r) and the impact on the financial statements on transition is disclosed in Note 41.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

At the date of authorisation of these financial statements a number of new standards and amendments to standards are effective for annual periods beginning on or after 1 January 2024 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

- Amendment to IFRS 16, (effective for accounting periods starting not earlier than 1 January 2024). Leases on sale and leaseback, 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. The Group is currently assessing the impact of this amendment.

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

- Amendment to IAS 7 and IFRS 7 - Supplier finance, (effective for accounting periods beginning on or after 1 January 2024 (with transitional reliefs in the first year)), 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.

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

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

2. Significant Accounting Policies (Continued)

(b) Basis of consolidation

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

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest over the fair value of the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

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

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(b) Basis of consolidation (continued)

Entity	Country of incorporation and place of business	Nature of business	Proportion of ordinary shares held by the parent company %	Proportion of ordinary shares held by the Group %	Proportion of ordinary shares held by non-controlling interests %
Bluedot (2022) Limited	Jamaica	Data analytics	60	60	40
Catherine's Peak Bottling Company Limited	Jamaica	Food trading	70	70	30
Consumer Brands Limited	Jamaica	Food trading	100	100	-
GK Investments Limited and its subsidiary –	Jamaica	Lease financing	100	100	-
Greenfield Media Productions Limited	Jamaica	Media rights holder	-	55	45
GraceKennedy Financial Group Limited and its subsidiaries –	Jamaica	Holding company	100	100	-
Allied Insurance Brokers Limited	Jamaica	Insurance brokerage	-	100	-
GK General Insurance Company Limited	Jamaica	General insurance	-	100	-
GraceKennedy Money Services Caribbean SRL and its subsidiary –	Barbados	Holding company	-	75	25
GraceKennedy Remittance Services Limited and its subsidiaries –	Jamaica	Money services	-	75	25
Grace Kennedy Currency Trading Services Limited	Jamaica	Money services	-	75	25
GraceKennedy Payment Services Limited	Jamaica	Money services	-	75	25
GraceKennedy Money Services (Anguilla) Limited	Anguilla	Money services	-	75	25
GraceKennedy Money Services (Antigua & Barbuda) Limited	Antigua & Barbuda	Money services	-	75	25
GraceKennedy Money Services (Bahamas) Limited	Bahamas	Money services	-	75	25
GraceKennedy Money Services (Montserrat) Limited	Montserrat	Money services	-	75	25
GraceKennedy Money Services (St. Kitts & Nevis) Limited	St. Kitts & Nevis	Money services	-	75	25
GraceKennedy Money Services (St. Vincent and the Grenadines) Limited	St. Vincent and the Grenadines	Money services	-	75	25
GraceKennedy Money Services (BVI) Limited	British Virgin Islands	Money services	-	75	25
GraceKennedy Money Services (Cayman) Limited	Cayman Islands	Money services	-	75	25
GraceKennedy Money Services (Turks & Caicos Islands) Limited	Turks & Caicos Islands	Money services	-	75	25
Grace, Kennedy Remittance Services (Guyana) Limited	Guyana	Money services	-	75	25
GraceKennedy (Trinidad & Tobago) Limited	Trinidad and Tobago	Money services	-	75	25
GK Insurance (Eastern Caribbean) Limited	St. Lucia	General insurance	-	89.3	10.7
GK Insurance Brokers Limited	Turks & Caicos	Insurance brokerage	-	100	-
GK Life Insurance Eastern Caribbean Limited	St. Lucia	Creditor life insurance	-	100	-
GK Life Insurance Caribbean Limited (formerly Scotia Insurance Caribbean Limited)	Barbados	Creditor life insurance	-	100	-
Key Insurance Company Limited	Jamaica	General insurance	-	73.2	26.8
Knutsford Re Limited	Turks & Caicos	Insurance	-	100	-
First Global Holdings Limited and its subsidiaries –	Jamaica	Holding company	25	100	-
First Global Bank Limited	Jamaica	Banking	-	100	-
GK Capital Management Limited	Jamaica	Investment manager	-	100	-
GraceKennedy Properties Limited	Jamaica	Property rental	-	100	-

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(b) Basis of consolidation (continued)

Entity	Country of incorporation and place of business	Nature of business	Proportion of ordinary shares held by the parent company %	Proportion of ordinary shares held by the Group %	Proportion of ordinary shares held by non-controlling interests %
GK Foods & Services Limited	Jamaica	Food trading	100	100	-
International Communications Limited	Jamaica	Dormant	100	100	-
Unibev Limited	Jamaica	Food trading	100	100	-
Grace Foods Limited	St. Lucia	Brand owner	100	100	-
GraceKennedy (Belize) Limited	Belize	Food trading	100	100	-
Grace Foods Canada Inc.	Canada	Food trading	100	100	-
Grace Kennedy (Guyana) Limited	Guyana	Dormant	100	100	-
Grace Kennedy (USA) Inc. and its subsidiary –	USA	Food trading	100	100	-
Grace Foods (USA) Inc. and its subsidiary –	USA	Food trading	-	100	-
GraceKennedy Foods (USA) LLC	USA	Food trading	-	100	-
GraceKennedy (St. Lucia) Limited and its subsidiary –	St. Lucia	Holding company	100	100	-
GK Foods (UK) Limited and its subsidiaries –	United Kingdom (UK)	Food trading	-	100	-
Grace Foods UK Limited	UK	Food trading	-	100	-
Enco Products Limited	UK	Food trading	-	100	-
Funnybones Foodservice Limited	UK	Food trading	-	100	-
Chadha Oriental Foods Limited	UK	Food trading	-	100	-
GraceKennedy Ghana Limited	Ghana	Food trading	-	100	-

The special purpose entity consolidated is the company's employee investment trust.

During the year, the Group acquired 100% of the share capital of GK Life Insurance Caribbean Limited (formerly Scotia Insurance Caribbean Limited) and 100% of the share capital of Unibev Limited. The Group also purchased additional shares in Catherine's Peak Bottling Company Limited, increasing its shareholdings from 35% to 70%, (Note 39).

In the prior year, the Group acquired 60% of the share capital of Bluedot (2022) Limited (Note 39).

2. Significant Accounting Policies (Continued)

(c) Associates and Joint Ventures

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

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

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

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the entity and its carrying value and recognises the amount adjacent to ‘share of results of associates and joint ventures’ in the income statement.

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

In the company’s statement of financial position, investment in associates and joint ventures is shown at cost.

The Group's associates and joint ventures are as follows:

Entity	Financial Reporting Year-end	Country of Incorporation	Nature of Business	Nature of Relationship	Group’s Percentage Interest	
					2023	2022
Canopy Insurance Limited	31 December	Jamaica	Financial	Joint Venture	50.0	50.0
Catherine’s Peak Bottling Company Limited	31 March	Jamaica	Food trading	Associate	-	35.0
CSGK Finance Holdings Limited	31 December	Barbados	Banking	Associate	50.0	50.0
Dairy Industries (Jamaica) Limited	31 December	Jamaica	Food trading	Associate	50.0	50.0
Gray's Pepper Products Limited	31 December	Jamaica	Food trading	Associate	33.3	33.3
Majesty Foods LLC	31 December	USA	Food trading	Associate	49.0	49.0
Telecommunications Alliance Limited	31 December	Jamaica	Dormant	Associate	49.0	49.0

The results of associates and joint ventures with financial reporting year-ends that are different from the Group are determined by prorating the results for the audited period as well as the period covered by management accounts to ensure that a year’s result is accounted for where applicable.

During the year, the Group purchased additional shares in Catherine’s Peak Bottling Company Limited, increasing its shareholdings from 35.0% to 70.0%, which transferred the company from an associate to a subsidiary (Note 10).

In the prior year, the Group purchased additional shares in CSGK Finance Holdings increasing its shareholdings from 40.0% to 50.0%. The Group also sold its 50.0% shareholdings in Pelican Power Limited (Note 10).

(d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

(e) Foreign currency translation

Functional and presentation currency

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

2. Significant Accounting Policies (Continued)

(e) Foreign currency translation (continued)

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement in other income.

Foreign exchange gains and losses are presented in the income statement within 'other income'.

Changes in the fair value of monetary securities denominated in foreign currency classified as fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in the income statement, and other changes in the carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

Group companies
The results and financial position of all the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) all resulting exchange differences are recognised in other comprehensive income.

When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

(f) Fixed assets
All fixed assets are initially recorded at cost. Freehold land and buildings are subsequently shown at market valuation based on biennial valuations by external independent valuers, less subsequent depreciation of buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount. All other fixed assets are carried at cost less accumulated depreciation.

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

Increases in carrying amounts arising on revaluation are credited to other comprehensive income and shown in capital reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against capital reserves directly in equity; all other decreases are charged to the income statement.

Depreciation is calculated on the straight line basis to allocate assets' cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Freehold buildings and leasehold buildings and improvements	10 - 65 years
Plant and machinery	5 - 20 years
Equipment, furniture and fixtures	5 - 10 years
Computer equipment	3 - 5 years
Vehicles	5 years

Land is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

2. Significant Accounting Policies (Continued)

(f) Fixed assets (continued)

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of fixed assets are determined by reference to their carrying amount and are taken into account in determining profit. When revalued assets are sold, the amounts included in capital and fair value reserves are transferred to retained earnings.

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

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

(g) Intangible assets

Goodwill
Goodwill is recorded at cost and represents the excess of the value of consideration paid over the Group's interest in net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. Goodwill is considered an indefinite life intangible asset and is not amortised. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are recognised in the income statement under expenses and are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

Computer software
Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over the estimated useful life of the software, which ranges from 3 to 8 years (2021: 3 to 5 years).

Policy contracts
Policy contracts are amortised over their estimated useful life which is 15 years and are carried at cost less accumulated amortisation. The cost of policy contracts comprises its purchase price and professional fees directly attributed to acquiring the asset.

Brands and Trademarks
Brands and trademarks are recorded at cost and represent the value of the consideration paid to acquire several well established and recognised beverage and ethnic food brands. These costs are amortised over the estimated useful life of the brands and trademarks, which ranges from 5 to 20 years.

Customer relationships
Customer relationships are recorded at cost and represent the value of the consideration paid to acquire customer contracts and the related customer relationships with several outlet operators and insurance clients. These costs are amortised over the estimated useful life of the relationships, which is between 5 to 15 years.

Supplier relationships
Supplier relationships are recorded at cost and represent the value of the consideration paid to acquire rights to distribute consumer products in specified locations. These costs are amortised over the estimated useful life of the relationships, which is between 10 to 12 years.

Bancassurance agreements
Bancassurance agreements are recorded at cost and represent the value of the consideration paid to acquire the rights to have insurance products sold using banking distribution channels. These costs are amortised over the estimated useful life of the agreements, which is 10 years.

Licences
Licences are recorded at cost and represent the value of the consideration paid to acquire the rights to operate under the regulatory framework in territories where registered. Licences are usually considered an indefinite life intangible asset so it will not require any annual amortisation. However, it will be subject to annual impairment testing.

2. Significant Accounting Policies (Continued)

(h) Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI), or through profit or loss)
- those to be measured at amortised cost.

The classification depends on the business model used for managing the financial assets and the contractual terms of the cash flows.

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

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

Measurement

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

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

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Changes in fair value are taken through OCI. The recognition of interest income and impairment gains or losses are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in the income statement using the effective interest rate method. Impairment losses are presented as a separate line item in the income statement.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is measured at FVPL is recognised in profit or loss in the period in which it arises.

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

Impairment

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its financial assets classified at amortised cost, debt instruments measured at FVOCI, lease receivables, loan commitments and certain financial guarantee contracts.

Application of the General Model
The Group has applied the 'general model' as required under IFRS 9 for debt instruments other than trade receivables. Under this model, the Group is required to assess on a forward-looking basis the ECL associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The ECL will be recognised in profit or loss before a loss event has occurred. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The probability-weighted outcome considers multiple scenarios based on reasonable and supportable forecasts. Under current guidance, impairment amount represents the single best outcome; the time value of money; and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

2. Significant Accounting Policies (Continued)

(h) Financial assets (continued)

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

The impairment model uses a three-stage approach based on the extent of credit deterioration since origination:

Stage 1 – 12-month ECL applies to all financial assets that have not experienced a significant increase in credit risk since origination and are not credit impaired. The ECL will be computed using a 12-month PD that represents the probability of default occurring over the next 12 months.

Stage 2 – When a financial asset experiences a significant increase in credit risk subsequent to origination but is not credit impaired, it is considered to be in Stage 2. This requires the computation of ECL based on lifetime PD that represents the probability of default occurring over the remaining estimated life of the financial asset. Provisions are higher in this stage because of an increase in risk and the impact of a longer time horizon being considered compared to 12 months in Stage 1.

Stage 3 – Financial assets that have an objective evidence of impairment will be included in this stage. Similar to Stage 2, the allowance for credit losses will continue to capture the lifetime ECL.

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

Assessment of Significant Increase in Credit Risk

The assessment of a significant increase in credit risk is done on a relative basis. To assess whether the credit risk on a financial asset has increased significantly since origination, the Group compares the risk of default occurring over the expected life of the financial asset at the reporting date to the corresponding risk of default at origination, using key risk indicators that are used in the Group's existing risk management processes. At each reporting date, the assessment of a change in credit risk will be individually assessed for those considered individually significant and at the segment level for retail exposures. This assessment is symmetrical in nature, allowing credit risk of financial assets to move back to Stage 1 if the increase in credit risk since origination has reduced and is no longer deemed to be significant.

Macroeconomic Factors, Forward Looking Information and Multiple Scenarios

The Group applies an unbiased and probability weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions.

Macroeconomic factors and forward looking information are incorporated into the measurement of ECL as well as the determination of whether there has been a significant increase in credit risk since origination. Measurement of ECLs at each reporting period reflect reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

Expected Life

When measuring ECL, the Group considers the maximum contractual period over which the Group is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment options and extension and rollover options. For certain revolving credit facilities that do not have a fixed maturity, the expected life is estimated based on the period over which the Group is exposed to credit risk and where the credit losses would not be mitigated by management actions.

Application of the Simplified Approach

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using a lifetime ECL. As a practical expedient, a provision matrix is utilised in determining the lifetime ECLs for trade receivables.

The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward looking information.

2. Significant Accounting Policies (Continued)

(i) Derivative financial instruments

Derivatives are financial instruments that derive their value from the price of the underlying items such as equities, bonds, interest rates, foreign exchange, credit spreads, commodities or other indices. Derivatives enable users to increase, reduce or alter exposure to credit or market risk. The Group transacts derivatives to manage its own exposure to foreign exchange risk and interest rate risk.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each statement of financial position date. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate. Derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Assets and liabilities are set off where the contracts are with the same counterparty, a legal right of set off exists and the cash flows are intended to be settled on a net basis.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at fair value through profit or loss.

Gains and losses from the changes in the fair value of derivatives are included in the income statement.

(j) Investments in subsidiaries

Investments in subsidiaries are stated at cost.

(k) Impairment of non-financial assets

Fixed assets and other assets, excluding goodwill, are reviewed for impairment losses at least annually and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(l) Income taxes

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

Current tax charges are based on taxable profit for the year, which differs from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The Group's liability for current tax is calculated at tax rates that have been enacted or substantively enacted at statement of financial position date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

Investment tax credits are benefits received for investments in specific qualifying assets related to capitalised expenditure. Any portion of these tax credits which are received but not fully utilised in the same year are carried forward for offset against future taxes and are recognised similarly to unused tax credits as a deferred tax asset.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

2. Significant Accounting Policies (Continued)

(m) Employee benefits

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

Pension plan assets
The Group also operates a defined benefit plan. The scheme is generally funded through payments to a trustee-administered fund as determined by periodic actuarial calculations. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

The asset or liability in respect of defined benefit pension plans is the difference between the present value of the defined benefit obligation at the statement of financial position date and the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using interest rates of Government securities which have terms to maturity approximating the terms of the related liability.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in staff costs within expenses in the income statement.

Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to pension plans are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income.

For defined contribution plans, the Group pays contributions to privately administered pension plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Other post-employment obligations
Some Group companies provide post-employment health care benefits, group life, gratuity and supplementary plans for their retirees. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

Equity compensation benefits
The Group operates equity-settled, share-based compensation plans. Directors, senior executives, management and key employees are awarded stock options and/or restricted stock grants. The fair value of the employee services received in exchange for the grant of the options or restricted units is recognised as an expense. The total amount expensed over the vesting period is determined by reference to the fair value of the options or restricted units granted, excluding the impact of non-market vesting conditions. When options are exercised or restricted units are vested, the proceeds received net of any transaction costs or the value transferred are credited to share capital.

Termination benefits
Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after statement of financial position date are discounted to present value.

2. Significant Accounting Policies (Continued)

(m) Employee benefits (continued)

Incentive plans
The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the company's owners after certain adjustments. The Group recognises a provision where contractually obliged or where there is past practice that has created a constructive obligation.

(n) Inventories
Inventories are stated at the lower of average cost and net realisable value. In the case of the company, cost represents invoiced cost plus direct inventory-related expenses. For the subsidiaries, costs are determined by methods and bases appropriate to their operations. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

(o) Trade and insurance receivables
Trade and insurance receivables are carried at original invoice amount (which represents fair value) less provision made for impairment of these receivables. A provision for impairment of these receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against selling and marketing costs in the income statement. Impairment testing of trade receivables is described in Note 3.

(p) Cash and cash equivalents
Cash and cash equivalents are carried on the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included within bank and other loans on the statement of financial position.

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

(r) Insurance operations

Definition and Classification

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgment to assess whether a contract transfers insurance risk and whether the accepted insurance risk is significant.

All of the Group's insurance contracts transfer significant insurance risk. The Group does not issue insurance contracts with direct or indirect participating features, nor any features that should be accounted for separately in accordance with IFRS 17's requirements. Riders, representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, that are issued together with the main insurance contracts form part of a single insurance contract with all of the cash flows within its boundary. Reinsurance contracts held may contain non-distinct investment components and such amounts are not presented as part of the Group's revenue or insurance service expenses.

In the normal course of business, the Group uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all of the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

The Group measures insurance contracts issued and reinsurance contracts held applying the Premium Allocation Approach ("PAA").

All references to insurance contracts in these consolidated financial statements apply to insurance and reinsurance contracts issued or acquired and reinsurance contracts held unless specifically stated otherwise.

2. Significant Accounting Policies (Continued)

(r) Insurance contracts business (continued)

Unit of account

The Group manages insurance contracts issued by product lines, where each product line includes contracts that are subject to similar risks and are managed together. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and profitability groups: (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts.

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

For each portfolio of contracts, the Group determines the appropriate level at which reasonable and supportable information is available, to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of granularity determines sets of contracts. The Group uses judgment to determine at what level of granularity the Group has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

The Group assumes that no contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. For non-onerous contracts, the Group assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts held concluded within a calendar year (annual cohorts) into groups of: (i) contracts for which there is a net gain at initial recognition; (ii) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and (iii) remaining contracts in the portfolio.

Reinsurance contracts held are assessed for aggregation requirements at the line of business level. The Group tracks internal management information reflecting historical experiences of such contracts' performance. This information is used for setting pricing of these contracts such that they result in reinsurance contracts held in a net cost position without a significant possibility of a net gain arising subsequently.

Recognition and derecognition

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Group determines that a group of contracts becomes onerous.

Reinsurance contracts held are recognised as follows:

- a group of reinsurance contracts held that provide proportionate coverage (quota share reinsurance) is recognised at the later of:
  i. the beginning of the coverage period of the group; and
  ii. the initial recognition of any underlying insurance contract;
- all other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the group of reinsurance contracts held.

Unless the Group entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the group of reinsurance contracts held, in which case the reinsurance contract held is recognised at the same time as the group of underlying insurance contracts is recognised.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts restriction. Composition of the groups is not reassessed in subsequent periods.

An insurance contract is derecognised when it is:

- extinguished; or
- the contract is modified and additional criteria discussed below are met.

2. Significant Accounting Policies (Continued)

(r) Insurance contracts business (continued)

Recognition and derecognition (continued)

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as an adjustment to the Liability for Remaining Coverage ("LRC"), unless the conditions for the derecognition of the original contract are met.

The Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

a. if the modified terms had been included at contract inception and the Group would have concluded that the modified contract:
   i. is not within the scope of IFRS 17;
   ii. results in different separable components;
   iii. results in a different contract boundary; or
   iv. belongs to a different group of contracts;
b. the modification means that the contract no longer meets the eligibility criteria for that approach.

When an insurance contract is derecognised, adjustments to remove related rights and obligations to account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

a. if the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment;
b. if the contract is transferred to the third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party; or
c. if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LRC and the hypothetical premium that the entity would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

Fulfillment cash flows and contract boundary

The fulfillment cash flows (FCF) are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

a. are based on a probability-weighted mean of the full range of possible outcomes;
b. are determined from the perspective of the Group, provided that the estimates are consistent with observable market prices for market variables; and
c. reflect conditions existing at the measurement date.

The Group estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts. The Group uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts. Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums, or the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

a. the Group has the practical ability to reprice the risks of the policyholder or change the level of benefits so that the price fully reflects those risks; or
b. both of the following criteria are satisfied:
   i. the Group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
   ii. the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

2. Significant Accounting Policies (Continued)

(r) Insurance contracts business (continued)

Fulfillment cash flows and contract boundary (continued)

In assessing the practical ability to reprice, risks transferred from the policyholder to the Group, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included. Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive insurance contract services from the reinsurer.

The Group defines acquisition cash flows as cash flows that arise from costs of selling, underwriting and starting a group of insurance contracts and that are directly attributable to the portfolio of insurance contracts to which the group belongs. Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated:

a. to that group; and
b. to groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group. Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio

Before a group of insurance contracts is recognised, the Group could pay for directly attributable acquisition costs to originate them. Such balances are recognised as insurance acquisition cash flows assets within the carrying amount of insurance contracts issued and are subsequently derecognised when respective groups of insurance contracts are recognised and the insurance acquisition cash flows are included in the group's measurement. The amounts allocated to groups of insurance contracts yet to be recognised are revised at each reporting date, to reflect any changes in assumptions that determine the inputs to the method of allocation used.

Insurance acquisition cash flows assets not yet allocated to a group are assessed for recoverability if facts and circumstances indicate that the assets might be impaired. Impairment losses reduce the carrying amount of these assets and are recognised in insurance service expenses. Previously recognised impairment losses are reversed to the extent that the impairment conditions no longer exist or have improved.

Before a group of insurance contracts is recognised, the Group could recognise assets or liabilities for cash flows related to a group of insurance contracts other than insurance acquisition cash flows, either because of the occurrence of the cash flows or because of the requirements of another IFRS standard. Cash flows are related to the group of insurance contracts if they would have been included in the FCF at initial recognition of the group if they had been paid or received after that date. Such assets or liabilities (referred to as 'other pre-recognition cash flows') are included in the carrying amount of the related portfolios of insurance contracts issued or in the carrying amount of the portfolios of reinsurance contracts held.

Cash flows that are not directly attributable to a portfolio of insurance contracts are recognised in other operating expenses as incurred.

Measurement

The Group uses the PAA for measuring contracts with a coverage period of one year or less. For contracts with longer periods, the PAA simplification would produce a measurement of the LRC that would not differ materially from the one that would be produced by applying the General Measurement Model ("GMM") based on qualitative assessment.

For insurance contracts issued, insurance acquisition cash flows allocated to a group are deferred and recognised over the coverage period of contracts in a group.

For insurance contracts issued, on initial recognition, the Group measures the LRC at the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the insurance acquisition cash flows asset and the derecognition of any other relevant pre-recognition cash flows. The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

a. the LRC; and
b. the Liability for Incurred Claims ("LIC"), comprising the FCF related to past service allocated to the group at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

a. increased for premiums received in the period, excluding amounts that relate to premium receivables included in the LIC;
b. decreased for insurance acquisition cash flows paid in the period;
c. decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period; and
d. increased for the amortization of insurance acquisition cash flows in the period recognised as insurance service expenses.

2. Significant Accounting Policies (Continued)

(r) Insurance contracts business (continued)

Measurement (continued)

For reinsurance contracts held, on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid, plus broker fees paid to a party other than the reinsurer and any amounts arising from the derecognition of any other relevant pre-recognition cash flows. The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

a. the remaining coverage; and
b. the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

a. increased for ceding premiums paid in the period;
b. increased for broker fees paid in the period; and
c. decreased for the expected amounts of ceding premiums and broker fees recognised as reinsurance expenses for the services received in the period.

The Group does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money. For LIC, the estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgment and estimation.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. It reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfills insurance contracts. Unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC. For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer. The Group adjusts the assets for reinsurance contracts held for the effect of the risk of reinsurer's non- performance. In the measurement of reinsurance contracts held, the probability-weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

If facts and circumstances indicate that a group of insurance contracts measured under the PAA is onerous on initial recognition or becomes onerous subsequently, the Group increases the carrying amount of the LRC to the amounts of the FCF with the amount of such an increase recognised in insurance service expenses, and a loss component is established for the amount of the loss recognised. Subsequently, the loss component is remeasured at each reporting date as the difference between the amounts of the FCF relating to the future service and the carrying amount of the LRC without the loss component. Where applicable, resulting changes in the loss component are recognized as insurance service expenses.

When a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the asset for remaining coverage for reinsurance contracts held is increased by the amount of income recognised in profit or loss and a loss-recovery component is established or adjusted for the amount of income recognised. The referred income is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contract held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Group applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

Where applicable, changes in the loss-recovery component are recognized as net income from reinsurance contracts held.

2. Significant Accounting Policies (Continued)

(r) Insurance contracts business (continued)

Insurance service result from insurance contracts issued

The Group recognises insurance revenue based on the passage of time over the coverage period of a group of contracts, except for groups of contracts for which the expected pattern of release of risk during the coverage period differs significantly from the passage of time. For these groups of contracts, the Company recognises insurance revenue based on the expected timing of incurred insurance service expenses. The amount of insurance revenue for the period is the amount of expected premium receipts (excluding any investment component and adjusted to reflect the effect of financial risk) allocated to the period.

Insurance service expenses include the following:

a. incurred claims and benefits, reduced by loss component allocations;
b. other incurred directly attributable expenses, including amounts of any other pre-recognition cash flows assets (other than insurance acquisition cash flows) derecognised at the date of initial recognition;
c. insurance acquisition cash flows amortization;
d. changes that relate to past service – changes in the FCF relating to the LIC; and
e. changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses; and
f. insurance acquisition cash flows assets impairment.

Amortization of insurance acquisition cash flows is based on the passage of time. except for groups of contracts for which the expected pattern of release of risk during the coverage period differs significantly from the passage of time. For these groups, the Company amortizes insurance acquisition cash flows based on the timing of recognition of insurance revenue. Other expenses not meeting the above categories are included in other operating expenses in the consolidated statement of profit or loss.

Insurance service result from reinsurance contracts held

The Group presents financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held, comprising the following amounts:

a. reinsurance expenses;
b. incurred claims recovery, reduced by loss-recovery component allocations;
c. other incurred directly attributable expenses;
d. changes that relate to past service – changes in the FCF relating to incurred claims recovery;
e. effect of changes in the risk of reinsurers' non-performance; and
f. amounts relating to accounting for onerous groups of underlying insurance contracts issued.

Some reinsurance contracts held contain non-distinct investment components which do not relate to the provision of insurance services; therefore, such amounts are not presented as part of the Group's revenue or insurance service expenses.

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Group expects to pay in exchange for those services. Broker fees are included within reinsurance expenses.

The Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses. Ceding commissions that are contingent on claims of the underlying contracts issued reduce incurred claims recovery.

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

a. the effect of the time value of money and changes in the time value of money; and
b. the effect of financial risk and changes in financial risk.

The Group chooses not to apply the OCI option to disaggregate insurance finance income or expenses between profit or loss and OCI. The Group does not disaggregate changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(r) Insurance contracts business (continued)

Significant judgements and estimates in applying IFRS

Areas of potential judgment	Applicable to the Company
For insurance contracts issued measured under the PAA, management judgment might be required to assess whether facts and circumstances indicate that a group of contracts has become onerous. Further, judgment is required to assess whether facts and circumstances indicate that any changes in the onerous group's profitability and whether any loss component remeasurement is required.	This area of judgment is potentially applicable to the Group. The Group sets premiums considering recent experience. There are no recent circumstances where there have been onerous contracts. In 2022 and 2023, the Group reviewed gross combined ratios which indicated that contracts are expected to be profitable. All contracts measured by the Group in 2022 and 2023 under the PAA were determined to be non-onerous on initial recognition.
An entity can use judgment to determine which cash flows within the boundary of insurance contracts are those that relate directly to the fulfillment of the contracts.	The Group performs regular expense studies and uses judgment to determine the extent to which fixed and variable overheads are directly attributable to fulfilling insurance contracts.

Methods used and judgements applied in determining the IFRS 17 transition amounts

The Company has adopted IFRS 17 retrospectively. The full retrospective approach was applied to the insurance contracts in force at the transition date, including insurance acquisition cash flow assets. The Company has: identified, recognised and measured each group of insurance contracts and each insurance acquisition cash flows asset in this category as if IFRS 17 had always applied; derecognised any existing balances that would not exist if IFRS 17 had always applied; and recognised any resulting net difference in equity.

Estimates and assumptions

This note provides an overview of items that are more likely to be materially adjusted due to changes in estimates and assumptions in subsequent periods. Detailed information about each of these estimates is included in the notes below, together with information about the basis of calculation for each affected line item in the consolidated financial statements.

In applying IFRS 17 measurement requirements, the following inputs and methods will be used that include significant estimates. The present value of future cash flows is estimated using deterministic scenarios. The assumptions used in the deterministic scenarios are derived to approximate the probability-weighted mean of a full range of scenarios.

Discount rates
The bottom-up approach was used to derive the discount rates. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity premium'). The risk-free was derived using government bond rates available in the market denominated in the same currency as the product being measured. Management uses judgment to assess liquidity characteristics of the liability cash flows. Insurance contracts are considered less liquid than the financial assets used to derive the risk-free yield. For these contracts, the illiquidity premium was estimated based on market observable liquidity premiums in financial assets, adjusted to reflect the illiquidity characteristics of the liability cash flows.

Observable market information is available for up to 5 years. For the unobservable period, the yield curve was interpolated between an ultimate rate and the last observable point using the Smith-Wilson method.

The yield curves that were used to discount the estimates of future cash flows are as follows:

	2023			2022		
Product	**1 year**	**5 years**	**10 years**	**1 year**	**5 years**	**10 years**
General insurance (issued and reinsurance held)	6.18%	6.07%	7.03%	7.75%	6.10%	6.98%

2. Significant Accounting Policies (Continued)

(r) Insurance contracts business (continued)

Estimates and assumptions (continued)

Estimates of future cash flows to fulfil insurance contracts

Included in the measurement of each group of contracts within the scope of IFRS 17 are all of the future cash flows within the boundary of each group of contracts. The estimates of these future cash flows are based on probability-weighted expected future cash flows. The Group estimates which cash flows are expected and the probability that they will occur as at the measurement date. In making these expectations, the Group uses information about past events, current conditions and forecasts of future conditions. The Group's estimate of future cash flows is the mean of a range of scenarios that reflect the full range of possible outcomes. Each scenario specifies the amount, timing and probability of cash flows. The probability-weighted average of the future cash flows is calculated using a deterministic scenario representing the probability-weighted mean of a range of scenarios.

Where estimates of expense-related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic basis, such as the activity-based costing method. Similar methods are consistently applied to allocate expenses of a similar nature. Expenses of an administrative policy maintenance nature are allocated to groups of contracts based on the number of contracts in force within groups. Acquisition cash flows are typically allocated to groups of contracts based on gross premiums written. Claims settlement-related expenses are typically allocated based on the number of claims expected.

Uncertainty in the estimation of future claims and benefit payments arises primarily from the severity and frequency of claims. Assumptions used to develop estimates about future cash flows are reassessed at each reporting date and adjusted where required.

The Group projects estimates of future expenses relating to fulfillment of contracts using current expense levels adjusted for inflation. Expenses comprise expenses directly attributable to the groups of contracts, including an allocation of fixed and variable overheads. In addition, under certain methods used to assess claims incurred for the general insurance contracts, estimates of future claim payments are adjusted for inflation.

Methods used to measure insurance contracts

Judgment is involved in assessing the most appropriate technique to estimate insurance liabilities for the claims incurred. Estimates are performed on an accident year basis.

In its claims incurred assessments, the Group uses internal data consisting of historical paid claims, case reserves, and allocated claims expenses. This information is used to develop ultimate incurred claims and allocated claim adjustment expense estimates by accident year. The Incurred Development, Bornhuetter-Ferguson and Expected Loss Ratio methods are used to arrive at the estimates of incurred but not reported claims, which are industry standards for this type of claim.

The Incurred Development method projects current reported incurred claims to their ultimate values by accident year based on historical incurred development patterns. The Bornhuetter-Ferguson gives some weight to historically based development patterns and the balancing weight to historically based expected ultimate loss ratios. The Expected Loss Ratio method derives the ultimate incurred losses by applying the expected loss ratios to the earned premium. This method gives no weight to the losses reported as at the valuation date.

Methods used to measure the risk adjustment for non-financial risk
The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favorable and unfavorable outcomes in a way that reflects the Group's degree of risk aversion. The Group estimates an adjustment for non-financial risk separately from all other estimates. The Group does not consider the effect of reinsurance in the risk adjustment for non-financial risk of the underlying insurance contracts.

The risk adjustment was calculated at the issuing entity level and then allocated down to each group of contracts in accordance with their risk profiles. The cost of capital method was used to derive the overall risk adjustment for non-financial risk.

In the cost of capital method, the risk adjustment is determined by applying a cost rate to the present value of projected capital relating to non-financial risk. The cost rate is set at 6% per annum, representing the return required to compensate for the exposure to non-financial risk. The capital is determined at a 99.5% confidence level, and it is projected in line with the run-off of the business. The diversification benefit is included to reflect the diversification in contracts sold across geographies, because this reflects the compensation that the entity requires.

The resulting amount of the calculated risk adjustment corresponds to the confidence level of 75% (2022: 75%). The methods and assumptions used to determine the risk adjustment for non-financial risk were not changed in 2023 and 2022.

2. Significant Accounting Policies (Continued)

(s) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed; for example, under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(t) Deposits

Deposits are recognised initially at the nominal amount when funds are received. Deposits are subsequently stated at amortised cost using the effective yield method.

(u) Securities purchased/sold under resale/repurchase agreements

The purchase and sale of securities under resale and repurchase agreements are treated as collateralised lending and borrowing transactions. The related interest income and expense are recorded on the accrual basis.

(v) Borrowings

Bank loans and overdrafts 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.

(w) Borrowings 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.

(x) Leases

As lessee

The Group leases various offices, warehouses, retail stores, equipment and vehicles. Rental contracts are typically made for fixed periods of 1 to 10 years, but may have extension options as described below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

2. Significant Accounting Policies (Continued)

(x) Leases (continued)

Some equipment and motor vehicle leases contain variable lease payment terms that are linked to usage. These payments are excluded from the measurement of the lease liability and are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

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

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use land and buildings held by the Group.

Payments associated with short-term leases 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.

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

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

2. Significant Accounting Policies (Continued)

(y) Share capital

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

Where any Group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the company's owners until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received (net of any directly attributable incremental transaction costs and the related income tax effects) is included in equity attributable to the company's owners.

(z) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of General Consumption Tax or applicable sales tax, returns, rebates and discounts and after eliminating sales within the Group.

Sales of goods and services

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

Certain contracts with customers provide a right of return, free goods, volume discounts, rebates and other incentives. Accumulated experience is used to estimate and provide for customer returns and sales incentives using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability, representing amounts payable to customers, is recognised for expected returns and sales incentives. Where customer contracts entitle customers to free goods, revenue is allocated to each performance obligation, including free goods, and recognised as the performance obligations are satisfied. Contract liabilities are included in 'payables' on the statement of financial position.

Sale of goods and services – customer loyalty programme

The Group operates loyalty programmes where customers accumulate points for purchases made which entitle them to goods or services in the future. The consideration received from the sale of goods and services is allocated to the loyalty points and related goods and services using the residual value method. In its capacity as an agent, the Group recognises commission income, being the net of the consideration allocated to the loyalty points and the amounts payable to third parties with primary responsibility for satisfying the performance obligations in respect of awards. A financial liability is recognised in respect of amounts payable to third parties and no breakage is considered. The financial liability is included in 'payables' in the statement of financial position.

Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Fees and commissions

Fees and commissions, shown in other income, represent various transaction costs and service fees charged to customers. These are recognised on an accrual basis.

Insurance Revenue

Insurance revenue is recognised based on the passage of time over the coverage period of a group of contracts. The amount of insurance revenue for the period is the amount of expected premium receipts (excluding any investment component and adjusted to reflect the effect of financial risk) allocated to the period.

2. Significant Accounting Policies (Continued)

(aa) Dividends

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

(ab) Investment properties

Investment properties, principally comprising land and buildings, are held for long-term rental yields and capital appreciation and are treated as long-term investments. They are measured initially at cost, including related transaction costs and are subsequently carried at fair value.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to income during the financial period in which they are incurred. Fair value gains or losses are recorded in income.

(ac) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the income statement.

3. Insurance and Financial Risk Management

The Group's activities expose it to a variety of insurance and financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

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

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. It provides policies for overall risk management, as well as principles and procedures covering the specific areas of risk. The Board has established committees/departments for managing and monitoring risks, such as foreign exchange risk, interest rate risk, credit risk and liquidity risk, as follows:

(i) Audit Committee

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Group Risk Management and Internal Audit. Group Risk Management establishes a framework within which the opportunities and risks affecting the Group may be measured, assessed, and effectively controlled. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(ii) Corporate Governance Committee

The Corporate Governance Committee assists the Board in enhancing the Group's system of corporate governance by establishing, monitoring and reviewing the principles of good governance with which the Group and its directors will comply. The Committee promotes high standards of corporate governance based on the principles of openness, integrity and accountability taking into account the Group's existing legal and regulatory requirements. It establishes such procedures, policies and codes of conduct to meet these aims as it considers appropriate. Qualified individuals are identified and recommended by the Board to become members. It also leads the Board of Directors in its annual review of the Board's performance.

(iii) Asset and Liability Committees/Investment Committees

The Asset and Liability Committees (ALCOs) and Investment Committees are management committees responsible for monitoring and formulating investment portfolios and investment strategies within the Insurance, Banking and Investment, and Corporate divisions. The ALCOs are also responsible for monitoring adherence to trading limits, policies and procedures that are established to ensure that there is adequate liquidity as well as monitoring and measuring capital adequacy for regulatory and business requirements. To discharge these responsibilities, the ALCOs establish asset and liability pricing policies to protect the liquidity structure as well as assesses the probability of various liquidity shocks and interest rate scenarios. They also establish and monitor relevant liquidity ratios and statement of financial position targets. Overall, the Committees ensure compliance with the policies related to the management of liquidity risk, interest rate risk, and foreign exchange risk.

(iv) Corporate Finance Department

The Corporate Finance Department is responsible for managing the Group's assets and liabilities and the overall capital structure. It is also primarily responsible for the funding and liquidity risks of the Group. Corporate Finance identifies, evaluates and manages financial risks in close co-operation with the Group's operating business units.

(v) Risk and Capital Management Committee

The Risk and Capital Management Committee, a sub-committee of the GraceKennedy Financial Group's Board, oversees the Group's risk and capital management systems, practices and procedures to ensure effectiveness of risk identification and management, and compliance with internal policies and guidelines, and external regulatory requirements.

The most important types of risk are insurance risk, reinsurance risk, credit risk, liquidity risk, market risk and other operational risk. Market risk includes currency risk, interest rate and other price risk.

3. Insurance and Financial Risk Management (Continued)

(a) Insurance risk

The Group issues contracts that transfer insurance risk. This section summarises the risk and the way it is managed by the Group.

Insurance risk for the Group attributable to policies sold by its general and life insurance underwriting subsidiaries, is borne by those subsidiaries. The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore, unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claim payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits is greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that increase insurance risk include lack of risk diversification in terms of type and amount of risk and geographical location.

Management maintains an appropriate balance between commercial and personal policies and type of policies based on guidelines set by the Board of Directors. Insurance risk arising from the Group's insurance contracts is, however, concentrated within Jamaica.

The Group has the right to re-price the risk on renewal. It also has the ability to impose deductibles and reject fraudulent claims. Where applicable, for general insurance contracts are underwritten by reference to the commercial replacement value of the properties or other assets and contents insured. Claims payment limits are always included to cap the amount payable on occurrence of the insured event. Cost of rebuilding properties, of replacement or indemnity for other assets and contents and time taken to restart operations for business interruption are the key factors that influence the level of claims under these policies.

Management sets policy and retention limits based on guidelines set by the Board of Directors of the subsidiaries. The policy limit and maximum net retention of any one risk for each class of general insurance per customer for the year are as follows:

	2023		**2022**	
	Policy Limit	**Maximum Net Retention**	**Policy Limit**	**Maximum Net Retention**
	$'000	**$'000**	**$'000**	**$'000**
Commercial property:				
Fire and consequential loss	1,542,681	89,475	1,530,535	12,244
Boiler and machinery	925,608	6,942	918,321	6,887
Engineering	1,234,144	9,256	1,224,428	9,183
Burglary, money and goods in transit	38,567	37,752	38,263	38,263
Glass and other	38,567	37,752	38,263	38,263
Liability	462,804	46,280	459,161	45,916
Marine, aviation and transport	92,561	2,314	91,832	4,592
Motor	60,000	15,000	60,000	15,000
Pecuniary loss:				
Fidelity	38,567	37,752	38,263	38,263
Surety/Bonds	269,969	53,994	229,580	45,916
Personal accident	38,567	37,752	38,263	38,263
Personal property	617,072	92,561	1,530,535	12,244

3. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (continued)

Sensitivity Analysis of Actuarial Liabilities

The determination of actuarial liabilities is sensitive to a number of assumptions, and changes in those assumptions could have a significant effect on the valuation results. These factors are discussed below.

Actuarial Assumptions

(i) In applying the noted methodologies, the following assumptions were made:

- Claims inflation has remained relatively constant and there have been no material legislative changes in the Jamaican civil justice system that would cause claim inflation to increase dramatically.
- There is no latent environmental or asbestos exposure embedded in the loss history.
- The case reserving and claim payments rates have and will remain relatively constant.
- The overall development of claims costs gross of reinsurance is not materially different from the development of claims costs net of reinsurance. This assumption is supported by:
  - The majority of the reinsurance program consists of proportional reinsurance agreements.
  - The non-proportional reinsurance agreements consist primarily of high attachment points.
- Claims are expressed at their estimated ultimate undiscounted value, in accordance with the requirement of the insurance regulations.

(ii) Provision for adverse deviation assumptions

The basic assumptions made in establishing insurance reserves are best estimates for a range of possible outcomes. To recognise the uncertainty in establishing these best estimates, to allow for possible deterioration in experience and to provide greater comfort that the reserves are adequate to pay future benefits, the appointed actuary is required to include a margin for adverse deviation in each assumption.

Reserves have been calculated on an undiscounted basis as well as on a discounted basis with a risk load added in. Where the undiscounted reserve was larger than the discounted reserve including the calculated provision for adverse deviation, the undiscounted amount was chosen. This assumes that holding reserves at an undiscounted amount includes an implicit risk load.

Development Claim Liabilities

In addition to sensitivity analysis, the development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The table below illustrates how the Group's estimate of the ultimate claims liability for accident years 2014 - 2022 has changed at successive year-ends, up to 2023. Updated unpaid claims and adjustment expenses (UCAE) and claims incurred but not reported (IBNR) estimates in each successive year, as well as amounts paid to date are used to derive the revised amounts for the ultimate claims liability for each accident year, used in the development calculations.

GraceKennedy Limited

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

3. **Insurance and Financial Risk Management (Continued)**

(a) **Insurance risk (continued)**

Development Claim Liabilities (continued)

		2014 & prior $'000	2015 $'000	2015 & prior $'000	2016 $'000	2016 & prior $'000	2017 $'000	2017 & prior $'000	2018 $'000	2018 & prior $'000	2019 $'000	2019 & prior $'000	2020 $'000	2020 & prior $'000	2021 $'000	2021 & prior $'000	2022 $'000	2022 & prior $'000	2023 $'000	2023 & prior $'000
2014	UCAE, end of year	2,757,402																		
	IBNR, end of year	211,251																		
2015	Paid during year	943,096	689,442	1,632,538																
	UCAE, end of year	1,948,129	716,081	2,664,210																
	IBNR, end of year	58,093	206,122	264,215																
	Ratio: excess (deficiency)	0.65%																		
2016	Paid during year	483,110	391,756	874,866	692,748	1,567,614														
	UCAE, end of year	1,324,623	443,046	1,767,669	800,124	2,567,793														
	IBNR, end of year	79,586	71,686	151,272	136,611	287,883														
	Ratio: excess (deficiency)	4.66%		4.60%																
2017	Paid during year	245,167	133,671	378,838	482,917	861,755	848,302	1,710,057												
	UCAE, end of year	978,561	329,691	1,308,252	464,022	1,772,274	839,244	2,611,518												
	IBNR, end of year	83,931	29,754	113,685	29,172	142,857	144,617	287,474												
	Ratio: excess (deficiency)	7.91%		8.63%		2.76%														
2018	Paid during year	235,214	87,614	322,828	161,327	484,155	626,031	1,110,186	1,205,947	2,316,133										
	UCAE, end of year	632,502	243,009	875,511	348,762	1,224,273	479,754	1,704,027	1,158,845	2,862,872										
	IBNR, end of year	114,672	31,830	146,502	(10,017)	136,485	39,448	175,933	276,601	452,534										
	Ratio: excess (deficiency)	10.61%		11.26%		5.22%		(3.14%)												
2019	Paid during year	89,499	57,699	147,198	105,692	252,890	379,583	632,473	895,946	1,528,419	1,184,53	2,712,951								
	UCAE, end of year	512,154	176,372	688,526	293,511	982,037	397,761	1,379,798	678,129	2,057,927	528,900	2,586,827								
	IBNR, end of year	102,613	35,252	137,865	(7,013)	130,852	5,068	135,920	167,574	303,494	150,316	453,810								
	Ratio: excess (deficiency)	12.05%		12.92%		5.04%		(12.40%)		(17.33%)										
2020	Paid during year	71,294	34,346	105,640	48,393	154,033	78,515	232,548	174,146	406,694	757,538	1,164,232	1,163,87	2,328,105						
	UCAE, end of year	386,420	160,203	546,623	241,548	788,171	318,028	1,106,199	447,857	1,554,056	700,537	2,254,593	1,147,11	3,401,709						
	IBNR, end of year	80,865	(12,319)	68,546	(8,659)	59,887	1,992	61,879	32,506	94,385	122,321	216,706	505,975	722,681						
	Ratio: excess (deficiency)	14.62%		16.52%		8.92%		(8.43%)		(8.09%)		(19.56%)								
2021	Paid during year	66,999	26,655	93,654	27,989	121,643	38,114	159,757	98,235	257,992	188,619	446,611	722,343	1,168,954	1,243,96	2,412,916				
	UCAE, end of year	302,873	90,628	393,501	179,098	572,599	240,056	812,655	289,566	1,102,221	391,443	1,493,664	455,872	1,949,536	1,192,85	3,142,391				
	IBNR, end of year	(5,555)	(5,059)	(10,614)	(41,784)	(52,398)	(51,992)	(104,390)	(54,318)	(158,708)	(45,787)	(204,495)	23,929	(180,566)	544,592	364,026				
	Ratio: excess (deficiency)	18.09%		21.26%		16.14%		1.92%		5.39%		4.62%		28.77%						
2022	Paid during year	35,179	20,839	56,018	23,402	79,420	32,834	112,254	89,392	201,646	100,828	302,474	183,743	486,217	883,681	1,369,898	1,492,572	2,862,470		
	UCAE, end of year	253,929	81,955	335,884	111,775	447,659	192,602	640,261	274,820	915,081	340,541	1,255,622	365,481	1,621,103	589,458	2,210,561	1,592,941	3,803,502		
	IBNR, end of year	(2,700)	(2,584)	(5,284)	(4,188)	(9,472)	(48,245)	(57,717)	(61,799)	(119,516)	(63,284)	(182,800)	(45,659)	(228,459)	29,726	(198,733)	697,955	499,222		
	Ratio: excess (deficiency)	18.46%		21.13%		16.23%		2.39%		3.77%		1.79%		26.10%		3.56%				
2023	Paid during year	46,502	16,146	62,648	24,386	87,034	35,603	122,637	71,878	194,515	66,588	261,103	91,994	353,097	250,468	603,565	1,090,126	1,693,691	1,831,684	3,525,375
	UCAE, end of year	190,828	74,680	265,508	99,941	365,449	128,692	494,141	211,501	705,642	296,057	1,001,699	297,066	1,298,765	460,389	1,759,154	397,281	2,156,435	1,794,175	3,950,610
	IBNR, end of year	6,388	1,439	7,827	5,395	13,222	6,329	19,551	(70,201)	(50,650)	(79,824)	(130,474)	(74,521)	(204,995)	(58,226)	(263,221)	38,495	(224,726)	755,967	531,241
	Discount, end of year	(3,646)	(4,600)	(8,246)	(8,633)	(16,879)	(9,535)	(26,414)	(12,005)	(38,419)	(17,997)	(56,416)	(23,062)	(79,477)	(44,779)	(124,256)	(70,945)	(195,201)	(123,066)	(318,267)
	Ratio: excess (deficiency)	18.71%	8.39%	20.95%	(4.56%)	15.27%	(34.74%)	0.53%	(2.47%)	2.15%	(95.79%)	(0.16%)	26.16%	24.79%	11.58%	1.06%	33.39%	15.74%		

3. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (continued)

Sensitivity analysis to underwriting risk variables

The following table presents information on how reasonably possible changes in assumptions made by the Group with regard to how underwriting risk variables impact insurance liabilities before and after risk mitigation by reinsurance contracts held. These contracts are measured under the PAA and, thus, only the LIC component of insurance liabilities is sensitive to possible changes in underwriting risk variables.

	LIC as at 31 December 2023 $'000	Impact on LIC 2023 $'000	Impact on profit before income tax 2023 $'000	LIC as at 31 December 2022 $'000	Impact on LIC 2022 $'000	Impact on profit before income tax 2022 $'000
Insurance contract liabilities	10,541,504			9,577,116		
Reinsurance contract assets	(95,179)			(598,233)		
Net insurance contract liabilities	10,446,325			8,978,883		
Development claims - 10% increase						
Insurance contract liabilities		62,741	(62,741)		85,155	(85,155)
Reinsurance contract assets		(6,462)	6,462		(22,277)	22,277
Net insurance contract liabilities		56,279	(56,279)		62,878	(62,878)
Inflation - 1% increase						
Insurance contract liabilities		69,863	(69,863)		65,726	(65,726)
Reinsurance contract assets		(5,869)	5,869		(6,497)	6,497
Net insurance contract liabilities		63,994	(63,994)		59,229	(59,229)

3. Insurance and Financial Risk Management (Continued)

(b) Reinsurance risk

To limit its exposure to potential loss on an insurance policy, the insurer may cede certain levels of risk to a reinsurer. The Group selects reinsurers which have established capability to meet their contractual obligations and which generally have high credit ratings. The credit ratings of reinsurers are monitored.

Retention limits represent the level of risk retained by the insurer. Coverage in excess of these limits is ceded to reinsurers up to the treaty limit. The retention programmes used by the Group are summarised below:

a) The retention limit or maximum exposure on insurance policies under the reinsurance treaties range between $2,314,000 and $92,561,000 (2022: $4,592,000 and $45,916,000).
b) The Group utilises reinsurance treaties to reduce its net retained risk. The risk is spread over several reinsurers all of whom are AM Best or S&P rated at A or better.
c) Excess of loss reinsurance is also purchased to cover the retained risk in the event of a catastrophe as well as for large motor losses.
d) The amount of reinsurance recoveries recognised during the period is as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Property	1,002,270	964,285
Motor	23,267	147,509
Marine	754	3,500
Liability	75,440	38,536
Pecuniary loss	902	(1,183)
Accident	(867)	13,018
	1,101,766	1,165,665

(c) Financial risk

The Group is exposed to financial risk through its financial assets, reinsurance assets and insurance liabilities. The most important components of this financial risk are credit risk, cash flow risk and market risk (interest rate risk and currency risk).

These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the Group primarily faces due to the nature of its investments and liabilities are interest rate risk and currency risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(i) Credit risk

The Group takes on exposure to credit risk, which is the risk that its customers, clients or counterparties will cause a financial loss for the Group by failing to discharge their contractual obligations. Credit exposures arise principally from the Group's receivables from customers, principals, agents, the amounts due from reinsurers, amounts due from insurance contract holders and insurance brokers, investments, lending activities and loan commitments arising from such lending activities. There is also credit risk in off-statement of financial position financial instruments, such as loan commitments. The Group structures the levels 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-related commitment risks arise from guarantees which may require payment on behalf of customers. Such payments are collected from customers based on the terms of the letters of credit. They expose the Group to similar risks to loans and these are mitigated by the same control policies and processes.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded in the statement of financial position.

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Credit review process

The Group has established a credit quality review process and has credit policies and procedures which require regular analysis of the ability of borrowers and other counterparties to meet interest, capital and other repayment obligations.

(a) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit policy states that each customer must be analysed individually for creditworthiness prior to the Group offering them a credit facility. Customers may be required to provide a banker's guarantee and credit limits are assigned to each customer. These limits are reviewed at least twice per year. The Group has procedures in place to restrict customer orders if the order will exceed their credit limits. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group on a prepayment basis.

Customer credit risks are monitored according to credit characteristics such as whether it is an individual or company, geographic location, industry, ageing profile, and previous financial difficulties. Special negotiated arrangements may extend the credit period to a maximum of 3 months. Trade and other receivables relate mainly to the Group's retail and direct customers. The Group's average credit period for the sale of goods is 1 month.

(b) Loans and leases receivable

The Group assesses the probability of default of individual counterparties using internal ratings. Customers of the Group are segmented into four rating classes. The Group's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class.

Group's internal rating scale:

Group's rating	Description of the grade	
1	Low risk	– Excellent credit history
2	Standard risk	– Generally abides by credit terms
3	Past due	– Late paying with increased credit risk
4	Credit impaired	– Default

Exposure to credit risk is managed in part by obtaining collateral and corporate and personal guarantees. Counterparty limits are established by the use of a credit classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process allows the Group to assess the potential loss as a result of the risk to which it is exposed and take corrective action.

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

(c) Reinsurance

Reinsurance is used to manage insurance risk. This does not, however, discharge the Group's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract. The insurance subsidiaries' Risk and Reinsurance Department assesses the creditworthiness of all reinsurers and intermediaries by reviewing credit grades provided by rating agencies and other publicly available financial information.

(d) Premium and other receivables

The respective credit committees within the Group examine the payment history of significant contract holders with whom they conduct regular business. Management information reported to the Group includes details of provisions for impairment on loans and receivables and subsequent write-offs. Internal Audit makes regular reviews to assess the degree of compliance with the Group procedures on credit. Exposures to individual policyholders and groups of policyholders are collected within the on-going monitoring of the controls associated with regulatory solvency. Where there exists significant exposure to individual policyholders, or homogenous groups of policyholders, a financial analysis is carried out by the insurance subsidiaries' Risk and Reinsurance Department.

(e) Investments

External rating agency credit grades are used to assess credit quality. These published grades are continuously monitored and updated. Default probabilities and recovery rates are assigned as published by the rating agency.

The Group limits its exposure to credit risk arising from investments by adhering to the investment counterparty limits as approved by the ALCOs. Counterparty limits are reviewed and updated periodically.

Impairment of Financial Assets

The Group has four types of financial assets that are subject to the expected credit loss model:

- Trade and premium receivables
- Loans and leases receivable
- Debt investments carried at amortised cost, and
- Debt investments carried at FVOCI.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, all bank balances are assessed to have low credit risk at each reporting date as they are held with reputable banking institutions and the identified impairment loss was immaterial.

Trade and premium receivables
The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for these assets.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months 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. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Trade and premium receivables **(continued)**

Maximum exposure to credit risk

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Standard risk	14,087,804	13,160,441	2,015,787	1,743,505
Past due	4,296,755	4,404,074	252,150	195,150
Credit impaired	1,251,100	926,645	464,231	238,137
Gross carrying amount	19,635,659	18,491,160	2,732,168	2,176,792
Loss allowance	(830,873)	(741,993)	(33,692)	(52,426)
Carrying amount	18,804,786	17,749,167	2,698,476	2,124,366

Loss allowance

The loss allowance as at 31 December 2023 and 31 December 2022 was determined as follows for trade and premium receivables:

	Group					
	at 31 December 2023			at 31 December 2022		
	Gross carrying amount $'000	Loss allowance $'000	Expected loss rate	Gross carrying amount $'000	Loss allowance $'000	Expected loss rate
Less than 1 month	10,809,079	166,550	1.54%	10,939,592	147,982	1.35%
Within 1 to 3 months	6,071,512	115,998	1.91%	4,982,954	75,406	1.51%
Over 3 months	2,755,068	548,325	19.90%	2,568,614	518,605	20.19%
	19,635,659	830,873		18,491,160	741,993	

	Company					
	at 31 December 2023			at 31 December 2022		
	Gross carrying amount $'000	Loss allowance $'000	Expected loss rate	Gross carrying amount $'000	Loss allowance $'000	Expected loss rate
Less than 1 month	1,434,954	1,607	0.11%	1,253,382	2,065	0.16%
Within 1 to 3 months	995,097	2,612	0.26%	685,785	2,261	0.33%
Over 3 months	302,117	29,473	9.76%	237,625	48,100	20.24%
	2,732,168	33,692		2,176,792	52,426	

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit Risk (continued)

Trade and premium receivables (continued)

Loss allowance (continued)

The movement on the loss allowances for trade and premium receivables is as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
At 1 January	741,993	797,314	52,426	88,586
Movement on loss allowance recognised in income statement during the year	191,668	116,955	29,508	31,811
Receivables written off during the year as uncollectible	(35,647)	(131,011)	(19,492)	(51,708)
Unused amount reversed	(67,141)	(41,265)	(28,750)	(16,263)
At 31 December	830,873	741,993	33,692	52,426

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, failure to make contractual payments for a period greater than two years, and alternative methods of debt collection have been exhausted.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited in other income.

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Loans and Leases (including loan commitments and guarantees)
The Group applies the 'three stage' model under IFRS 9 in measuring the expected credit losses on loans and leases, and makes estimations about likelihood of defaults occurring, associated loss ratios, changes in market conditions, and expected future cash flows. This is measured using the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) for a portfolio of assets.

- Probability of Default - This represents the likelihood of a borrower defaulting on its financial obligation either over the next 12 months (12 month PD), or over the remaining lifetime (Lifetime PD) of the obligation.

- Exposure at Default - This represents the expected balance at default, taking into account the repayment of principal and interest from the statement of financial position date to the default event together with any expected drawdowns of committed facilities.

- Loss Given Default – The LGD represents expected losses on the EAD given the event of default, taking into account the mitigating effect of collateral value at the time it is expected to be realised and also the time value of money.

The 'three stage' model is used to categorise financial assets according to credit quality as follows:

- Stage 1 – financial assets that are not credit impaired on initial recognition or are deemed to have low credit risk. These assets generally abide by the contractual credit terms. The ECL is measured using a 12 month PD, which represents the probability that the financial asset will default within the next 12 months.

- Stage 2 – financial assets with a significant increase in credit risk (SICR) since initial recognition, but are not credit impaired. The ECL is measured using a lifetime PD.

- Stage 3 – credit impaired financial assets. The ECL is measured using a lifetime PD.

Transfer between stages
Financial assets can be transferred between the different categories depending on their relative increase in credit risk since initial recognition. Financial instruments are transferred out of stage 2 if their credit risk is no longer considered to be significantly increased since initial recognition. Financial instruments are transferred out of stage 3 when they no longer exhibit any evidence of credit impairment. This assessment is done on a case-by-case basis.

The Group considers forward looking information in determining the PDs of financial assets. Forward looking information having significant impact on the ECL is described in further detail under that heading.

Significant Increase in Credit Risk (SICR)
The Group considers a financial asset to have experienced a significant increase in credit risk when one or more of the following qualitative or backstop criteria have been met:

Qualitative Criteria

- Deterioration in the Borrower's Risk Rating (BRR) below established threshold;
- Material misrepresentation or inaccurate warranty;
- Failure to comply with provisions of any statute under which the borrower conducts business
- Borrower enters into a scheme of arrangement;
- Actual or expected restructuring;
- Previous arrears in excess of 60 days within the last six months;
- Early signs of cash flow/liquidity problems;
- Expected significant adverse change in operating results of the borrower.

However, the assessment of significant increase in credit risk and the above criteria will differ for different types of lending arrangements.

Loan commitments are assessed along with the category of loan the Group is committed to provide.

The assessment of SICR is performed for individual loans, taking into consideration the sector grouping of the individual exposures, and incorporates forward-looking information. This assessment is performed on a quarterly basis.

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Loans and Leases (continued)

Significant Increase in Credit Risk (continued)

Backstop
Irrespective of the above qualitative assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. The Group has monitoring procedures in place to assess whether the criteria used to identify SICR continues to be appropriate.

The Group utilised the low credit risk exemption for financial assets.

Credit Impaired Assets
The Group defines a financial instrument as credit impaired, when it meets one or more of the following criteria:

Quantitative criteria
The borrower is more than 90 days past due on its contractual payments.

Qualitative criteria
The borrower meets unlikeliness to pay criteria as outlined below, which indicates the borrower is in significant financial difficulty:

- Cash flow difficulties experienced by the borrower (e.g. equity ratio, net income percentage of sales);
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower's competitive position; and
- Concessions have been made by the lender relating to the borrower's financial difficulty.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of 'credit impaired' used for internal credit risk management purposes.

Measuring the ECL – Inputs, Assumptions and Estimation Techniques
The ECL is determined by projecting the PD, LGD, and EAD, which are multiplied together and discounted back to the reporting date. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12 month PD is calculated by observing the rate of historical default within the first year of a portfolio of loans, and adjusted for the expected impact of forward looking economic information.

The lifetime PD is calculated by observing the rate of historical default over the life of a portfolio of loans, and adjusted for the impact of forward looking economic information.

The EAD for amortising and bullet repayment loans is based on the contractual repayments over a 12 month or lifetime basis.

The EAD for revolving products, such as credit cards, revolving loans and overdrafts is estimated by taking the current drawn balance and the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilization band, based on analysis of the Group's recent default data.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type. For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.

Forward looking economic information is also included in determining the 12-month and lifetime EAD and LGD.

Forward Looking Information
The assessment of SICR and the calculation of ECL both incorporate forward-looking information that is available without undue cost or effort. The Group uses external information including economic data and forecasts published by governmental bodies and the central bank. The information published however does not cover the Group's credit risk exposure period and judgement was applied when incorporating these forecasts into our models. The Group started with historical data of approximately 3 years in which a relationship between macro-economic indicators and default rates was developed. Judgement was applied in cases where a strong relationship between these key economic variables and expected credit losses was not identified based on the historical data used.

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Loans and Leases (continued)

Forward Looking Information (continued)
These economic variables and their associated impact on the PD, EAD and LGD vary by financial asset. Forecasts of these economic variables are reviewed on a quarterly basis. The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

In addition to the base economic scenario, the Group also assesses other possible scenarios along with scenario weightings. The Group uses a total of three scenarios for each portfolio of loans (base, upside, downside). The scenario weightings are determined using judgment. The base case is the single most-likely expected outcome. The Group measures ECL as a probability weighted ECL.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The most significant period end assumptions used in determining the ECL as at the reporting date are set out below.

Economic factor	Scenarios	Range
Gross Domestic Product (GDP)	Base	1.3% to 2.3%
	Upside	3.3% to 4.3%
	Downside	-0.7% to 0.3%
Unemployment Rate	Base	6.6% to 4.5%
	Upside	4.6% to 2.5%
	Downside	8.6% to 6.5%

The underlying models and their calibration, including how they react to forward-looking economic conditions was based on how the relationship of the Group’s existing portfolio to these variables and remains subject to review and refinement as the Group builds data

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors. This is reviewed and monitored for appropriateness on a quarterly basis.

Sensitivity Analysis
Forward looking indicators having the most significant impact on the ECL are GDP growth and unemployment rate. Set out below are the changes to the ECL as at 31 December 2023 that would result from reasonably possible changes in these parameters from the actual assumptions used in the Group's economic variable assumptions.

Forward Looking Indicator	Change in basis points:	Effect on ECL $’000	Forward Looking Indicator	Change in basis points:	Effect on ECL $’000
GDP growth	+ 100bp	13,220	Unemployment rate	+ 100bp	(909)
GDP growth	- 100bp	(13,220)	Unemployment rate	- 100bp	909

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Loans and Leases (continued)

Portfolio Segmentation
Expected credit loss provisions are modelled on a collective basis, by grouping exposures on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. In performing this grouping, there must be sufficient information for the group to be statistically credible. Where sufficient information is not available internally, the Group has considered benchmarking internal/external supplementary data to use for modelling purposes.

Exposures are grouped according to product type (term loans, overdrafts, credit cards, revolvers, guarantees and loan commitments) and industry (for example, manufacturing and distribution, tourism, personal loans).

The appropriateness of groupings is monitored and reviewed on a periodic basis by the Credit Risk team.

Stage 3 loans are assessed on an individual basis for impairment.

Maximum Exposure to Credit Risk
The Group measures ECL considering the risk of default over the maximum contractual period (including extension options) over which it is exposed to credit risk and not a longer period, even if contract extension or renewal is common business practice. However, for financial assets such as credit cards, revolving credit facilities and overdraft facilities that include both a loan and an undrawn commitment component, the Group's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Group's exposure to credit losses to the contractual notice period. For such financial assets the Group measures ECL over the period that it is exposed to the credit risk and ECL would not be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period. These financial assets do not have a fixed term or repayment structure and have a short contractual cancellation period. However, the Group does not enforce in the normal day-to-day management the contractual right to cancel these financial assets. This is because these financial assets are managed on a collective basis and are canceled only when the Group becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Group expects to take to mitigate ECL.

The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

	Group			
	2023			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Low risk	5,719	-	-	5,719
Standard risk	27,621,876	8,146,159	31,632	35,799,667
Past due	3,029,739	2,467,976	86,860	5,584,575
Credit impaired	-	21,112	1,535,481	1,556,593
Gross carrying amount	30,657,334	10,635,247	1,653,973	42,946,554
Loss allowance	(454,311)	(558,976)	(807,111)	(1,820,398)
Carrying amount	30,203,023	10,076,271	846,862	41,126,156

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Loans and leases (continued)

	Group			
	2022			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Low risk	11,527	-	-	11,527
Standard risk	23,374,540	9,548,782	-	32,923,322
Past due	2,127,342	2,105,197	-	4,232,539
Credit impaired	-	-	1,285,830	1,285,830
Gross carrying amount	25,513,409	11,653,979	1,285,830	38,453,218
Loss allowance	(396,585)	(639,439)	(616,804)	(1,652,828)
Carrying amount	25,116,824	11,014,540	669,026	36,800,390

Collateral and other credit enhancements
The Group employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Group has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

The Group prepares a valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. The principal collateral types for loans and advances are:

- Mortgages over residential and commercial properties;
- Charges over business assets such as premises, inventory and accounts receivable;
- Charges and hypothecations over deposit balances and financial instruments such as debt securities and equities.

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Loans and Leases (continued)

Collateral and other credit enhancements (continued)
The Group also obtains guarantees from parent companies for loans to their subsidiaries and from individual owners for loans to their companies.

Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of reverse repurchase agreements which are secured by portfolios of financial instruments.

The Group's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Group since the prior period. Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral held during its annual reviews of individual credit facilities as well as during its review of the adequacy of the provision for credit losses.

The fair value of collateral held in respect of credit impaired financial assets is $1,739,410,000 (2022: $1,576,091,000).

Loss Allowance
The loss allowance recognised in the period is impacted by a variety of factors. The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

	Group			
	2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	$'000	$'000	$'000	$'000
At 1 January	396,585	639,439	616,804	1,652,828
Movements with income statement impact:				
Transfers:				
Transfer from Stage 1 to Stage 2	(14,615)	48,587	-	33,972
Transfer from Stage 1 to Stage 3	(330)	-	13,953	13,623
Transfer from Stage 2 to Stage 1	15,869	(61,597)	-	(45,728)
Transfer from Stage 2 to Stage 3	-	(19,627)	40,786	21,159
New financial assets originated	141,262	22,183	-	163,445
Changes in PDs/LGDs/EADs	(12,563)	(23,463)	177,511	141,485
Financial assets derecognised during the period	(71,897)	(46,546)	(41,943)	(160,386)
Total net income statement charge	57,726	(80,463)	190,307	167,570
At 31 December	454,311	558,976	807,111	1,820,398

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Loans and Leases (continued)

	Group			
	2022			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
At 1 January	323,571	575,698	667,511	1,566,780
Movements with income statement impact:				
Transfers:				
Transfer from Stage 1 to Stage 2	(6,032)	21,142	-	15,110
Transfer from Stage 1 to Stage 3	(195)	-	18,761	18,566
Transfer from Stage 2 to Stage 1	6,002	(25,224)	-	(19,222)
Transfer from Stage 2 to Stage 3	-	(5,305)	3,580	(1,725)
New financial assets originated	145,597	30,972	-	176,569
Changes in PDs/LGDs/EADs	151	96,560	(63,243)	33,468
Financial assets derecognised during the period	(72,509)	(54,404)	(9,805)	(136,718)
Total net income statement charge	73,014	63,741	(50,707)	86,048
At 31 December	396,585	639,439	616,804	1,652,828

Loans and leases are written off, in whole or in part, when the Group has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity, and where the Group's recovery method is foreclosing on collateral, and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Group may write off account balances that are still subject the enforcement activity, based on a reasonable expectation of amounts recoverable. The outstanding contractual amounts of such assets written off during the year was $Nil (2022: $Nil).

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Loans and Leases, Premium and Trade receivables

The following table summarises the Group's and company's credit exposure for loans and leases, premium and trade receivables at their carrying amounts, as categorised by the customer sector:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Public sector	81,355	283,356	-	-
Professional and other services	6,064,551	4,137,253	-	-
Personal	17,953,915	15,489,129	-	-
Agriculture, fishing and mining	1,825,034	1,860,065	-	-
Construction and real estate	4,722,960	4,795,051	253,172	-
Electricity, gas and water	1,387,754	2,276,559	-	-
Distribution	4,474,820	4,353,074	114,273	393,789
Manufacturing	4,198,492	3,688,594	1,600,000	1,200,000
Transportation	1,686,500	1,608,019	-	-
Tourism and entertainment	2,350,301	2,395,155	284,914	253,450
Financial and other money services	3,941,209	3,043,449	3,570,967	1,053,350
Brokers and agents	2,703,819	3,595,004	-	-
Supermarket chains	4,109,255	3,682,096	613,037	509,780
Wholesalers	2,054,747	1,609,343	637,562	434,554
Retail and direct customers	2,981,437	2,539,483	688,423	614,655
Other	1,677,608	1,195,978	502,412	359,808
	62,213,757	56,551,608	8,264,760	4,819,386
Loss allowance	(2,651,271)	(2,394,821)	(33,692)	(52,426)
	59,562,486	54,156,787	8,231,068	4,766,960
Interest receivable	368,456	392,770	70,428	30,206
	59,930,942	54,549,557	8,301,496	4,797,166

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Debt Investments

The Group uses external credit ratings as published by established rating agencies in its assessment of the probability of default on debt investments. The PDs and LGDs for government and corporate bonds have been developed by the rating agencies based on statistics on the default, loss and rating transition experience of government and corporate bond issuers. The loss allowance on debt investments carried at amortised cost and FVOCI is measured using lifetime PDs. The credit ratings and associated PDs are reviewed and updated on quarterly basis.

Based on available credit ratings for sovereign and corporate debts, the debt securities were classified in stage 2 as they were below investment grade as defined by reputable rating agencies.

Maximum exposure to credit risk

The following table summarises the Group's and company's credit exposure for debt investments at their carrying amounts, as categorised by issuer:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Government of Jamaica:				
At amortised cost	5,220,744	7,382,077	1,996,602	2,128,931
At fair value through other comprehensive income	4,418,249	5,420,853	-	-
Corporate:				
At amortised cost	11,982,936	11,823,237	4,002,058	4,425,939
At fair value through other comprehensive income	1,960,326	2,187,372	-	-
Other government:				
At amortised cost	235,259	177,136	-	-
At fair value through other comprehensive income	1,773,968	1,610,919	-	-
Bank of Jamaica	13,370,596	10,439,152	-	-
Other	12,601,103	6,227,883	977,348	498,908
	51,563,181	45,268,629	6,976,008	7,053,778

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Debt Investments (continued)

Debt investments at amortised cost

The movement on the loss allowance is as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
At 1 January	254,990	232,744	61,596	46,999
Loss allowance recognised in income statement	60,107	22,285	20,477	14,597
Unused amounts reversed	67	(39)	-	-
At 31 December	315,164	254,990	82,073	61,596

Debt investments at FVOCI

The loss allowance for debt investments at FVOCI is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI.

The movement on the loss allowance is as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
At 1 January	98,638	103,703	-	-
Loss allowance recognised in income statement	(50,100)	(225)	-	-
Unused amounts reversed	-	(4,840)	-	-
At 31 December	48,538	98,638	-	-

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

Liquidity risk management process

The Group's liquidity management process, as carried out within the Group through the ALCOs and treasury departments, includes:

(i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required.

(ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;

(iii) Maintaining committed lines of credit;

(iv) Optimising cash returns on investment;

(v) Monitoring statement of financial position liquidity ratios against internal and regulatory requirements. The most important of these is to maintain limits on the ratio of net liquid assets to customer liabilities;

(vi) Managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the Group. It is unusual for companies ever to be completely matched since business transacted is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of loss.

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

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(ii) Liquidity risk (continued)

Financial liabilities cash flows

The table below presents the undiscounted cash flows payable (both interest and principal cash flows) of the Group's and company's financial liabilities based on contractual repayment obligations. The Group expects that many customers will not request repayment on the earliest date the Group could be required to pay.

	Group				
	1 to 3 Months $'000	**3 to 12 Months $'000**	**1 to 5 Years $'000**	**Over 5 Years $'000**	**Total $'000**
As at 31 December 2023:					
Deposits	50,950,988	9,645,914	12,347	-	60,609,249
Securities sold under agreements to repurchase	14,171	6,241	-	-	20,412
Bank and other loans	7,044,433	6,937,714	13,790,615	8,331,434	36,104,196
Trade and other payables	25,764,537	7,572,141	-	-	33,336,678
Total financial liabilities (contractual dates)	83,774,129	24,162,010	13,802,962	8,331,434	130,070,535

	Group				
	1 to 3 Months $'000	**3 to 12 Months $'000**	**1 to 5 Years $'000**	**Over 5 Years $'000**	**Total $'000**
As at 31 December 2022:					
Deposits	35,033,292	17,875,178	9,720	-	52,918,190
Securities sold under agreements to repurchase	30,085	-	-	-	30,085
Bank and other loans	7,693,324	6,386,737	11,486,998	6,569,105	32,136,164
Trade and other payables	25,673,655	5,661,646	-	-	31,335,301
Total financial liabilities (contractual dates)	68,430,356	29,923,561	11,496,718	6,569,105	116,419,740

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(ii) Liquidity risk (continued)

Financial liabilities cash flows (continued)

	Company				
	1 to 3 Months $'000	**3 to 12 Months $'000**	**1 to 5 Years $'000**	**Over 5 Years $'000**	**Total $'000**
As at 31 December 2023:					
Bank and other loans	2,995,827	1,609,574	7,093,857	3,806,592	15,505,850
Trade and other payables	4,057,730	-	-	-	4,057,730
Subsidiaries	3,384,036	-	-	-	3,384,036
Total financial liabilities (contractual dates)	10,437,593	1,609,574	7,093,857	3,806,592	22,947,616

	Company				
	1 to 3 Months $'000	**3 to 12 Months $'000**	**1 to 5 Years $'000**	**Over 5 Years $'000**	**Total $'000**
As at 31 December 2022:					
Bank and other loans	3,975,493	1,497,198	4,079,299	2,826,190	12,378,180
Trade and other payables	3,635,603	-	-	-	3,635,603
Subsidiaries	1,917,735	-	-	-	1,917,735
Total financial liabilities (contractual dates)	9,528,831	1,497,198	4,079,299	2,826,190	17,931,518

The assets available to meet all of the liabilities and to cover outstanding loan commitments include: cash, Central Bank balances, items in the course of collection, investment securities and other eligible bills, loans and advances to banks, and loans and advances to customers. In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. In addition, debt securities and treasury and other bills have been pledged to secure liabilities. The Group is also able to meet unexpected net cash outflows by selling securities and accessing additional funding sources from other financing institutions. The Group and the company have the following undrawn committed borrowing facilities:

	Group		Company	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
Floating rate –				
Expiring within one year	21,646,874	15,951,799	7,460,268	5,962,162

The facilities expiring within one year are annual facilities subject to review at various dates during the subsequent year. The other facilities have been arranged to help finance the Group's activities.

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(ii) Liquidity risk (continued)

Off-statement of financial position items

The table below shows the contractual expiry periods of the Group's contingent liabilities and commitments.

	Group			
	No Later Than 1 Year $'000	**1 to 5 Years $'000**	**Over 5 Years $'000**	**Total $'000**
As at 31 December 2023:				
Loan commitments	2,042,439	-	-	2,042,439
Guarantees, acceptances and other financial facilities	197,767	-	-	197,767
Capital commitments	1,192,720	-	-	1,192,720
	3,432,926	-	-	3,432,926
As at 31 December 2022:				
Loan commitments	2,010,869	-	-	2,010,869
Guarantees, acceptances and other financial facilities	169,660	-	-	169,660
Capital commitments	933,593	-	-	933,593
	3,114,122	-	-	3,114,122

(iii) Market risk

The Group takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the research and treasury departments which carry out extensive research and monitor the price movement of financial assets on the local and international markets. Market risk exposures are measured using sensitivity analysis.

Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, the Canadian dollar, UK pound and the Euro.

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The Group further manages this risk by maximising foreign currency earnings and holding foreign currency balances.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(iii) Market risk (continued)

Currency risk (continued)

Concentrations of currency risk

The table below summarises the Group and company exposure to foreign currency exchange rate risk at 31 December.

	Group						
	Jamaican$ J$'000	**US$ J$'000**	**GBP J$'000**	**CAN$ J$'000**	**EURO J$'000**	**Other J$'000**	**Total J$'000**
As at 31 December 2023:							
Financial Assets							
Cash and deposits	12,342,319	7,563,704	570,700	735,761	162,944	5,669,405	27,044,833
Investment securities and pledged assets	24,071,335	27,934,594	-	-	-	2,101,176	54,107,105
Trade and other receivables	8,147,942	6,035,629	2,115,011	978,499	57,530	1,470,175	18,804,786
Loans receivable	37,384,926	3,731,360	-	-	-	9,870	41,126,156
Total financial assets	81,946,522	45,265,287	2,685,711	1,714,260	220,474	9,250,626	141,082,880
Financial Liabilities							
Deposits	31,822,491	27,943,146	311,658	160,920	109,909	-	60,348,124
Bank and other loans	24,954,899	6,040,479	950,500	282,025	-	209,054	32,436,957
Trade and other payables	18,978,873	9,456,842	1,698,416	924,892	765,174	1,512,481	33,336,678
Total financial liabilities	75,756,263	43,440,467	2,960,574	1,367,837	875,083	1,721,535	126,121,759
Net financial position	6,190,259	1,824,820	(274,863)	346,423	(654,609)	7,529,091	14,961,121

	Group						
	Jamaican$ J$'000	**US$ J$'000**	**GBP J$'000**	**CAN$ J$'000**	**EURO J$'000**	**Other J$'000**	**Total J$'000**
As at 31 December 2022:							
Financial Assets							
Cash and deposits	12,302,278	7,956,198	329,923	238,439	205,898	4,145,280	25,178,016
Investment securities and pledged assets	20,660,917	25,693,322	-	-	-	1,175,983	47,530,222
Trade and other receivables	7,339,170	6,374,805	1,927,828	855,354	127,983	1,124,027	17,749,167
Loans receivable	32,314,419	4,476,267	-	-	-	9,704	36,800,390
Total financial assets	72,616,784	44,500,592	2,257,751	1,093,793	333,881	6,454,994	127,257,795
Financial Liabilities							
Deposits	27,538,527	24,637,954	238,555	155,139	85,113	-	52,655,288
Securities sold under agreements to repurchase	28,010	459	-	-	-	-	28,469
Bank and other loans	19,502,046	6,389,206	1,181,196	913,050	48,641	284,446	28,318,585
Trade and other payables	16,604,099	10,600,544	1,478,569	806,247	727,807	1,118,035	31,335,301
Total financial liabilities	63,672,682	41,628,163	2,898,320	1,874,436	861,561	1,402,481	112,337,643
Net financial position	8,944,102	2,872,429	(640,569)	(780,643)	(527,680)	5,052,513	14,920,152

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(iii) Market risk (continued)

Currency risk (continued)

Concentrations of currency risk (continued)

	Company						
	Jamaican$ J$'000	**US$ J$'000**	**GBP J$'000**	**CAN$ J$'000**	**EURO J$'000**	**Other J$'000**	**Total J$'000**
As at 31 December 2023:							
Financial Assets							
Cash and deposits	2,114,098	33,865	-	-	-	-	2,147,963
Investment securities	3,638,066	3,425,161	-	-	-	-	7,063,227
Trade and other receivables	2,656,953	41,523	-	-	-	-	2,698,476
Subsidiaries	1,411,065	218,653	-	998	-	-	1,630,716
Loans receivable	5,563,092	39,928	-	-	-	-	5,603,020
Total financial assets	15,383,274	3,759,130	-	998	-	-	19,143,402
Financial Liabilities							
Bank and other loans	12,519,660	867,308	-	-	-	-	13,386,968
Trade and other payables	3,085,760	967,160	-	-	4,810	-	4,057,730
Subsidiaries	3,343,050	40,986	-	-	-	-	3,384,036
Total financial liabilities	18,948,470	1,875,454	-	-	4,810	-	20,828,734
Net financial position	(3,565,196)	1,883,676	-	998	(4,810)	-	(1,685,332)

	Company						
	Jamaican$ J$'000	**US$ J$'000**	**GBP J$'000**	**CAN$ J$'000**	**EURO J$'000**	**Other J$'000**	**Total J$'000**
As at 31 December 2022:							
Financial Assets							
Cash and deposits	2,907,846	66,749	-	-	-	-	2,974,595
Investment securities	3,783,087	3,384,867	-	-	-	-	7,167,954
Trade and other receivables	2,073,543	50,823	-	-	-	-	2,124,366
Subsidiaries	1,118,549	86,340	-	-	-	-	1,204,889
Loans receivable	2,592,883	79,917	-	-	-	-	2,672,800
Total financial assets	12,475,908	3,668,696	-	-	-	-	16,144,604
Financial Liabilities							
Bank and other loans	9,354,174	2,070,023	-	-	-	-	11,424,197
Trade and other payables	2,702,334	906,847	-	-	26,422	-	3,635,603
Subsidiaries	1,870,042	47,282	-	411	-	-	1,917,735
Total financial liabilities	13,926,550	3,024,152	-	411	26,422	-	16,977,535
Net financial position	(1,450,642)	644,544	-	(411)	(26,422)	-	(832,931)

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(iii) Market risk (continued)

Currency risk (continued)

Foreign currency sensitivity

The following tables indicate the currencies to which the Group and company had significant exposure on its monetary assets and liabilities and its forecast cash flows. The change in currency rates below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents the changes in carrying amounts of outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 4% increase (2022: 4%) and a 1% decrease (2022: 1%) in foreign currency rates to arrive at the corresponding impact on profit. The sensitivity analysis includes cash and deposits, investment securities, receivables, loans receivable, deposits, securities sold under agreements to repurchase, bank and other loans, and payables. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variables, variables had to be assessed on an individual basis.

	Group			
	% Change in Currency Rate 2023	Effect on Profit before Taxation 2023 $'000	% Change in Currency Rate 2022	Effect on Profit before Taxation 2022 $'000
Currency:				
USD	+4%	140,856	+4%	188,247
GBP	+4%	2,734	+4%	66
CAN	+4%	2,247	+4%	3,038
EURO	+4%	(3,836)	+4%	(5,110)
USD	-1%	(35,214)	-1%	(47,062)
GBP	-1%	(683)	-1%	(17)
CAN	-1%	(562)	-1%	(759)
EURO	-1%	959	-1%	1,278

	Company			
	% Change in Currency Rate 2023	Effect on Profit before Taxation 2023 $'000	% Change in Currency Rate 2022	Effect on Profit before Taxation 2022 $'000
Currency:				
USD	+4%	76,292	+4%	27,575
CAN	+4%	40	+4%	(16)
EURO	+4%	(186)	+4%	(1,024)
USD	-1%	(19,073)	-1%	(6,894)
GBP	-1%	-	-1%	-
CAN	-1%	(10)	-1%	4
EURO	-1%	47	-1%	256

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(iii) Market risk (continued)

Interest rate risk

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

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

The Group manages interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments and also manages the maturities of interest bearing financial assets and liabilities. The respective boards within the Group set limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored by the ALCOs and Investment Committees.

The following tables summarise the Group's and the company's exposure to interest rate risk. It includes the Group and company financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Group						
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-rate Sensitive $'000	Total $'000
At 31 December 2023:							
Assets							
Cash and deposits	14,071,367	1,065,286	-	-	-	11,908,180	27,044,833
Investment securities and pledged assets	10,400,500	5,150,886	8,569,233	12,572,549	7,361,028	10,052,909	54,107,105
Loans receivable	3,559,264	1,562,287	4,793,817	8,464,366	22,728,070	18,352	41,126,156
Trade and other receivables	-	-	-	-	-	18,804,786	18,804,786
Total financial assets	28,031,131	7,778,459	13,363,050	21,036,915	30,089,098	40,784,227	141,082,880
Liabilities							
Deposits	45,149,821	5,617,079	9,576,861	4,363	-	-	60,348,124
Bank loans	2,038,754	4,754,144	3,778,294	7,200,890	14,664,875	-	32,436,957
Trade and other payables	-	-	-	-	-	33,336,678	33,336,678
Total financial liabilities	47,188,575	10,371,223	13,355,155	7,205,253	14,664,875	33,336,678	126,121,759
Total interest repricing gap	(19,157,444)	(2,592,764)	7,895	13,831,662	15,424,223	7,447,549	14,961,121

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(iii) Market risk (continued)

Interest rate risk (continued)

	Group						
	Within 1 Month $'000	**1 to 3 Months $'000**	**3 to 12 Months $'000**	**1 to 5 Years $'000**	**Over 5 Years $'000**	**Non-rate Sensitive $'000**	**Total $'000**
At 31 December 2022:							
Assets							
Cash and deposits	11,654,469	2,666,928	-	-	-	10,856,619	25,178,016
Investment securities and pledged assets	4,567,735	4,646,920	5,210,582	16,440,925	9,095,346	7,568,714	47,530,222
Loans receivable	2,905,077	1,370,500	3,423,187	9,741,444	19,342,194	17,988	36,800,390
Trade and other receivables	-	-	-	-	-	17,749,167	17,749,167
Total financial assets	19,127,281	8,684,348	8,633,769	26,182,369	28,437,540	36,192,488	127,257,795
Liabilities							
Deposits	33,526,358	1,320,334	17,803,042	5,554	-	-	52,655,288
Securities sold under agreements to repurchase	28,469	-	-	-	-	-	28,469
Bank loans	5,194,911	856,214	5,387,869	7,600,022	9,279,569	-	28,318,585
Trade and other payables	-	-	-	-	-	31,335,301	31,335,301
Total financial liabilities	38,749,738	2,176,548	23,190,911	7,605,576	9,279,569	31,335,301	112,337,643
Total interest repricing gap	(19,622,457)	6,507,800	(14,557,142)	18,576,793	19,157,971	4,857,187	14,920,152

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(iii) Market risk (continued)

Interest rate risk (continued)

Company

	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-rate Sensitive $'000	Total $'000
At 31 December 2023:							
Assets							
Cash and deposits	1,260,107	-	-	-	-	887,856	2,147,963
Investment securities	-	553,829	2,643,500	986,915	2,747,661	131,322	7,063,227
Loans receivable	-	653,171	1,618,525	3,260,895	-	70,429	5,603,020
Trade and other receivables	-	-	-	-	-	2,698,476	2,698,476
Subsidiaries	-	-	-	-	-	1,630,716	1,630,716
Total financial assets	1,260,107	1,207,000	4,262,025	4,247,810	2,747,661	5,418,799	19,143,402
Liabilities							
Bank loans	1,537,287	1,332,873	384,901	2,075,000	8,056,907	-	13,386,968
Trade payables	-	-	-	-	-	4,057,730	4,057,730
Subsidiaries	-	-	-	-	-	3,384,036	3,384,036
Total financial liabilities	1,537,287	1,332,873	384,901	2,075,000	8,056,907	7,441,766	20,828,734
Total interest repricing gap	(277,180)	(125,873)	3,877,124	2,172,810	(5,309,246)	(2,022,967)	(1,685,332)

Company

	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-rate Sensitive $'000	Total $'000
At 31 December 2022:							
Assets							
Cash and deposits	123,279	941,948	-	-	-	1,909,368	2,974,595
Investment securities	-	305,327	904,907	3,066,202	2,777,343	114,175	7,167,954
Loans receivable	-	-	150,000	2,492,594	-	30,206	2,672,800
Trade and other receivables	-	-	-	-	-	2,124,366	2,124,366
Subsidiaries	-	-	-	-	-	1,204,889	1,204,889
Total financial assets	123,279	1,247,275	1,054,907	5,558,796	2,777,343	5,383,004	16,144,604
Liabilities							
Bank loans	3,897,817	-	1,306,148	2,680,000	3,540,232	-	11,424,197
Trade payables	-	-	-	-	-	3,635,603	3,635,603
Subsidiaries	-	-	-	-	-	1,917,735	1,917,735
Total financial liabilities	3,897,817	-	1,306,148	2,680,000	3,540,232	5,553,338	16,977,535
Total interest repricing gap	(3,774,538)	1,247,275	(251,241)	2,878,796	(762,889)	(170,334)	(832,931)

3. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(iii) Market risk (continued)

Interest rate risk (continued)

Interest rate sensitivity

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

The Group's interest rate risk arises from investment securities, loans receivable, customers' deposits, securities sold under repurchase agreements and borrowings. The sensitivity of the profit or loss is the effect of the assumed changes in interest rates on net income based on floating rate financial assets and floating rate liabilities. The sensitivity of equity is calculated by revaluing fixed rate FVOCI financial assets for the effects of the assumed changes in interest rates combined with the effect on net profit. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact, each variable has to be evaluated on an individual basis.

Group

Change in basis points: 2023 JMD / USD	Effect on Profit before Taxation 2023 $'000	Effect on Other Components of Equity 2023 $'000	Change in basis points: 2022 JMD / USD	Effect on Profit before Taxation 2022 $'000	Effect on Other Components of Equity 2022 $'000
-25 / -25	54,466	(37,975)	-50 / -50	87,985	(74,749)
+25 / +25	(54,466)	37,975	+100 / +100	(175,969)	149,499

Company

Change in basis points: 2023 JMD / USD	Effect on Profit before Taxation 2023 $'000	Effect on Other Components of Equity 2023 $'000	Change in basis points: 2022 JMD / USD	Effect on Profit before Taxation 2022 $'000	Effect on Other Components of Equity 2022 $'000
-25 / -25	-	-	-50 / -50	(600)	-
+25 / +25	-	-	+100 / +100	1,200	-

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group is exposed to equity price risk because of equity investments held and classified on the statement of financial position as either FVOCI or at fair value through profit or loss. The Group manages its price risk by trading these instruments when appropriate to reduce the impact of any adverse price fluctuations.

The impact of a +6%/-3% (2022: +6%/-6%) change in the quoted prices for these equities would be an increase/decrease in the carrying value of +$102,537,000/-$51,269,000 (2022: +$79,876,000/-$79,876,000) in income and +$35,813,000/-$17,907,000 (2022: +$55,151,000/-$55,151,000) in other comprehensive income.

3. Insurance and Financial Risk Management (Continued)

(d) Capital management

Insurance subsidiaries

The insurance subsidiaries' objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

(i) To comply with the capital requirements set by the regulators of the insurance markets within which the companies operate;

(ii) To safeguard their ability to continue as going concerns so that they can continue to provide returns for stockholders and benefits for other stakeholders; and

(iii) To maintain a strong capital base to support the development of business.

Capital adequacy is managed and monitored at the insurance subsidiaries' level by management, the Audit Committee and the Board of Directors. In addition, the companies seek to maintain internal capital adequacy at levels higher than the minimum level of regulatory capital required.

The primary measure used to assess capital adequacy for the Jamaican based general insurance subsidiary is the Minimum Capital Test (MCT). This information is required to be filed with the Financial Services Commission (FSC) on an annual basis. The minimum standard recommended by the regulators for companies is a MCT of 150% (2022: 175%).

In relation to the Eastern Caribbean general insurance subsidiary. The subsidiary manages its capital on the basis of 150% of its minimum regulatory capital position. Management considers the quantitative threshold of 150% sufficient to maximise shareholders' return and to support the capital required. The minimum required regulatory capital held by the subsidiary is XCD 750,000 (2022: XCD 750,000).

The banking and investment subsidiaries

The banking and investment subsidiaries' objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

(i) To comply with the capital requirements set by the regulators of the banking and investment markets where the entities within the Group operate;

(ii) To safeguard their ability to continue as going concerns so that they can continue to provide returns for stockholders and benefits for other stakeholders; and

(iii) To maintain a strong capital base to support the development of business.

Capital adequacy and the use of regulatory capital are monitored monthly by management and the required information is filed monthly with the Bank of Jamaica (BOJ) and the FSC.

The BOJ requires the banking entity to:

(i) Hold the minimum level of regulatory capital as a percentage of total assets of 8%; and
(ii) Maintain a ratio of total regulatory capital to risk-weighted assets at or above 10%.

The FSC requires the investment services entity to:

(i) Hold the minimum level of regulatory capital as a percentage of total assets of 6%; and
(ii) Maintain a ratio of total regulatory capital to risk-weighted assets at or above 10%.

The regulatory capital as managed by the subsidiaries' ALCOs is divided into two tiers:

(i) Tier 1 capital: share capital, retained earnings and reserves created by appropriations of retained earnings. The book value of goodwill and negative fair value reserves are deducted in arriving at Tier 1 capital; and

(ii) Tier 2 capital: general provisions for loan losses on assets limited to 1.25% of risk-weighted assets.

Risk-weighted assets are measured by means of a hierarchy of risk weights classified according to the nature of and reflecting an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-statement of financial position exposure, with some adjustments to reflect the more contingent nature of the potential losses.

The Group complied with the regulatory capital requirements to which it is subjected.

3. Insurance and Financial Risk Management (Continued)

(d) Capital management (continued)

Companies not requiring external regulatory capital requirements

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for owners and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board of Directors monitors the return on equity, which the Group defines as net profit attributable to owners of the company divided by total owners' equity, excluding non-controlling interests. The Board of Directors also monitors the level of dividends to equity owners.

The Group monitors capital on the basis of the debt to equity ratio. This ratio is calculated as debt divided by owners' equity. Debt is calculated as total borrowings as shown in the consolidated statement of financial position. Owners' equity is calculated as capital and reserves attributable to the company's owners as shown in the consolidated statement of financial position.

During 2023, the Group's strategy, which was unchanged from 2022, was to maintain a debt to equity ratio not exceeding 100%. The debt to equity ratios at 31 December 2023 and 2022 were as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Total borrowings (Note 15)	32,436,957	28,318,585
Owners' equity	79,075,571	72,631,931
Gearing ratio	41.0%	39.0%

There were no changes to the Group's approach to capital management during the year.

The parent company complied with all externally imposed capital requirements to which it is subjected.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

Key sources of estimation uncertainty

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

(i) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2 (g). The assessment of goodwill impairment involves the determination of the value in use. Determination of value in use involves the estimation of future cash flows from the business taking into consideration the growth rates, inflation rates and the discount rates. Any changes in these variables would impact the value in use calculations. A 1% increase in the discount rate would result in a reduction in the value in use by $5,274,913,000, which would not result in an impairment of goodwill.

(ii) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The Group has recognised deferred tax assets on tax losses carried forward as it anticipates making future taxable income to offset these losses.

(iii) Pension plan assets and post-employment obligations

The cost of these benefits and the present value of the pension and the other post-employment liabilities depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net periodic cost (income) for pension and post-employment benefits include the expected long-term rate of return on the relevant plan assets, the discount rate and, in the case of the post-employment medical benefits, the expected rate of increase in medical costs. Any changes in these assumptions will impact the net periodic cost (income) recorded for pension and post-employment benefits and may affect planned funding of the pension plans. The expected return on plan assets assumption is determined on a uniform basis, considering long-term historical returns, asset allocation and future estimates of long-term investment returns. The appropriate discount rate is determined at the end of each year, which represents the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension and post-employment benefit obligations. In determining the appropriate discount rate, the interest rate of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid are considered, and that have terms to maturity approximating the terms of the related pension liability. The expected rate of increase of medical costs has been determined by comparing the historical relationship of the actual medical cost increases with the rate of inflation in the respective economies. Other key assumptions for the pension and post-employment benefits cost and credits are based in part on current market conditions.

(iv) Liabilities arising from claims made under insurance contracts

General Insurance

The determination of the liabilities under insurance contracts represents the liability for future claims payable by the insurance subsidiaries based on contracts for the insurance business in force at the statement of financial position date using several methods, including the Paid Loss Development method, the Incurred Loss Development method, the Bornhuetter-Ferguson Paid Loss method, the Bornhuetter-Ferguson Incurred Loss method and the Frequency-Severity method. These liabilities represent the amount of future premiums that will, in the opinion of the actuary, be sufficient to pay future claims relating to contracts of insurance in force, as well as meet the other expenses incurred in connection with such contracts. A margin for risk or uncertainty (adverse deviations) in these assumptions is added to the liability. The assumptions are examined each year in order to determine their validity in light of current best estimates or to reflect emerging trends in the insurance subsidiaries' experience.

Claims are analysed separately between those arising from damage to insured property and consequential losses. Claims arising from damage to insured property can be estimated with greater reliability, and the insurance subsidiaries' estimation processes reflect all the factors that influence the amount and timing of cash flows from these contracts. The shorter settlement period for these claims allows the insurance subsidiaries to achieve a higher degree of certainty about the estimated cost of claims, and relatively little IBNR is held at year-end. However, the longer time needed to assess the emergence of claims arising from consequential losses makes the estimation process more uncertain for these claims.

Life Insurance

The determination of the liabilities under long-term insurance contracts is dependent on estimates made by the appointed actuary. Estimates are made regarding the expected number of claims for each of the years in which the Group is exposed to risk. These estimates are based on standard industry and international mortality and morbidity tables that reflect recent historical mortality experience, adjusted where appropriate to reflect the insurance subsidiary's own experience. The estimated number of claims determines the value of the benefit payments and the value of the valuation premiums.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

Key sources of estimation uncertainty (continued)

(v) Investment properties

Investment properties are carried in the statement of financial position at market value. The Group uses independent qualified property appraisers to value its investment properties annually, generally using the income approach. This approach takes into consideration various assumptions and factors including; the level of current and future occupancy, the rate of annual rent increases, the rate of inflation of direct expenses, the appropriate discount rate, and the current condition of the properties together with an estimate of future maintenance and capital expenditures. Reference is also made to recent comparable sales. A change in any of these assumptions and factors could have a significant impact on the valuation of investment properties.

(vi) Land and buildings

Freehold land and buildings are carried in the statement of financial position at fair value, with changes in fair value being recognised in 'capital and fair value reserve' through other comprehensive income. The Group uses independent qualified property appraisers to value its land and buildings bi-annually. Those fair values were derived using:

- The sales comparison approach, which references market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property. The most significant input into this valuation approach is price per square foot. Significant increases (decreases) in estimated price per square foot in isolation would result in a significantly higher (lower) fair value.

- The cost approach using observable inputs. The external valuers have determined these inputs based on the size, age and condition of the land and buildings and the state of the economy.

(vii) Fair value of financial instruments

In the absence of quoted market prices, the fair values of a significant portion of the Group's financial instruments were determined using generally accepted alternative methods. The values derived from applying these methods are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. Considerable judgement is required in interpreting market data to arrive at estimates of fair values. Consequently, the estimates arrived at may be significantly different from the actual price of the instruments in an arm's length transaction.

(viii) Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI requires the use of complex models and significant assumptions about future economic conditions and credit behaviour such as the likelihood of customers defaulting and the resulting losses.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk
- Choosing appropriate models and assumptions for the measurement of ECL
- Establishing the number and relative weightings of forward-looking scenarios
- Establishing groups of similar financial assets for the purpose of measuring ECL

Further details about judgements and estimates made by the Group in the above areas is set out in Notes 2 (h) and 3 (c) (i).

(ix) Business combinations

Business combinations are accounted for using the acquisition method. The Group determines the identifiable assets and liabilities using the Purchase Price Allocation method. Under this method, the Group makes estimates about future cash flows which are derived based on factors such as revenue growth, future margins, attrition rates, and discount rates in determining the fair values of the identifiable intangible assets. A similar approach to determine the identifiable assets and liabilities is used for associates and joint ventures.

5. Cash and Deposits

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Cash at bank and in hand	21,019,901	19,411,354	1,295,592	2,032,647
Deposits	6,024,932	5,766,662	852,371	941,948
	27,044,833	25,178,016	2,147,963	2,974,595

Included in deposits is interest receivable of $36,891,000 (2022: $88,906,000) and $2,390,000 (2022: $41,967,000) for the Group and company, respectively. The weighted average effective interest rate on deposits was 5.90% (2022: 6.69%) and 7.97% (2022: 6.68%) for the Group and company, respectively, and these deposits have an average maturity of under 3 months.

For the purposes of the cash flow statement, cash and cash equivalents comprise the following:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Cash at bank and in hand	21,019,901	19,411,354	1,295,592	2,032,647
Deposits	6,024,932	5,766,662	852,371	941,948
	27,044,833	25,178,016	2,147,963	2,974,595
Bank overdrafts (Note 15)	(611,497)	(2,746,452)	(438,880)	(1,861,750)
	26,433,336	22,431,564	1,709,083	1,112,845

6. Investment Securities and Pledged Assets

(a) Investment securities

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
At amortised cost:				
Bank of Jamaica	13,370,596	10,439,152	-	-
Government of Jamaica securities	5,220,744	7,382,077	1,996,602	2,128,931
Foreign government securities	235,259	177,136	-	-
Corporate bonds	11,982,936	11,823,237	4,002,058	4,425,939
Other debt securities	12,601,103	6,227,883	977,348	498,908
Other	639	11,148	335	335
	43,411,277	36,060,633	6,976,343	7,054,113
At fair value through other comprehensive income:				
Quoted equities	596,884	919,183	86,884	113,841
Government of Jamaica securities	4,418,249	5,420,853	-	-
Foreign government securities	1,773,968	1,610,919	-	-
Corporate bonds	1,960,326	2,187,372	-	-
	8,749,427	10,138,327	86,884	113,841
At fair value through profit or loss:				
Quoted equities	1,708,951	1,331,262	-	-
Other securities	237,450	-	-	-
	1,946,401	1,331,262	-	-
Total	54,107,105	47,530,222	7,063,227	7,167,954
Less: Pledged assets (Note 6b)	-	(28,875)	-	-
Investment securities in the statement of financial position	54,107,105	47,501,347	7,063,227	7,167,954

Included in investment securities is interest receivable of $758,620,000 (2022: $608,650,000) and $95,498,000 (2022: $73,365,000) for the Group and the company respectively.

The effective interest rate on the investment securities for the Group and company are 7.08% (2022: 6.79%) and 6.84% (2022: 7.38%), respectively.

Included in investment securities for the Group is $18,647,138,000 (2022: $13,767,820,000) and company $1,058,431,000 (2022: $1,281,747,000) which matures within the next 12 months.

Included in Bank of Jamaica securities is $6,502,293,000 (2022: $5,246,209,000) held at the Bank of Jamaica under Section 43 of the Banking Services Act, 2018, which requires that every licensee maintains a cash reserve with the Bank of Jamaica. A prescribed minimum of 19% (2022: 19%) of Jamaica dollar currency deposits liabilities and 27% (2022: 27%) of foreign currency deposit liabilities is required to be maintained as cash reserves by the bank in liquid assets of which 5% (2022: 5%) must be maintained as cash reserves for Jamaican dollar currency and 13% (2022: 13%) for foreign currency cash reserves. No portion of the cash reserve is available for investment, lending or other use by the Group or the banking subsidiary.

6. Investment Securities and Pledged Assets (Continued)

(b) Pledged assets

Assets are pledged as collateral under repurchase agreements with other financial institutions and for security relating to overdraft and other facilities with other financial institutions and the Bank of Jamaica.

	Group			
	Asset		**Related Liability**	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
Total in the statement of financial position (Note 6a)	-	28,875	-	27,500

There were no pledged assets in relation to the company.

Of the assets pledged as security, the following represents the total for those assets pledged for which the transferee has the right by contract or custom to sell or repledge the collateral.

	Group	
	2023 $'000	**2022 $'000**
Pledged assets with right to sell or repledge	-	28,875

(c) Investments in financial assets designated at fair value through other comprehensive income

The Group has designated at FVOCI investments in a portfolio of equity securities issued by the following exchanges:

- Jamaica Stock Exchange
- Trinidad & Tobago Stock Exchange

The Group chose this presentation alternative because the investments were made for strategic purposes rather than with a view to profit on a subsequent sale, and there are no plans to dispose of these investments in the short or medium term.

The fair value of these investments is $596,884,000 and $86,884,000 for the Group and company respectively as at 31 December 2023. Dividends of $6,528,000 and $7,000 were recognised during the year for the Group and company respectively. There were no transfers of the cumulative gain within equity during the year.

For debt investments at FVOCI, the Group recognised net gains of $68,697,000 in the income statement during the year, being reclassified from other comprehensive income on sale.

7. Receivables

	Group		Company	
		Restated		
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Trade receivables, less provision for impairment	15,452,635	13,372,242	2,628,056	2,022,767
Due from insurance agents and brokers	1,255,785	1,667,110	-	-
Reinsurance contract assets (a)	95,179	598,233	-	-
Receivable from associates and joint ventures (Note 35e)	43,469	30,343	17,419	29,243
Prepayments	1,483,675	1,363,454	133,260	117,800
Other receivables	1,957,718	2,081,239	53,001	72,356
	20,288,461	19,112,621	2,831,736	2,242,166

The fair values of trade and other receivables approximate carrying values. All receivable balances are due within the next 12 months.

(a) Reinsurance contract assets:

	Group	
	2023	2022
	$'000	$'000
Reinsurance held Asset for remaining coverage		
Brought forward	(1,096,604)	(364,828)
Reinsurance expenses	(5,904,513)	(4,384,930)
Premiums and other directly attributable expenses paid	5,279,998	3,650,061
Exchange difference	(1,816)	3,093
Carried forward	(1,722,935)	(1,096,604)
Reinsurance held Asset for incurred claims - Present value of future cash flows		
Brought forward	1,621,869	1,653,377
Claims outstanding	1,774,985	1,846,822
Actuarial claims adjustment	-	(23,142)
Discount	(153,116)	(170,303)
Incurred claims recovery	1,037,175	1,035,388
Recoveries from reinsurance	(1,034,408)	(1,083,614)
Finance income recognised in P&L	55,321	17,142
Exchange difference	123	(424)
Carried forward	1,680,080	1,621,869
Claims outstanding	1,905,485	1,774,985
Claims adjustment	(127,550)	-
Discount	(97,855)	(153,116)
Reinsurance held Asset for incurred claims - Risk adjustment		
Brought forward	72,968	72,233
Incurred claims recovery - risk adjustment	65,060	753
Exchange difference	6	(18)
Carried forward	138,034	72,968
Total Reinsurance contract assets	95,179	598,233

8. Inventories

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Raw materials and spares	1,404,377	1,477,026	-	-
Finished goods	2,831,339	2,282,260	-	-
Merchandise	14,164,552	14,500,329	2,942,701	3,650,371
Goods in transit	3,019,387	3,770,347	789,564	1,012,069
	21,419,655	22,029,962	3,732,265	4,662,440

The inventory write-down recognised as an expense amounted to $362,467,000 (2022: $334,724,000) and $82,128,000 (2022: $166,030,000) for the Group and the company respectively.

9. Loans Receivable

(a) Loans receivable comprise:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Finance leases, less deferred profit	4,404	35,134	-	-
Loans and receivables:				
Loans to subsidiaries (Note 35e)	-	-	5,603,020	2,672,800
Loans to associates and joint ventures (Note 35e)	597,431	553,934	-	-
Loans to others	40,524,321	36,211,322	-	-
	41,126,156	36,800,390	5,603,020	2,672,800

Loans receivable are due within 10 years from the statement of financial position date.

Included in loans receivable is interest receivable of $368,456,000 (2022: $392,770,000) and $70,428,000 (2022: $30,206,000) for the Group and company, respectively.

Included in loans receivable is $12,755,588,000 (2022: $9,431,187,000) and $2,271,697,000 (2022: $1,791,366,000) which matures in the next 12 months for the Group and the company respectively.

9. Loans Receivable (Continued)

(b) Finance lease receivables:

	Group	
	2023	**2022**
	$'000	**$'000**
Gross receivables from finance leases:		
Not later than 1 year	4,471	30,578
Later than 1 year and not later than 5 years	375	8,610
	4,846	39,188
Unearned future finance income on finance leases	(442)	(4,054)
Net investment in finance leases	4,404	35,134
The net investment in finance leases is analysed as follows:		
Not later than 1 year	4,033	28,518
Later than 1 year and not later than 5 years	371	6,616
Total	4,404	35,134

10. Investments in Associates and Joint Ventures

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
At beginning of year	5,346,501	4,524,211	574,698	574,698
Amounts recognised in the income statement	774,134	673,191	-	-
Amounts recognised in other comprehensive income	17,507	61,937	-	-
Dividends paid	(448,146)	(210,355)	-	-
Additions	-	496,093	-	-
Disposal	-	(198,576)	-	-
Transfer to subsidiary	(598,680)	-	(525,000)	-
Amounts recognised in the statement of financial position	5,091,316	5,346,501	49,698	574,698

	Group	
	2023	**2022**
	$'000	**$'000**
Dairy Industries (Jamaica) Limited	1,942,901	1,840,095
CSGK Finance Holdings Limited	2,334,787	2,197,746
Catherine's Peak Bottling Company Limited	-	593,299
Canopy Insurance Limited	253,285	231,668
Immaterial associated companies	560,343	483,693
Amounts recognised in the statement of financial position	5,091,316	5,346,501

Dairy Industries (Jamaica) Limited (DIJL), CSGK Finance Holdings Limited (CSGK), Catherine's Peak Bottling Company Limited (CPBC), and Canopy Insurance Limited (CIL) in the opinion of the directors, are material to the Group.

DIJL has share capital consisting solely of ordinary shares, which are partially owned by the Group and held directly by the parent company. The Group owns 50% of the share capital in DIJL. DIJL is one of the main manufacturers of dairy products such as cheese and yogurt, within Jamaica; and sells its products mainly through distributors including to companies within the Group.

CSGK has share capital consisting solely of ordinary shares, which are held indirectly by the parent company through a banking and investment subsidiary. The Group owns 50% of the share capital in CSGK. CSGK is a finance company whose principal activities, through its wholly owned subsidiary Signia Financial Group Inc., are the provision of term finance, motor vehicle leasing, acceptance of deposits, foreign exchange dealing and stock broking.

CPBC has share capital consisting solely of ordinary shares, which are partially owned by the Group and held directly by the parent company. On 14 February 2023, the Group purchased additional shares in CPBC, increasing its shareholdings from 35% to 70%. The company was subsequently transferred from an associate to a subsidiary.

CIL has share capital consisting solely of ordinary shares, which are held indirectly by the parent company through a banking and investment subsidiary. The Group owns 50% of the share capital in CIL. CIL provides group life and group health insurance services.

DIJL, CSGK, CPBC and CIL are private companies and there are no quoted market prices available for the shares.

There are no contingent liabilities relating to the Group's interest in DIJL, CSGK, CPBC and CIL and the Group's other associates.

10. Investments in Associates and Joint Ventures (Continued)

The summarised information for DIJL, CSGK, CPBC and CIL that was accounted for using the equity method for the years ended 31 December 2023 and 31 December 2022 is as follows:

Summarised statement of financial position

	Dairy Industries (Jamaica) Limited		CSGK Finance Holdings Limited	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Current				
Cash and cash equivalents	296,200	230,017	2,157,085	3,672,685
Other current assets (excluding cash)	3,891,277	3,546,060	6,274,771	6,246,133
Total current net assets	4,187,477	3,776,077	8,431,856	9,918,818
Financial liabilities (excluding trade payables)	305,280	505,242	13,266,620	18,238,264
Other current liabilities (including trade payables)	636,960	542,864	424,948	465,120
Total current liabilities	942,240	1,048,106	13,691,568	18,703,384
Non-current				
Assets	1,235,713	1,253,374	22,149,375	21,248,981
Liabilities	595,148	301,154	12,220,086	8,068,922
Net assets	3,885,802	3,680,191	4,669,577	4,395,493

	Catherine's Peak Bottling Company Limited		Canopy Insurance Limited	
				Restated
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Current				
Cash and cash equivalents	-	38,369	443,546	366,437
Other current assets (excluding cash)	-	326,979	37,297	71,729
Total current net assets	-	365,348	480,843	438,166
Financial liabilities (excluding trade payables)	-	26,252	217,682	234,528
Other current liabilities (including trade payables)	-	171,828	-	-
Total current liabilities	-	198,080	217,682	234,528
Non-current				
Assets	-	402,860	243,409	259,699
Liabilities	-	299,384	-	-
Net assets	-	270,744	506,570	463,337

10. Investments in Associates and Joint Ventures (Continued)

Summarised income statement

	Dairy Industries (Jamaica) Limited		CSGK Finance Holdings Limited	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Revenue	5,701,048	5,268,335	2,173,083	2,206,131
Depreciation and amortisation	(87,774)	(83,127)	(84,322)	(87,460)
Interest income - non-financial services	52,773	31,772	-	-
Interest expense - non-financial services	(34,945)	(13,082)	-	-
Profit before income tax	887,513	1,004,679	603,893	545,777
Taxation expense	(222,934)	(245,758)	(38,007)	(84,917)
Profit after tax	664,579	758,921	565,886	460,860
Other comprehensive income	(58,968)	211,813	78,846	(65,275)
Total comprehensive income	605,611	970,734	644,732	395,585
Dividends received by the Group from associates	200,000	100,000	185,324	-

	Catherine's Peak Bottling Company Limited		Canopy Insurance Limited	
				Restated
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Revenue	254,426	1,337,196	3,158,334	2,734,128
Depreciation and amortisation	(6,890)	(39,827)	(36,277)	(40,806)
Interest income - non-financial services	24	192	28,442	15,504
Interest expense - non-financial services	(4,814)	(24,148)	-	-
Profit/(loss) before income tax	20,504	84,638	55,163	(252,667)
Taxation expense	(5,128)	(16,835)	(11,930)	58,119
Profit/(loss) after tax	15,376	67,803	43,233	(194,548)
Total comprehensive income	15,376	67,803	43,233	(194,548)
Dividends received by the Group from associates	-	20,881	-	-

10. Investments in Associates and Joint Ventures (Continued)

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates and joint ventures

	Dairy Industries (Jamaica) Limited		CSGK Finance Holdings Limited	
	2023	2022	2023	2022
Summarised financial information	$'000	$'000	$'000	$'000
Opening net assets at 1 January	3,680,191	2,909,457	4,395,493	3,999,908
Profit for the period	664,579	758,921	565,886	460,860
Other comprehensive income	(58,968)	211,813	78,846	(65,275)
Dividends paid	(400,000)	(200,000)	(370,648)	-
Closing net assets	3,885,802	3,680,191	4,669,577	4,395,493
Interest in associates (%)	50	50	50	50
Interest in associates (J$)	1,942,901	1,840,095	2,334,787	2,197,746
Carrying value	1,942,901	1,840,095	2,334,787	2,197,746

	Catherine's Peak Bottling Company Limited		Canopy Insurance Limited	
	2023	2022	2023	2022
Summarised financial information	$'000	$'000	$'000	$'000
Opening net assets at 1 January	270,744	262,601	463,337	467,885
Profit/(loss) for the period	15,376	67,803	43,233	(194,548)
Additional investment	-	-	-	190,000
Dividends paid	-	(59,660)	-	-
Transfer to subsidiary	(286,120)	-	-	-
Closing net assets	-	270,744	506,570	463,337
Interest in associates and joint ventures (%)	35	35	50	50
Interest in associates and joint ventures (J$)	-	94,760	253,285	231,668
Intangible assets	498,539	498,539	-	-
Transfer to subsidiary	(498,539)	-	-	-
Carrying value	-	593,299	253,285	231,668

Intangible assets related to the investment in Catherine's Peak Bottling Company Limited include the entity's brand and customer relationships with estimated useful lives of 15 years and 10 years respectively, as well as goodwill.

The amounts recognised in total comprehensive income in respect of immaterial associates are as follows:

	Group	
	2023	2022
	$'000	$'000
Profit	131,902	136,843
Other comprehensive income	7,568	(11,332)
Total comprehensive income	139,470	125,511

11. Intangible Assets

	Brands, Customer and Supplier Relationships $'000	Goodwill $'000	Computer Software $'000	Policy Contracts $'000	Total $'000
			Group		
Cost					
At 1 January 2022	5,635,115	2,227,240	4,705,947	653,574	13,221,876
Additions	-	-	985,452	-	985,452
Acquisition through business combination (Note 39)	50,600	74,367	-	-	124,967
Retirement of asset	-	(16,854)	(11,917)	(606,574)	(635,345)
Exchange differences	(123,696)	(103,801)	(2,158)	-	(229,655)
At 31 December 2022	5,562,019	2,180,952	5,677,324	47,000	13,467,295
Additions	-	-	1,115,250	-	1,115,250
Acquisition through business combination (Note 39)	1,837,558	2,492,396	-	-	4,329,954
Retirement of asset	-	-	(897)	-	(897)
Exchange differences	129,399	72,411	3,181	-	204,991
At 31 December 2023	7,528,976	4,745,759	6,794,858	47,000	19,116,593
Accumulated Amortisation					
At 1 January 2022	2,589,721	325,343	3,513,929	615,950	7,044,943
Amortisation charge for the year	372,056	-	364,239	9,088	745,383
Retirement of asset	-	(16,854)	(11,917)	(606,574)	(635,345)
Exchange differences	(54,031)	-	(2,152)	-	(56,183)
At 31 December 2022	2,907,746	308,489	3,864,099	18,464	7,098,798
Amortisation charge for the year	498,217	-	450,512	6,714	955,443
Retirement of asset	-	-	(897)	-	(897)
Exchange differences	51,208	-	2,388	-	53,596
At 31 December 2023	3,457,171	308,489	4,316,102	25,178	8,106,940
Net Book Amount					
31 December 2023	4,071,805	4,437,270	2,478,756	21,822	11,009,653
31 December 2022	2,654,273	1,872,463	1,813,225	28,536	6,368,497

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

11. Intangible Assets (Continued)

The allocation of goodwill to the Group's cash generating units (CGUs) identified according to segment is as follows:

	2023 $'000	2022 $'000
Food Trading		
- Jamaica operations	2,106,980	-
- United Kingdom operations	537,727	496,926
- United States operations	1,153,613	1,129,235
Insurance		
- Jamaica operations	171,937	171,937
- Caribbean operations	392,648	-
Other/Unallocated		
- Jamaica operations	74,365	74,365
	4,437,270	1,872,463

For the year ended 31 December 2023, management tested the goodwill allocated to all the CGUs for impairment.

The recoverable amount of a CGU is determined based on value in use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the industry in which the CGU operates.

Key assumptions used for value in use calculations:

	Revenue Growth Rate	EBITDA to Revenue	Capital Expenditure to Revenue	Discount Rate
Food Trading				
- Jamaica operations	8.00%	20.85%	1.48%	16.00%
- United Kingdom operations	10.51%	7.08%	0.98%	10.00%
- United States operations	11.20%	6.86%	1.51%	11.47%
Insurance				
- Jamaica operations	11.65%	5.94%	0.32%	16.00%
- Caribbean operations	9.80%	46.29%	1.24%	16.20%
Other/Unallocated				
- Jamaica operations	11.08%	12.92%	0.89%	16.00%

11. Intangible Assets (Continued)

	Computer Software $'000
	Company
Cost	
At 1 January 2022	1,387,078
Additions	351,086
At 31 December 2022	1,738,164
Additions	593,758
Retirement of asset	(897)
At 31 December 2023	2,331,025
Accumulated Amortisation	
At 1 January 2022	1,029,788
Amortisation charge for the year	87,876
At 31 December 2022	1,117,664
Amortisation charge for the year	99,961
Retirement of asset	(897)
At 31 December 2023	1,216,728
Net Book Amount	
31 December 2023	1,114,297
31 December 2022	620,500

12. Fixed Assets

	Freehold Land and Buildings $'000	Leasehold Buildings and Improvements $'000	Plant, Equipment, Fixtures & Vehicles $'000	Right-of-Use Assets [a] $'000	Capital Work in Progress $'000	Total $'000
			Group			
Cost						
At 1 January 2022	11,976,997	3,258,955	11,458,602	12,466,818	550,918	39,712,290
Additions	68,865	40,935	761,506	892,678	1,058,916	2,822,900
Revaluation adjustment	2,181,577	-	-	-	-	2,181,577
Transfers	644,196	155,918	260,401	-	(1,060,515)	-
Disposals	(2,000)	9,626	(116,905)	(887,235)	-	(996,514)
Exchange differences	(21,540)	(66,674)	(173,132)	(461,258)	(33)	(722,637)
At 31 December 2022	14,848,095	3,398,760	12,190,472	12,011,003	549,286	42,997,616
Additions	141,709	102,889	885,575	1,440,778	1,135,270	3,706,221
Acquisition through business combination (Note 39)	1,737,878	10,811	813,831	13,375	-	2,575,895
Revaluation adjustment	(681,252)	-	-	-	-	(681,252)
Transfers	-	111,785	344,573	-	(456,358)	-
Disposals	(205,000)	(13,135)	(201,531)	(434,567)	(22,979)	(877,212)
Exchange differences	34,900	42,422	97,356	292,877	138	467,693
At 31 December 2023	15,876,330	3,653,532	14,130,276	13,323,466	1,205,357	48,188,961
Accumulated Depreciation						
At 1 January 2022	218,987	1,824,992	7,344,729	4,100,163	-	13,488,871
Charge for the year	227,496	197,062	995,794	1,371,483	-	2,791,835
Revaluation adjustment	(445,152)	-	-	-	-	(445,152)
On disposals	(1,061)	(292)	(108,823)	(729,716)	-	(839,892)
Exchange differences	(270)	(43,668)	(127,381)	(195,845)	-	(367,164)
At 31 December 2022	-	1,978,094	8,104,319	4,546,085	-	14,628,498
Acquisition through business combination (Note 39)	7,380	4,459	441,092	4,239	-	457,170
Charge for the year	270,443	208,087	1,103,100	1,446,002	-	3,027,632
On disposals	(15,651)	(4,268)	(197,306)	(385,633)	-	(602,858)
Exchange differences	26	26,263	73,175	144,533	-	243,997
At 31 December 2023	262,198	2,212,635	9,524,380	5,755,226	-	17,754,439
Net Book Amount						
31 December 2023	15,614,132	1,440,897	4,605,896	7,568,240	1,205,357	30,434,522
31 December 2022	14,848,095	1,420,666	4,086,153	7,464,918	549,286	28,369,118

[a] The categorisation of the right-of-use assets is detailed in Note 16.

12. Fixed Assets (Continued)

	Freehold Land and Buildings $'000	Leasehold Buildings and Improvements $'000	Plant, Equipment, Fixtures & Vehicles $'000	Right-of-Use Assets [a] $'000	Capital Work in Progress $'000	Total $'000
			Company			
Cost						
At 1 January 2022	94,000	107,512	1,127,862	3,381,911	790	4,712,075
Additions	-	12,805	109,497	-	17,748	140,050
Revaluation adjustment	14,000	-	-	-	-	14,000
Transfers	-	790	-	-	(790)	-
Disposals	-	-	(16,298)	(59,935)	-	(76,233)
At 31 December 2022	108,000	121,107	1,221,061	3,321,976	17,748	4,789,892
Additions	-	970	167,990	-	1,188	170,148
Disposals	-	(11,170)	(25,789)	(1,328,902)	-	(1,365,861)
At 31 December 2023	108,000	110,907	1,363,262	1,993,074	18,936	3,594,179
Accumulated Depreciation						
At 1 January 2022	1,800	87,910	617,023	917,663	-	1,624,396
Charge for the year	1,800	5,295	135,365	272,123	-	414,583
Revaluation adjustment	(3,600)	-	-	-	-	(3,600)
On disposals	-	-	(16,292)	(6,029)	-	(22,321)
At 31 December 2022	-	93,205	736,096	1,183,757	-	2,013,058
Charge for the year	2,050	3,924	150,775	222,228	-	378,977
On disposals	-	(2,606)	(25,790)	(975,636)	-	(1,004,032)
At 31 December 2023	2,050	94,523	861,081	430,349	-	1,388,003
Net Book Amount						
31 December 2023	105,950	16,384	502,181	1,562,725	18,936	2,206,176
31 December 2022	108,000	27,902	484,965	2,138,219	17,748	2,776,834

[a] The categorisation of the right-of-use assets is detailed in Note 16.

12. Fixed Assets (Continued)

(a) If land and buildings were stated on the historical cost basis, the amounts would be as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Cost	11,795,035	9,992,107	44,660	44,660
Accumulated depreciation	1,419,306	1,257,962	18,615	17,498
Net Book Amount	10,375,729	8,734,145	26,045	27,162

(b) The Group's land and buildings were revalued during 2022 by independent valuers. The valuations were done on the basis of open market value, with the exception of the Distribution Centre and Group Headquarters, for which recent market transactions are not available due to the specialised nature of the assets. The revaluation surpluses, net of applicable deferred income taxes, were credited to the capital and fair value reserves in equity (Note 20).

13. Deferred Income Taxes

Deferred income taxes are calculated in full on temporary differences under the liability method using principal tax rates of 25% for unregulated companies and 33 ⅓% for regulated companies.

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

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
At beginning of year	(448,186)	(450,375)	265,278	(905,826)
Acquisition through business combinations (Note 39)	(11,554)	-	-	-
Income statement credit/(charge) (Note 29)	493,724	(117,973)	114,369	261,989
Tax (charge)/credit relating to components of other comprehensive income (Note 29)	(72,280)	116,518	(517,098)	909,115
Exchange differences	(6,269)	3,644	-	-
At end of year	(44,565)	(448,186)	(137,451)	265,278

13. Deferred Income Taxes (Continued)

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through future taxable profits is probable. Subject to agreement with the taxation administration in the relevant jurisdictions, the Group has recognised tax losses of $1,885,875,000 (2022: $1,797,659,000).

Deferred income tax liabilities of $1,476,938,000 (2022: $1,166,437,000) have not been established for the withholding taxes that would be payable on the unremitted earnings of certain foreign subsidiaries, as such amounts are permanently reinvested; such unremitted earnings totalled $5,907,751,000 (2022: $4,665,747,000).

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the period is as follows:

	Group					
Deferred tax liabilities	**Fixed Assets $'000**	**Fair Value Gains $'000**	**Unrealised Foreign Exchange Gains $'000**	**Pension Plan Assets $'000**	**Other $'000**	**Total $'000**
At 1 January 2022	928,901	660,087	135,824	1,774,499	500,895	4,000,206
Charged/(credited) to the income statement	111,044	3,842	(99,397)	(89,293)	251,822	178,018
Charged/(credited) to other comprehensive income	530,827	(182,077)	-	(1,229,088)	-	(880,338)
Exchange differences	(1,370)	-	-	-	(2,864)	(4,234)
At 31 December 2022	1,569,402	481,852	36,427	456,118	749,853	3,293,652
Acquisition through business combinations	7,147	-	-	-	4,407	11,554
(Credited)/charged to the income statement	(48,636)	25,070	(26,438)	(37,948)	(35,906)	(123,858)
(Credited)/charged to other comprehensive income	(110,000)	(106,189)	-	706,134	-	489,945
Exchange differences	3,854	(1)	-	-	2,763	6,616
At 31 December 2023	1,421,767	400,732	9,989	1,124,304	721,117	3,677,909

Deferred tax assets	**Fixed Assets $'000**	**Fair Value Losses $'000**	**Unutilised Tax Losses and Credits $'000**	**Employee Benefit Obligations $'000**	**Other $'000**	**Total $'000**
At 1 January 2022	465,433	-	797,380	1,831,934	455,084	3,549,831
Credited/(charged) to the income statement	70,952	34	(226,624)	181,984	33,699	60,045
Credited/(charged) to other comprehensive income	-	89,831	-	(853,651)	-	(763,820)
Exchange differences	(69)	-	(400)	-	(121)	(590)
At 31 December 2022	536,316	89,865	570,356	1,160,267	488,662	2,845,466
Credited/(charged) to the income statement	27,781	-	(11,353)	134,990	218,448	369,866
(Charged)/credited to other comprehensive income	-	(59,813)	-	477,478	-	417,665
Exchange differences	(7)	-	10	-	344	347
At 31 December 2023	564,090	30,052	559,013	1,772,735	707,454	3,633,344

13. Deferred Income Taxes (Continued)

	Company					
Deferred tax liabilities	**Fixed Assets $'000**	**Fair Value Gains $'000**	**Unrealised Foreign Exchange Gains $'000**	**Pension Plan Assets $'000**	**Other $'000**	**Total $'000**
At 1 January 2022	40,913	21,623	86,321	1,774,499	19,426	1,942,782
Charged/(credited) to the income statement	1,271	-	(86,321)	(89,293)	14,297	(160,046)
Charged/(credited) to other comprehensive income	3,757	(5,709)	-	(1,229,088)	-	(1,231,040)
At 31 December 2022	45,941	15,914	-	456,118	33,723	551,696
Charged/(credited) to the income statement	3,790	-	3,353	(37,948)	(2,172)	(32,977)
(Credited)/charged to other comprehensive income	(256)	(6,739)	-	706,134	-	699,139
At 31 December 2023	49,475	9,175	3,353	1,124,304	31,551	1,217,858

Deferred tax assets	**Fixed Assets $'000**	**Fair Value Losses $'000**	**Unutilised Tax Losses and Credits $'000**	**Employee Benefit Obligations $'000**	**Other $'000**	**Total $'000**
At 1 January 2022	102,992	-	-	793,421	140,543	1,036,956
Credited to the income statement	10,135	-	-	44,955	46,853	101,943
Charged to other comprehensive income	-	-	-	(321,925)	-	(321,925)
At 31 December 2022	113,127	-	-	516,451	187,396	816,974
(Charged)/credited to the income statement	(3,784)	-	-	41,482	43,694	81,392
Credited to other comprehensive income	-	-	-	182,041	-	182,041
At 31 December 2023	109,343	-	-	739,974	231,090	1,080,407

13. Deferred Income Taxes (Continued)

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

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Deferred tax assets	1,617,877	1,355,301	-	265,278
Deferred tax liabilities	(1,662,442)	(1,803,487)	(137,451)	-
	(44,565)	(448,186)	(137,451)	265,278

The gross amounts shown in the above tables include the following:				
Deferred tax assets:				
Deferred tax assets to be recovered after more than 12 months	2,895,838	2,266,939	849,317	629,578
Deferred tax assets to be recovered within 12 months	737,506	578,527	231,090	187,396
	3,633,344	2,845,466	1,080,407	816,974
Deferred tax liabilities:				
Deferred tax liabilities to be settled after more than 12 months	(2,546,071)	(2,025,520)	(1,173,779)	(502,059)
Deferred tax liabilities to be settled within 12 months	(1,131,838)	(1,268,132)	(44,079)	(49,637)
	(3,677,909)	(3,293,652)	(1,217,858)	(551,696)
Deferred tax (liabilities)/assets net	(44,565)	(448,186)	(137,451)	265,278

14. Pensions and Other Post-Employment Obligations

The Group has both defined contribution pension schemes and a defined benefit pension scheme.

Defined contribution schemes
The defined contribution pension scheme is open to Jamaican based employees hired on or after 1 April 2010. Employees contribute 5% of pensionable earnings with the option to contribute an additional voluntary contribution of 5%. The employer contributions are currently set at 10%. The Group also has other defined contribution schemes open to employees of its foreign subsidiaries which are operated in those countries. The Group's and company's contributions for the year were $634,018,000 (2022: $564,818,000) and $168,240,000 (2022: $137,405,000) respectively.

Defined benefit scheme
The Group's defined benefit pension scheme, which commenced on 1 January 1975, is funded by employee contributions at 5% of salary with the option to contribute an additional 14.5%, and employer contributions at 0.02%, as recommended by independent actuaries. The last valuation was carried out at 31 December 2022. Pension at normal retirement age is based on 2% per year of pensionable service of the average of the highest three years' annual salary during the last ten years of service. This scheme was closed to new members as at 31 March 2010.

The Board of Trustees of the pension fund is comprised of representatives from both the employer and members of the plan. The Board of Trustees of the pension fund is required by law to act in the interest of the fund and all relevant stakeholders. The Board of Trustees of the fund is responsible for the investment policy with regard to the assets of the fund. The funds are managed by Proven Fund Managers Limited.

In the event of a plan surplus the Group is able to take a contribution holiday, while a funding deficiency will require the Group to make additional contributions to adequately fund the plan.

14. Pension and Other Post-Employment Obligations (Continued)

Pension benefits

The amounts recognised in the statement of financial position are determined as follows:

	Group and Company	
	2023	**2022**
	$'000	**$'000**
Present value of funded obligations	33,826,316	20,490,560
Fair value of plan assets	(43,480,856)	(41,533,819)
	(9,654,540)	(21,043,259)
Limitation on asset due to uncertainty of obtaining economic benefit	5,157,326	19,218,786
Asset in the statement of financial position	(4,497,214)	(1,824,473)

The movement in the defined benefit obligation over the year is as follows:

	Group and Company	
	2023	**2022**
	$'000	**$'000**
Beginning of year	20,490,560	35,148,107
Current service cost	284,835	829,898
Interest cost	2,566,548	2,770,908
	2,851,383	3,600,806
Remeasurements -		
Loss/(gain) from change in financial assumptions	11,623,776	(16,292,935)
Experience gains	(71,678)	(1,213,923)
	11,552,098	(17,506,858)
Members' contributions	330,061	320,870
Benefits paid	(1,397,786)	(1,072,365)
End of year	33,826,316	20,490,560

14. Pensions and Other Post-Employment Obligations (Continued)

Pension benefits (continued)

The movement in the fair value of plan assets for the year is as follows:

	Group and Company	
	2023	**2022**
	$'000	**$'000**
Beginning of year	41,533,819	42,246,102
Interest income on plan assets	5,315,351	3,347,415
Return on plan assets, excluding amounts included in interest income	(2,183,269)	(3,204,422)
Members' contributions	330,061	320,870
Employers' contributions	562	571
Benefits paid	(1,397,786)	(1,072,365)
Administration costs	(117,882)	(104,352)
End of year	43,480,856	41,533,819

The amounts recognised in the income statement are as follows:

	Group and Company	
	2023	**2022**
	$'000	**$'000**
Current service cost	284,835	829,898
Interest income (net)	(250,361)	(576,507)
Administration costs	117,882	104,352
Total, included in staff costs (Note 28)	152,356	357,743

As at the last valuation date, the present value of the defined benefit obligation was comprised of approximately $16,940,949,000 (2022: $9,876,512,000) relating to active employees, $3,231,625,000 (2022: $1,965,915,000) relating to deferred members and $13,653,742,000 (2022: $8,648,133,000) relating to members in retirement.

14. Pensions and Other Post-Employment Obligations (Continued)

Pension benefits (continued)

The plan assets are comprised of:

	Group and Company			
	2023		**2022**	
	$'000	**%**	**$'000**	**%**
Equity	17,340,656	41%	17,776,591	43%
Debt	3,552,792	8%	3,208,408	8%
Real estate	7,602,407	17%	5,069,519	12%
Government securities	13,601,734	31%	14,187,426	34%
Other	1,383,267	3%	1,291,875	3%
	43,480,856	100%	41,533,819	100%

The pension plan assets include the company's ordinary stock units with a fair value of $3,591,530,000 (2022: $3,773,465,000) and buildings occupied by Group companies with fair values of $1,566,091,000 (2022: $1,307,666,000).

The benefit that the company derives from the surplus of the pension plan is limited to the extent of the reduction in future contributions that it will make to the pension scheme.

Expected contributions by the Group to the post-employment scheme for the year ending 31 December 2024 are $554,000. The actual return on plan assets was $3,132,082,000 (2022: $142,993,000).

The principal actuarial assumptions used were as follows:

	2023	**2022**
Discount rate	10.0%	13.0%
Long term inflation rate	6.0%	5.5%
Future salary increases	7.5%	7.0%
Future pension increases	6.0%	5.5%

Assumptions regarding future mortality experience are set based on advice, published statistics and experience.

The average life expectancy in years of a pensioner retiring at age 60 on the statement of financial position date is as follows:

	2023	**2022**
Male	25.30	25.20
Female	27.60	27.50

(expressed in Jamaican dollars unless otherwise indicated)

14. Pensions and Other Post-Employment Obligations (Continued)

Pension benefits (continued)

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

	Group and Company						
	Impact on post-employment obligations						
	Change in Assumption	Increase in Assumption			Decrease in Assumption		
			2023	2022		2023	2022
Discount rate	1%	Decrease by	12.5%	9.7%	Increase by	15.6%	11.7%
Future salary increases	1%	Increase by	2.9%	2.4%	Decrease by	2.6%	2.2%
Expected pension increase	1%	Increase by	11.7%	8.8%	Decrease by	9.8%	7.6%

	Group and Company					
	Impact on post-employment obligations					
	Increase in Assumption by One Year			Decrease in Assumption by One Year		
		2023	2022		2023	2022
Life expectancy	Increase by	2.5%	1.7%	Decrease by	2.5%	1.8%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Other post-employment obligations

The Group operates a number of post-employment benefit schemes, principally in Jamaica. The benefits covered under the schemes include group life, insured and self-insured health care, gratuity and other supplementary plans. Funds are not built up to cover the obligations under these retirement benefit schemes. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension schemes.

In addition to the assumptions used for the pension benefit, the main actuarial assumptions are a long term increase in health costs of 7.5% per year (2022: 7.0% per year) and a discount rate of 11.0% per year (2022: 13.0% per year) for the group life and insured group health plans.

14. Pensions and Other Post-Employment Obligations (Continued)

Other post-employment obligations (continued)

The amounts recognised in the statement of financial position were determined as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Present value of unfunded obligations	6,519,587	4,298,567	2,959,894	2,065,803

Movement in the defined benefit obligation is as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Beginning of year	4,298,567	6,768,762	2,065,803	3,173,684
Current service cost	161,176	337,078	49,744	99,603
Interest cost	533,006	532,897	251,801	248,238
Past service cost - vested benefits	(2,560)	23,440	(1,915)	11,061
	691,622	893,415	299,630	358,902
Remeasurements -				
Loss from change in demographic assumptions	152,757	210,578	54,171	79,925
Loss/(gain) from change in financial assumptions	1,707,801	(3,075,734)	695,769	(1,283,240)
Experience gains	(123,922)	(253,906)	(21,777)	(84,383)
	1,736,636	(3,119,062)	728,163	(1,287,698)
Benefits paid	(207,238)	(244,548)	(133,702)	(179,085)
End of year	6,519,587	4,298,567	2,959,894	2,065,803

The amounts recognised in the income statement were as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Current service cost	161,176	337,078	49,744	99,603
Interest cost	533,006	532,897	251,801	248,238
Past service cost	(2,560)	23,440	(1,915)	11,061
Total included in staff costs (Note 28)	691,622	893,415	299,630	358,902

The total charge was included in administration expenses.

14. Pensions and Other Post-Employment Obligations (Continued)

Other post-employment obligations (continued)

The composition of the liability recognised in relation to the other post-employment obligations in the statement of financial position is as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Gratuity Plan	1,115,147	823,186	608,064	448,770
Group Life Plan	1,479,079	1,003,397	734,062	513,862
Insured Group Health	2,599,041	1,414,109	923,276	518,452
Self Insured Health Plan	939,621	690,684	404,638	304,961
Supplementary Pension Plan	386,699	367,191	289,854	279,758
Liability in the statement of financial position	6,519,587	4,298,567	2,959,894	2,065,803

The sensitivity of the post-employment medical benefits to changes in the principal assumptions is:

Group

		Impact on post-employment obligations					
	Change in Assumption	**Increase in Assumption**			**Decrease in Assumption**		
			2023	**2022**		**2023**	**2022**
Discount rate	1%	Decrease by	13.5%	10.9%	Increase by	17.0%	13.4%
Medical inflation rate	1%	Increase by	17.5%	14.1%	Decrease by	13.9%	11.6%

Company

		Impact on post-employment obligations					
	Change in Assumption	**Increase in Assumption**			**Decrease in Assumption**		
			2023	**2022**		**2023**	**2022**
Discount rate	1%	Decrease by	12.4%	10.0%	Increase by	15.5%	12.1%
Medical inflation rate	1%	Increase by	15.8%	12.7%	Decrease by	12.8%	10.6%

Risks associated with pension plans and post-employment plans

Through its defined benefit pension plan and other post-employment benefits, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to Government of Jamaica bond yields; if plan assets underperform this yield, this will create a deficit.

As the plan matures, the Group intends to reduce the level of investment risk by investing more in assets that better match the liabilities. This process includes monitoring and rebalancing the asset classes and the maturity profile of assets within these classes. The Government bonds largely represent investments in Government of Jamaica securities.

However, the Group believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of the Group's long term strategy to manage the plan efficiently.

(expressed in Jamaican dollars unless otherwise indicated)

14. Pensions and Other Post-Employment Obligations (Continued)

Risks associated with pension plans and post-employment plans (continued)

Changes in bond yields

A decrease in Government of Jamaica bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risk

Higher inflation will lead to higher liabilities in the event that discretionary pension increases are granted. The majority of the plan's assets are either unaffected by (fixed interest securities) or loosely correlated with (equities) inflation, meaning that an increase in inflation has the potential to reduce the surplus or create a deficit.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant, where inflationary increases result in higher sensitivity to changes in life expectancy.

The Board of Trustees is ultimately responsible for the establishment and oversight of the plan's risk management framework, including monitoring the overall risk management process, as well as approving policies covering specific areas, such as limits for specific asset classes, foreign exchange risk, credit risk and investment of excess liquidity. The Board is responsible for monitoring the investment portfolio and investment strategies for the plan. A large portion of assets in 2023 consists of money market instruments, bonds and equities.

Funding levels are monitored on an annual basis and the current agreed contribution rate by the Group is 0.02% of pensionable salaries. The next triennial valuation is due to be completed for the plan's financial position as at 31 December 2025. The Group considers that the contribution rates set at the last valuation date to be sufficient to prevent a deficit. Regular contributions, which are based on service costs, will be assessed following the upcoming valuation to determine if any increase is required.

The average duration of the post-employment obligations is as follows:

Plans	Years
Gratuity Plan	6.4
Group Life Plan	16.7
Insured Group Health	18.6
Pension Plan	15.3
Self Insured Health Plan	11.5
Superannuation Plan	6.2

15. Bank and Other Loans

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Secured on assets	6,651,741	6,679,858	-	-
Unsecured	25,785,216	21,638,727	13,386,968	11,424,197
	32,436,957	28,318,585	13,386,968	11,424,197

(a) Unsecured loans of subsidiaries are supported by letters of comfort from the parent company. Interest rates on these loans range between 2.2% - 10.8% (2022: 2.1% - 9.0%).

(b) Bank and other loans comprise:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Bank overdrafts (Note 5)	611,497	2,746,452	438,880	1,861,750
Bank borrowings	18,432,265	12,825,772	10,998,308	7,095,940
Lease liabilities (Note 16)	8,602,845	8,295,215	1,846,907	2,390,358
Other loans	4,790,350	4,451,146	102,873	76,149
Total borrowings	32,436,957	28,318,585	13,386,968	11,424,197

Certain bank borrowings are secured on the assets of subsidiaries that have the loans. All other borrowings are unsecured. Included in bank borrowings and other loans is interest payable of $330,929,000 (2022: $178,983,000) and $133,487,000 (2022: $59,327,000) for the Group and the company, respectively.

Included in bank borrowings and other loans is $11,702,579,000 (2022: $12,544,722,000) and $4,059,404,000 (2022: $5,657,623,000) for the Group and the company respectively, which matures in the next 12 months.

The fair value of current borrowings approximates their carrying amount, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowing rate of 5.67% (2022: 5.77%) and are within level 2 of the fair value hierarchy.

16. Leases

(a) Amounts recognised in the statement of financial position

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Properties	7,008,475	7,160,016	1,485,096	2,138,219
Equipment	230,949	136,085	77,629	-
Motor vehicles	328,816	168,817	-	-
Total right-of-use assets	7,568,240	7,464,918	1,562,725	2,138,219
Current	1,468,362	1,612,773	184,601	228,424
Non-current	7,134,483	6,682,442	1,662,306	2,161,934
Total lease liabilities	8,602,845	8,295,215	1,846,907	2,390,358

Additions to the right-of-use assets were $1,440,778,000 (2022: $892,678,000) and $Nil (2022: $Nil) for the Group and company respectively.

(b) Amounts recognised in the income statement

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Depreciation charge of right-of-use assets				
Properties	1,275,200	1,184,191	222,228	272,123
Equipment	77,393	66,772	-	-
Motor vehicles	93,409	120,520	-	-
	1,446,002	1,371,483	222,228	272,123
Interest expense	447,596	408,932	143,790	154,733
Expense relating to short term leases	15,607	20,596	12,367	13,894

The total cash outflow for leases was $1,596,351,000 (2022: $2,171,236,000) and $699,608,000 (2022: $452,903,000) for the Group and company respectively.

(c) Extension and termination options

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

For leases of office space, warehouses and retail stores, the following factors are normally the most relevant:

- The existence of significant penalties to terminate (or not extend)
- The existence of leasehold improvements that are expected to have a significant remaining value
- Other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Most extension options in equipment and vehicle leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

As at 31 December 2023, potential undiscounted future cash outflows of $4,394,865,000 (2022: $4,301,997,000) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

17. Payables

	Group		Company	
		Restated		
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Trade payables	8,673,129	8,005,769	1,211,229	1,104,417
Payable to associates (Note 35 (e))	451,396	589,430	152,618	333,657
Accruals	6,166,720	4,952,256	1,532,420	1,121,220
Customer loyalty programme	334,274	322,143	148,745	143,068
Contract liabilities	506,510	407,360	5,662	7,815
Other payables	6,260,551	7,342,293	1,007,056	925,426
	22,392,580	21,619,251	4,057,730	3,635,603

All payables balances are due within the next 12 months.

17(a). Insurance Contract Liabilities

	General 2023 $'000	Life 2023 $'000	Total 2023 $'000	General 2022 $'000	Life 2022 $'000	Total 2022 $'000
Insurance Liability for remaining coverage						
Brought forward	3,622,799	54,341	3,677,140	3,033,269	71,243	3,104,512
On acquisition	-	221,914	221,914	-	-	-
Premium balances	4,442,867	314,065	4,756,932	4,020,949	79,742	4,100,691
Deferred commissions	(494,790)	(37,810)	(532,600)	(461,889)	(8,499)	(470,388)
Deferred overhead costs	(476,291)	-	(476,291)	(525,791)	-	(525,791)
Expense balances	151,013	-	151,013	-	-	-
Insurance revenue	(13,083,259)	(1,336,977)	(14,420,236)	(10,929,084)	(640,145)	(11,569,229)
Insurance acquisition costs amortisation	2,303,928	266,702	2,570,630	2,039,700	119,659	2,159,359
Premiums received	14,110,560	1,278,422	15,388,982	11,351,001	622,522	11,973,523
Insurance acquisition costs paid	(2,444,736)	(285,573)	(2,730,309)	(1,873,737)	(124,442)	(1,998,179)
Exchange differences	(600)	(128)	(728)	1,650	5,504	7,154
Carried forward	4,508,692	198,701	4,707,393	3,622,799	54,341	3,677,140
Premium balances	5,476,276	255,352	5,731,628	4,442,866	67,494	4,510,360
Deferred commissions	(594,274)	(56,651)	(650,925)	(494,790)	(13,153)	(507,943)
Deferred overhead costs	(498,391)	-	(498,391)	(476,291)	-	(476,291)
Expense balances	125,081	-	125,081	151,014	-	151,014
Insurance Liability for incurred claims - Present value of future cash flows						
Brought forward	5,728,934	40,557	5,769,491	5,188,614	36,381	5,224,995
On acquisition	-	58,585	58,585	-	-	-
Claims outstanding	6,209,040	99,142	6,308,182	5,658,523	36,381	5,694,904
Discount	(575,058)	-	(575,058)	(469,909)	-	(469,909)
Expense balances	94,952	-	94,952	-	-	-
Incurred claims and other directly attributable expenses	5,427,134	72,043	5,499,177	5,108,616	61,474	5,170,090
Claims and other directly attributable expenses paid	(5,311,716)	(62,262)	(5,373,978)	(4,458,890)	(56,747)	(4,515,637)
Finance expenses recognised in P&L	(22,450)	-	(22,450)	(105,363)	-	(105,363)
Exchange differences	2,657	821	3,478	(4,043)	(551)	(4,594)
Carried forward	5,824,559	109,744	5,934,303	5,728,934	40,557	5,769,491
Claims outstanding	6,317,056	109,744	6,426,800	6,209,040	40,557	6,249,597
Claims adjustment	2,121	-	2,121	-	-	-
Discount	(597,750)	-	(597,750)	(575,058)	-	(575,058)
Expense balances	103,132	-	103,132	94,952	-	94,952
Insurance Liability for incurred claims - Risk adjustment						
Brought forward	253,479	-	253,479	233,488	-	233,488
Incurred claims and expenses	(6,005)	-	(6,005)	20,070	-	20,070
Exchange differences	124	-	124	(79)	-	(79)
Carried forward	247,598	-	247,598	253,479	-	253,479
Insurance acquisition cash flows assets						
Brought forward	(18,062)	-	(18,062)	-	-	-
Acquisition cash flows assets derecognised and other changes	(5,599)	-	(5,599)	(18,062)	-	(18,062)
Carried forward	(23,661)	-	(23,661)	(18,062)	-	(18,062)
Other pre-recognition cash flows assets						
Brought forward	(10,034)	44,036	34,002	-	-	-
Pre-recognition cash flows derecognised and other changes	(5,650)	50,113	44,463	(10,034)	44,036	34,002
Carried forward	(15,684)	94,149	78,465	(10,034)	44,036	34,002
Total Insurance contract liabilities	10,541,504	402,594	10,944,098	9,577,116	138,934	9,716,050

18. Provisions

Provisions comprise restoration costs as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
At beginning of year	49,467	48,303	-	-
Additional provisions	2,216	2,078	-	-
Exchange differences	1,068	(914)	-	-
At end of year	52,751	49,467	-	-

This relates to the present value of the expected restoration costs to be incurred on the expiring of a lease of property by one of the food trading subsidiaries. The lease will expire in 2034.

19. Share Capital

	Group and Company			
	2023	**2022**	**2023**	**2022**
	Units ('000)	**Units ('000)**	**$'000**	**$'000**
Authorised -				
Ordinary shares	1,200,000	1,200,000		
Issued and fully paid -				
Ordinary stock units	994,388	995,129	576,521	634,147
Treasury shares	(5,236)	(4,336)	(418,716)	(369,551)
Issued and outstanding	989,152	990,793	157,805	264,596

(a) During the year, the company issued Nil (2022: 21,000) shares to its employees for cash of $Nil (2022: $1,533,000) and transferred 48,000 (2022: 38,000) units to employees at a fair value of $4,061,000 (2022: $2,300,000). The shares were issued under the Long Term Incentive (LTI) Scheme. The company, under its share buy-back programme which commenced in 2023, repurchased 789,000 (2022: Nil) units at a fair value of $61,687,000 (2022: $Nil).

(b) During the year, the company through its employee investment trust sold 147,000 (2022: 2,773,000) units of its own shares at a fair value of $11,163,000 (2022: $267,469,000), purchased 3,500,000 (2022: 3,539,000) units at a fair value of $269,392,000 (2022: $345,177,000) and transferred 2,453,000 (2022: 1,491,000) units to employees at a fair value of $192,719,000 (2022: $148,223,000). The total number of treasury shares held by the company at the end of the year was 5,236,000 (2022: 4,336,000) at a cost of $418,716,000 (2022: $369,551,000).

(c) In 2016, the company commenced operating an LTI Scheme administered by a committee of the Group's Board of Directors. The scheme is governed by the provisions of the 2009 Stock Offer Plan and includes the offer of restricted stock grants and stock options to executive directors and other senior executives. Participating executives are eligible to receive awards of restricted stock grants once certain predetermined Group performance objectives are met. These awards are earned annually following achievement of the performance objectives and are subject to a two year holding period from the end of the performance year after which the stock grants will vest and the executive will be entitled to receive the stock units. The stock option portion of the LTI Scheme is granted annually and vesting is dependent on a time-based criterion.

The following allocations of stock options made to executive directors and other senior executives remain active:

	1 Mar. 2023	**1 Mar. 2022**	**25 Feb. 2021**	**27 Feb. 2020**	**25 Jun. 2019**	**10 May 2018**	**11 May 2017**	**12 May 2016**
Number of shares	3,839,914	3,945,179	3,835,373	3,786,693	1,650,497	1,759,004	1,967,156	2,551,665
Subscription price	$78.07	$103.52	$79.52	$67.79	$61.72	$47.77	$42.09	$28.00

The subscription price that the options were granted at is the weighted average price of the company's shares on the Jamaica Stock Exchange for the previous three days prior to the grant date. The total of the grant to each executive director and other senior executive will fully vest on the third anniversary of the grant. After vesting executives will have up to five years to exercise the stock options.

19. Share Capital (Continued)

(c) Long Term Incentive Scheme (continued)

	2023 Offer	2022 Offer	2021 Offer	2020 Offer	2019 Offer	2018 Offer	2017 Offer	2016 Offer	Total
					2023				
Movement on this option:	'000	'000	'000	'000	'000	'000	'000	'000	'000
At 1 January	-	3,844	3,702	3,619	613	630	547	199	13,154
Granted	3,840	-	-	-	-	-	-	-	3,840
Exercised	-	-	-	(296)	(172)	(190)	(216)	(153)	(1,027)
Forfeited	(6)	(22)	-	-	-	-	-	-	(28)
Expired	-	-	-	-	-	-	-	(46)	(46)
At 31 December	3,834	3,822	3,702	3,323	441	440	331	-	15,893

	2022 Offer	2021 Offer	2020 Offer	2019 Offer	2018 Offer	2017 Offer	2016 Offer	Total
				2022				
Movement on this option:	'000	'000	'000	'000	'000	'000	'000	'000
At 1 January	-	3,835	3,751	1,599	774	690	269	10,918
Granted	3,945	-	-	-	-	-	-	3,945
Exercised	-	-	-	(986)	(144)	(143)	(70)	(1,343)
Forfeited	(101)	(133)	(132)	-	-	-	-	(366)
At 31 December	3,844	3,702	3,619	613	630	547	199	13,154

(d) Movements in the number of share options outstanding and their related weighted average exercise price are as follows:

	2023		2022	
Movement on this option:	Average exercise price in $ per share	Options '000	Average exercise price in $ per share	Options '000
At 1 January	78.62	13,154	67.00	10,918
Granted	78.07	3,840	103.52	3,945
Exercised	51.75	(1,027)	56.38	(1,343)
Forfeited	98.38	(28)	81.96	(366)
Expired	28.00	(46)	-	-
At 31 December	80.34	15,893	78.62	13,154

Shares totalling 8,238,000 (2022: 5,609,000) are exercisable at the statement of financial position date.

19. Share Capital (Continued)

(d) Share options (continued)

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

		2023	2022
	Exercise price in $ per share	**Options ’000**	**Options ’000**
2023	28.00	-	199
2024	42.09	331	547
2025	47.77	440	630
2026	61.72	441	613
2027	67.79	3,323	3,619
2028	79.52	3,702	3,702
2029	103.52	3,822	3,844
2030	78.07	3,834	-
		15,893	13,154

(e) The fair value of options granted determined using the Black-Scholes valuation model was $471,020,000. The significant inputs into the model were the weighted average share prices and exercise prices ranging from $28.00 to $103.52 at the grant dates, standard deviation of expected share price returns ranging from 24.5% to 29.3%, option life of eight years and risk-free interest rates ranging between 1.45% to 8.44%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over the term of the options. The fair value of potential restricted stock grants to be earned is $920,549,000 and the fair value of restricted stock grants earned and vested is $275,502,000.

The expense recognised in the income statement for share-based payments was $417,558,000 (2022: $331,440,000).

(f) During 2023, Nil shares (2022: 2,509,000) were sold to staff members through the employee investment trust at a discount of 25% from the closing market price of the stock as at 31 January 2022. The cost of the discount expensed in the income statement was $Nil (2022: $139,616,000).

20. Capital and Fair Value Reserves

	Group							
	Capital Reserve	Loan Loss Reserve	Fair Value Reserves	Total	Capital Reserve	Loan Loss Reserve	Fair Value Reserves	Total
	2023				2022			
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Realised gains on disposal of assets	102,738	-	-	102,738	102,738	-	-	102,738
Capital distributions received	46,164	-	-	46,164	46,164	-	-	46,164
Realised gain on sale of shares	265,922	-	-	265,922	282,267	-	-	282,267
Profits capitalised by Group companies	1,974,513	-	-	1,974,513	1,974,513	-	-	1,974,513
Unrealised surplus on the revaluation of fixed assets, net of deferred taxes	-	-	5,328,516	5,328,516	-	-	5,858,955	5,858,955
Fair value gains, net of deferred taxes	-	-	252,498	252,498	-	-	449,544	449,544
Loan loss reserve	-	235,033	-	235,033	-	235,033	-	235,033
Catastrophe reserve	12,270	-	-	12,270	12,270	-	-	12,270
Other	33,451	-	-	33,451	33,451	-	-	33,451
	2,435,058	235,033	5,581,014	8,251,105	2,451,403	235,033	6,308,499	8,994,935

	Company					
	Capital Reserve	Fair Value Reserves	Total	Capital Reserve	Fair Value Reserves	Total
	2023			2022		
	$'000	$'000	$'000	$'000	$'000	$'000
Capital distributions received	24,507	-	24,507	24,507	-	24,507
Unrealised surplus on the revaluation of fixed assets, net of deferred taxes	-	68,045	68,045	-	67,789	67,789
Fair value gains, net of deferred taxes	-	294,073	294,073	-	330,635	330,635
	24,507	362,118	386,625	24,507	398,424	422,931

21. Banking Reserves

Banking reserves represent both those reserves required to be maintained by the banking subsidiary, First Global Bank Limited (FGB), in compliance with the Jamaica Banking Services Act; as well as additional reserves that the Banking Services Act permits FGB to transfer from net profit to constitute part of its capital base for purposes of determining the maximum level of deposit liabilities and lending to customers.

22. Other Reserves

	Group			Company
	Foreign Currency Translation $'000	Share-based Payments $'000	Restated Total $'000	Share-based Payments $'000
At 1 January 2022	5,288,785	383,545	5,672,330	210,965
Equity holders' share of other comprehensive income	(925,989)	-	(925,989)	-
Share-based payment expense	-	468,923	468,923	366,831
Issue of treasury shares at discount	-	(139,616)	(139,616)	(139,616)
Transfer of treasury shares to employees	-	(147,629)	(147,629)	(104,653)
Exercised directly through equity	-	(61,065)	(61,065)	(39,905)
Transfer of shares to employees	-	(2,300)	(2,300)	(2,300)
At 31 December 2022	4,362,796	501,858	4,864,654	291,322
Equity holders' share of other comprehensive income	695,060	-	695,060	-
Share-based payment expense	-	415,065	415,065	278,106
Transfer of treasury shares to employees	-	(190,970)	(190,970)	(135,419)
Exercised directly through equity	-	(108,038)	(108,038)	(72,632)
Transfer of shares to employees	-	(4,061)	(4,061)	(4,061)
At 31 December 2023	5,057,856	613,854	5,671,710	357,316

(a) The reserve for foreign currency translation represents foreign exchange differences arising on translation of the Group's foreign operations to the presentation currency, Jamaican dollars.

(b) The reserve for share-based payments represents stock options and restricted stock units granted under the various equity compensation plans as described in Note 19.

23. Non-Controlling Interests

	2023 $'000	Restated 2022 $'000
Beginning of year	3,802,342	3,441,134
Share of total comprehensive income:		
Share of net profit of subsidiaries	598,066	567,409
Revaluation surplus	(50,873)	74,864
Remeasurement of post-employment benefit obligations	(18,564)	38,549
Other	1,744	(13,044)
	530,373	667,778
Addition of non-controlling interest (Note 39)	211,261	38,997
Employee share option scheme: value of services received	2,493	2,133
Share-based payments exercised	(677)	(309)
Transfer of treasury shares to employees	(1,749)	(594)
Dividends paid	(362,906)	(346,797)
End of year	4,181,137	3,802,342

23. Non-Controlling Interests (Continued)

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held. The parent company further does not have any shareholdings in the preference shares of subsidiary undertakings included in the Group.

The total non-controlling interest for the period is $4,181,137,000 of which $3,482,094,000 is for GraceKennedy Money Services Caribbean SRL. The non-controlling interest in respect of other subsidiaries is not material.

Summarised financial information on subsidiaries with material non-controlling interests.

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group.

Summarised statement of financial position

	GraceKennedy Money Services Caribbean SRL	
	2023	**2022**
	$'000	**$'000**
Current		
Assets	13,539,162	13,533,451
Liabilities	(2,171,656)	(2,877,860)
Total current net assets	11,367,506	10,655,591
Non-current		
Assets	4,515,952	4,777,011
Liabilities	(1,955,083)	(2,111,737)
Total non-current net assets	2,560,869	2,665,274
Net assets	13,928,375	13,320,865

23. Non-Controlling Interests (Continued)

Summarised income statement

	GraceKennedy Money Services Caribbean SRL	
	2023	**2022**
	$'000	**$'000**
Revenue	8,847,441	9,015,932
Profit before income tax	3,011,176	3,189,649
Taxation expense	(730,855)	(900,974)
Profit after tax	2,280,321	2,288,675
Other comprehensive income	(73,025)	123,651
Total comprehensive income	2,207,296	2,412,326
Total comprehensive income allocated to non-controlling interest	551,824	603,082
Dividends paid to non-controlling interest	(346,058)	(344,369)

Summarised cash flows

	GraceKennedy Money Services Caribbean SRL	
	2023	**2022**
	$'000	**$'000**
Cash flows from operating activities		
Cash generated from operations	2,529,623	2,267,121
Interest paid	(131,545)	(124,753)
Income tax paid	(971,650)	(884,992)
Net cash generated from operating activities	1,426,428	1,257,376
Net cash used in investing activities	(337,352)	(194,570)
Net cash used in financing activities	(1,533,497)	(1,493,804)
Net decrease in cash and cash equivalents	(444,421)	(430,998)
Cash and cash equivalents at the beginning of year	8,867,057	9,354,638
Exchange gains/(losses) on cash and cash equivalents	37,422	(56,583)
Cash and cash equivalents at end of year	8,460,058	8,867,057

The information above represents amounts before intercompany eliminations.

24. Segment Information

Management has determined the operating segments based on the reports reviewed by the Executive Committee that are used to make strategic decisions. The Group has four reportable segments which are based on the different types of products and services that it offers. These products and services are described in its principal activities (Note 1). The reportable segments derive their revenue primarily from food trading and financial services. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies (Note 2). The Group evaluates performance on the basis of profit or loss before tax expense not including post-employment benefits, share-based payments and net corporate central office costs which are shown in unallocated amounts. Segment information also excludes discontinued operations.

The segment information provided to management for the reportable segments is as follows:

Operating segments

	2023					
	Food Trading	**Banking & Investments**	**Insurance**	**Money Services**	**Unallocated/ Elimination**	**Group**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
REVENUE						
External sales	122,377,271	9,264,296	14,395,388	8,847,441	116,628	155,001,024
Inter-segment sales	272,000	339,174	1,024,636	-	(1,635,810)	-
Total Revenue	122,649,271	9,603,470	15,420,024	8,847,441	(1,519,182)	155,001,024
Operating results	7,006,255	753,263	1,810,276	3,056,538	151,028	12,777,360
Unallocated expense	-	-	-	-	(1,139,926)	(1,139,926)
Profit from operations	-	-	-	-	-	11,637,434
Finance income	11,301	2,637	96,341	147,152	424,248	681,679
Finance expense	(952,076)	(244,619)	(12,508)	(130,363)	(385,284)	(1,724,850)
Share of results of associates and joint ventures	450,511	302,006	21,617	-	-	774,134
Profit before taxation	6,515,991	813,287	1,915,726	3,073,327	(949,934)	11,368,397
Taxation						(2,989,400)
Net Profit						8,378,997
Operating assets	80,328,593	90,346,975	31,078,624	17,414,799	(12,853,106)	206,315,885
Investment in associates and joint ventures	2,339,777	2,488,121	253,285	10,133	-	5,091,316
Unallocated assets	-	-	-	-	8,077,498	8,077,498
Total assets	82,668,370	92,835,096	31,331,909	17,424,932	(4,775,608)	219,484,699
Operating liabilities	40,285,280	79,410,759	15,509,906	3,804,592	(12,836,027)	126,174,510
Unallocated liabilities	-	-	-	-	10,053,481	10,053,481
Total liabilities	40,285,280	79,410,759	15,509,906	3,804,592	(2,782,546)	136,227,991
Other segment items						
Additions to non-current assets [(b)]	3,461,663	742,376	254,322	363,110	-	4,821,471
Depreciation	(2,280,363)	(339,438)	(138,374)	(269,457)	-	(3,027,632)
Amortisation	(364,755)	(269,919)	(265,295)	(55,474)	-	(955,443)

24. Segment Information (Continued)

Operating segments (continued)

	2022					
	Food Trading	**Banking & Investments**	**Insurance**	**Money Services**	**Unallocated/ Elimination**	**Group**
			Restated			**Restated**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
REVENUE						
External sales	113,225,816	7,699,611	11,627,032	9,015,932	37,278	141,605,669
Inter-segment sales	244,395	309,297	776,153	-	(1,329,845)	-
Total Revenue	113,470,211	8,008,908	12,403,185	9,015,932	(1,292,567)	141,605,669
Operating results	5,740,671	947,073	1,291,220	3,307,765	131,379	11,418,108
Unallocated expense	-	-	-	-	(1,157,671)	(1,157,671)
Profit from operations	-	-	-	-	-	10,260,437
Finance income	11,935	5,420	63,698	56,868	420,851	558,772
Finance expense	(685,466)	(89,363)	(22,130)	(124,753)	(329,111)	(1,250,823)
Share of results of associates and joint ventures	504,228	266,237	(97,274)	-	-	673,191
Profit before taxation	5,571,368	1,129,367	1,235,514	3,239,880	(934,552)	10,241,577
Taxation						(2,626,420)
Net Profit						7,615,157
Operating assets	70,828,706	81,921,463	24,724,073	17,622,196	(8,917,712)	186,178,726
Investment in associates and joint ventures	2,770,290	2,334,410	231,668	10,133	-	5,346,501
Unallocated assets	-	-	-	-	4,611,729	4,611,729
Total assets	73,598,996	84,255,873	24,955,741	17,632,329	(4,305,983)	196,136,956
Operating liabilities	34,988,986	68,792,232	13,063,689	4,424,830	(8,882,627)	112,387,110
Unallocated liabilities	-	-	-	-	7,315,573	7,315,573
Total liabilities	34,988,986	68,792,232	13,063,689	4,424,830	(1,567,054)	119,702,683
Other segment items						
Additions to non-current assets [(b)]	2,502,238	856,040	191,130	258,944	-	3,808,352
Depreciation	(2,049,165)	(340,649)	(126,796)	(275,225)	-	(2,791,835)
Amortisation	(311,117)	(215,496)	(171,958)	(46,812)	-	(745,383)

24. Segment Information (Continued)

Operating segments (continued)

The profit or loss, assets and liabilities for reportable segments are reconciled to the totals for profit or loss, assets and liabilities as follows:

	Profit before Taxation		Assets		Liabilities	
	2023	Restated 2022	2023	Restated 2022	2023	Restated 2022
	$'000	$'000	$'000	$'000	$'000	$'000
Total for reportable segments	12,318,331	11,176,129	224,260,307	200,442,939	139,010,537	121,269,737
Inter-segment eliminations	-	-	(12,853,106)	(8,917,712)	(12,836,027)	(8,882,627)
Unallocated amounts:						
Corporate central office results	103,802	542,543	-	-	-	-
Post-employment benefits	(636,178)	(1,006,039)	-	-	-	-
Share-based payments	(417,558)	(471,056)	-	-	-	-
Taxation recoverable	-	-	1,962,407	1,431,955	-	-
Deferred tax assets	-	-	1,617,877	1,355,301	-	-
Pension plan asset	-	-	4,497,214	1,824,473	-	-
Taxation	-	-	-	-	1,871,452	1,213,519
Deferred tax liabilities	-	-	-	-	1,662,442	1,803,487
Other post-employment obligations	-	-	-	-	6,519,587	4,298,567
Total unallocated	(949,934)	(934,552)	8,077,498	4,611,729	10,053,481	7,315,573
Total per financial statements	11,368,397	10,241,577	219,484,699	196,136,956	136,227,991	119,702,683

Geographical information

	Revenue [a]		Non-current Assets [b]	
	2023	Restated 2022	2023	2022
	$'000	$'000	$'000	$'000
Jamaica	88,644,350	78,608,069	31,472,844	27,620,645
United Kingdom	17,277,050	15,624,951	2,413,310	1,794,914
United States of America	28,695,283	27,721,954	7,375,600	6,995,243
Canada	9,323,276	9,390,060	307,491	376,914
Other Caribbean countries	10,143,415	9,092,018	5,851,746	4,086,300
Other European countries	746,501	1,007,680	-	-
Africa	4,807	4,513	-	-
Other countries	166,342	156,424	-	-
Total	155,001,024	141,605,669	47,420,991	40,874,016

(a) Revenue is attributed to countries on the basis of the customer's location.

(c) For the purposes of segment information, non-current assets exclude financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts, as well as discontinued operations.

25. Revenues

Revenues can be disaggregated as follows:

	Group		Company	
		Restated		
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Timing of revenue recognition –				
Goods transferred at a point in time	122,377,271	113,225,816	30,959,416	29,238,580
Services transferred at a point in time	12,738,753	12,619,181	-	-
Services transferred over time	140,095	134,135	-	-
Insurance contract revenue	13,755,921	10,876,266	-	-
Interest revenue –				
Interest income on investments	1,849,769	1,398,564	-	-
Interest income on loans receivable	4,139,215	3,351,707	-	-
	155,001,024	141,605,669	30,959,416	29,238,580

26. Expense by Nature

	Group		Company	
		Restated		
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Auditors' remuneration	355,586	338,372	43,435	36,000
Advertising and marketing	4,337,062	3,408,867	1,804,509	1,503,357
Amortisation of intangibles	955,443	745,383	99,961	87,876
Commissions and other money services costs	1,422,938	1,568,446	-	-
Cost of inventory recognised as expense	81,893,528	77,720,864	22,086,509	21,437,088
Depreciation	3,027,632	2,791,835	378,977	414,583
Impairment losses on financial assets (net)	543,452	347,204	30,493	30,145
Information technology	2,130,407	1,705,646	821,938	519,459
Insurance	1,349,518	1,184,189	232,437	194,206
Interest expense and other financial services expenses	1,456,360	1,150,805	-	-
Insurance service expenses	6,037,633	5,313,878	-	-
Net expenses from reinsurance contracts	4,178,684	2,708,434	-	-
Legal, professional and other fees	6,249,890	5,446,338	1,290,350	1,023,015
Occupancy costs	3,807,992	3,548,919	475,170	396,819
Repairs and maintenance expenditure	1,471,737	1,246,753	41,717	42,203
Staff costs (Note 28)	22,433,984	20,696,668	6,303,250	5,987,320
Transportation	2,912,476	2,831,110	817,502	738,410
Other expenses	2,899,992	2,462,121	392,390	423,052
	147,464,314	135,215,832	34,818,638	32,833,533

27. Other Income

	Group		Company	
		Restated		
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Dividend income	26,066	41,178	2,020,249	1,747,056
Net foreign exchange gains	831,388	431,175	(40,481)	42,947
Change in fair value of investment properties	95,600	24,000	-	-
Change in value of investments – fair value through profit or loss	(108,650)	320,139	-	-
Gain on disposal of investments	22,219	255,994	-	-
Gain/(loss) on disposal of fixed assets	13,800	54,125	(13,528)	3,628
Fees and commissions	1,467,515	1,406,203	4,568,889	3,997,606
Finance income from insurance contracts issued	22,468	105,362	-	-
Finance income from reinsurance contracts held	55,346	17,125	-	-
Interest income	951,498	572,888	-	-
Rebates, reimbursements and recoveries	247,431	197,228	60,214	66,264
Rent	262,216	242,379	-	-
Miscellaneous	213,827	202,804	61,876	79,501
	4,100,724	3,870,600	6,657,219	5,937,002

28. Staff Costs

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Wages and salaries	15,940,816	14,344,392	4,104,684	3,678,234
Pension (Note 14)	152,356	357,743	152,356	357,743
Pension contributions to defined contribution scheme (Note 14)	634,018	564,818	168,240	137,405
Other post-employment benefits (Note 14)	691,622	893,415	299,630	358,902
Share-based payments	417,558	471,056	278,106	366,831
Statutory contributions	1,613,925	1,509,830	470,750	428,863
Other costs	2,983,689	2,555,414	829,484	659,342
	22,433,984	20,696,668	6,303,250	5,987,320

29. Taxation

Taxation is based on the profit for the year adjusted for taxation purposes:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Current tax	3,607,466	2,678,049	278,674	418,607
Adjustment to prior year provision	(124,342)	(169,602)	-	-
Deferred tax (Note 13)	(493,724)	117,973	(114,369)	(261,989)
	2,989,400	2,626,420	164,305	156,618

The tax on the Group's and company's profit before tax differs from the theoretical amount that would arise using the tax rate of the home country of the company as follows:

	Group		Company	
		Restated		
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Profit before tax	11,368,397	10,241,577	2,788,507	2,373,716
Tax calculated at a tax rate of 25%	2,842,099	2,560,394	697,127	593,429
Adjusted for the effects of:				
Different tax rates in other countries	(234,027)	(81,021)	-	-
Change in tax rate of unregulated Jamaican companies	-	8,638	-	-
Different tax rate of regulated Jamaican companies	440,498	288,927	-	-
Income not subject to tax	(235,470)	(153,085)	(540,912)	(428,357)
Expenses not deductible for tax purposes	465,367	349,999	1,850	2,089
Adjustment to prior year provision	(124,342)	(169,602)	-	-
Share of profits of associates and joint ventures included net of tax	(193,534)	(168,298)	-	-
Recognition/utilisation of previously unrecognised tax losses	-	(4,201)	-	-
Other	28,809	(5,331)	6,240	(10,543)
Tax expense	2,989,400	2,626,420	164,305	156,618

29. Taxation (Continued)

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

	Group					
	2023			2022		
	Before tax	Tax charge	After tax	Restated Before tax	Tax (charge)/ credit	Restated After tax
	$'000	$'000	$'000	$'000	$'000	$'000
Items that will not be reclassified to profit or loss:						
Revaluation (deficit)/surplus	(681,252)	110,000	(571,252)	2,626,729	(530,827)	2,095,902
Fair value losses	(379,385)	106,189	(273,196)	(90,615)	27,299	(63,316)
Remeasurements of post-employment benefit obligations	1,087,900	(228,656)	859,244	(1,797,288)	375,437	(1,421,851)
Share of other comprehensive income of associates and joint ventures	(29,484)	-	(29,484)	105,907	-	105,907
	(2,221)	(12,467)	(14,688)	844,733	(128,091)	716,642
Items that may be subsequently reclassified to profit or loss:						
Foreign currency translation adjustments	649,448	-	649,448	(890,561)	-	(890,561)
Fair value gains/(losses)	136,328	(59,813)	76,515	(754,710)	244,609	(510,101)
Share of other comprehensive income of associates and joint ventures	46,991	-	46,991	(43,970)	-	(43,970)
	832,767	(59,813)	772,954	(1,689,241)	244,609	(1,444,632)
Other comprehensive income	830,546	(72,280)	758,266	(844,508)	116,518	(727,990)
Deferred tax (Note 13)	-	(72,280)	-	-	116,518	-

	Company					
	2023			2022		
	Before tax	Tax charge	After tax	Before tax	Tax credit/ (charge)	After tax
	$'000	$'000	$'000	$'000	$'000	$'000
Items that will not be reclassified to profit or loss:						
Revaluation surplus	-	256	256	17,600	(3,757)	13,843
Fair value losses	(26,956)	6,739	(20,217)	(22,838)	5,709	(17,129)
Remeasurements of post-employment benefit obligations	2,096,372	(524,093)	1,572,279	(3,628,652)	907,163	(2,721,489)
Other comprehensive income	2,069,416	(517,098)	1,552,318	(3,633,890)	909,115	(2,724,775)
Deferred tax (Note 13)	-	(517,098)	-	-	909,115	-

29. Taxation (Continued)

(a) By letter dated 17 May 2018, the Guyana Revenue Authority (GRA) indicated that GraceKennedy Remittance Services Guyana (‘GKRS Guyana’) was “incorrectly” classified as a non-commercial company rather than a commercial company. Based on this, the GRA asserted that GKRS Guyana had wrongly paid corporation taxes at the lower non-commercial company rate. GKRS Guyana’s tax liability for the period 2010 to 2016 was assessed by the GRA to be the equivalent of J$253,718,000, excluding penalties and interest if applicable (the “Retroactive Sum”).

GKRS Guyana lodged objections to the GRA’s assessment on the basis that the GRA wrongly assessed GKRS Guyana as a commercial company and that GKRS Guyana had filed (and the GRA had accepted), returns for a period of over 20 years as a non-commercial company. By letter dated 26 September 2018, received on 4 October 2018, the GRA indicated that it would maintain its assessments despite the objection.

GKRS Guyana filed an appeal on 26 October 2018 and defence in response was filed by the GRA on 21 December 2018. Oral submissions were heard in chambers before the Judge on 27 March 2019 and on 8 July 2019, the court ruled in favour of GKRS Guyana; setting aside the decision by the GRA to reclassify the company as a commercial company and therefore reversing the decision by GRA to impose corporation tax at the commercial rate.

The GRA was granted permission to file an appeal at a hearing held on 27 November 2019. The appeal was filed to the Full Court of the Supreme Court of Guyana and a cross-appeal was filed on behalf of GKRS Guyana. Submissions were filed by both parties and the matter was adjourned to 7 July 2020 for a ruling.

On 20 July 2020, the Full Court delivered its ruling, finding in favour of the GRA in respect of years of income 2010 to 2016. The effect of this ruling was to reverse the earlier decision of the single judge of the Supreme Court and affirm the GRA’s stance that GRKS Guyana is liable to pay the Retroactive Sum.

GKRS Guyana, has on the advice of local counsel, appealed the judgment of the Full Court to the Court of Appeal of Guyana (the “Substantive Appeal”). The grounds for Substantive Appeal include a specific failure of the GRA to explain why it departed from the customary treatment of GKRS Guyana and why it should be stripped of its legitimate expectation to be treated as a non-commercial company for the purposes of Guyanese tax assessment. Counsel for GKRS Guyana has advised that the appeal has significant merit and a date for the hearing of the appeal is being awaited. Notwithstanding that GKRS Guyana is considered to have a strong basis for appeal, having regard to the present ruling, a provision for the assessment was recorded by the Group in 2020.

By letter dated 6 September 2022, the GRA raised additional assessments in relation to GKRS Guyana for the period 2017 to 2021. GKRS Guyana’s tax liability for the period 2017 to 2021 was assessed by the GRA to be the equivalent of J$653,022,000 excluding penalties and interest if applicable. GKRS Guyana secured a bond in the amount of the assessment as a pre-requisite to appealing the decision, lodged objections to the GRA’s assessments, and filed an appeal to the 2017 to 2021 reclassifications in the High Court which was heard on 9 February 2023. The High Court granted a stay of the appeal pending the hearing and determination of the Substantive Appeal before the Court of Appeal. No provision was made in relation to this assessment.

30. Net Profit Attributable to the Owners of GraceKennedy Limited

Dealt with as follows in the financial statements of:

	2023 $'000	Restated 2022 $'000
The company	2,624,202	2,217,098
Intra-group dividends, gain on disposal of subsidiaries within the Group and other eliminations on consolidation	(2,020,010)	(1,746,980)
Adjusted company profit	604,192	470,118
The subsidiaries	6,402,605	5,904,439
The associates and joint ventures	774,134	673,191
	7,780,931	7,047,748

31. Dividends

	2023 $'000	2022 $'000
Paid,		
Interim – 50 cents per stock unit (2022 : 48 cents)	496,343	475,689
Interim – 50 cents per stock unit (2022 : 48 cents)	495,815	476,096
Interim – 52 cents per stock unit (2022 : 48 cents)	515,988	475,641
Final – 65 cents per stock unit (2022 : 58 cents)	643,964	574,315
	2,152,110	2,001,741

32. Earnings Per Stock Unit

Basic earnings per stock unit is calculated by dividing the net profit attributable to owners by the weighted average number of ordinary stock units outstanding during the year.

	2023	Restated 2022
Net profit attributable to owners ($'000)	7,780,931	7,047,748
Weighted average number of stock units outstanding ('000)	989,910	990,756
Basic earnings per stock unit ($)	7.86	7.11

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

(a) 4,994,000 (2022: 3,798,000) ordinary stock units for the full year in respect of stock options for directors.

(b) 10,899,000 (2022: 9,356,000) ordinary stock units for the full year in respect of the stock options for managers.

(c) 7,915,000 (2022: 7,024,000) ordinary stock units for the full year in respect of the restricted stock grants earned.

	2023	Restated 2022
Net profit attributable to owners ($'000)	7,780,931	7,047,748
Weighted average number of stock units outstanding ('000)	989,910	990,756
Adjustment for share options and restricted stock grants ('000)	8,720	9,798
	998,630	1,000,554
Diluted earnings per stock unit ($)	7.79	7.04

33. Cash Flows from Operating Activities

Reconciliation of net profit to cash generated from operating activities:

		Group		Company	
			Restated		
		2023	2022	2023	2022
	Note	$'000	$'000	$'000	$'000
Net profit		8,378,997	7,615,157	2,624,202	2,217,098
Items not affecting cash:					
Depreciation	12	3,027,632	2,791,835	378,977	414,583
Amortisation	11	955,443	745,383	99,961	87,876
Change in value of investment properties		(95,600)	(24,000)	-	-
Change in value of investments		108,650	(320,139)	-	-
(Gain)/loss on disposal of fixed assets		(13,800)	(54,125)	13,528	(3,628)
Gain on disposal of investments		(22,219)	(255,994)	-	-
Share-based payments	19	417,558	471,056	278,106	366,831
Exchange (gain)/loss on foreign balances		(190,815)	14,672	16,886	69,151
Interest income – non financial services		(681,679)	(558,772)	(1,027,249)	(714,355)
Interest income – financial services		(6,881,989)	(5,323,159)	-	-
Interest expense – non financial services		1,724,850	1,250,823	1,036,739	682,688
Interest expense – financial services		1,456,360	1,150,805	-	-
Taxation expense	29	2,989,400	2,626,420	164,305	156,618
Unremitted equity income in associates and joint ventures		(325,988)	(462,836)	-	-
Pension plan surplus		151,794	357,172	151,794	357,172
Other post-employment obligations		484,384	648,867	165,928	179,817
		11,482,978	10,673,165	3,903,177	3,813,851
Changes in working capital components:					
Inventories		849,837	(2,801,043)	930,175	559,771
Receivables		(674,062)	(2,267,593)	(588,383)	(395,329)
Loans receivable, net		(4,262,160)	(3,544,956)	-	-
Payables and insurance contract liabilities		517,561	(688,571)	405,702	(420,047)
Deposits		7,001,898	4,965,554	-	-
Securities sold under repurchase agreements		(40,974)	(7,093,832)	-	-
Subsidiaries		-	-	1,040,473	(1,158,148)
Provisions		3,284	1,165	-	-
Total provided by/(used in) operating activities		14,878,362	(756,111)	5,691,144	2,400,098

33. Cash Flows from Operating Activities (Continued)

Reconciliation of net profit to cash generated from operating activities (continued):

	Group		Company	
		Restated		
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Cash provided by/(used in) operating activities	14,878,362	(756,111)	5,691,144	2,400,098
Interest received – financial services	6,774,434	5,078,288	-	-
Interest paid – financial services	(1,317,749)	(1,183,545)	-	-
Translation gains/(losses)	447,607	(736,732)	-	-
Taxation paid	(3,355,641)	(2,453,152)	(544,115)	(185,923)
Net cash provided by/(used in) operating activities	17,427,013	(51,252)	5,147,029	2,214,175

Reconciliation of movements of liabilities to cash flows arising from financing activities:

Amounts represent bank and other loans, excluding bank overdrafts

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
At 1 January	25,572,133	25,863,018	9,562,447	9,531,787
Lease liability to acquire right-of-use asset	1,440,778	892,678	-	-
On acquisition through business combination (Note 39)	1,670,948	-	-	-
Loans received	16,762,011	11,698,299	11,191,841	7,971,845
Loans repaid	(14,141,373)	(12,479,840)	(7,894,829)	(7,899,074)
Foreign exchange adjustments	369,017	(429,192)	71,765	(21,049)
Net interest movements	151,946	27,170	16,864	(21,062)
At 31 December	31,825,460	25,572,133	12,948,088	9,562,447

34. Contingent Liabilities

(a) On 20 December 2021, the Board of Inland Revenue in Trinidad and Tobago (Board) raised an assessment on a subsidiary in Trinidad & Tobago for additional corporation tax for income year 2015 for an equivalent of J$418,478,000, inclusive of interest, if applicable. Subsequent to the year-end, the subsidiary filed an objection to the Board.

The main grounds of the assessment and subsequent objection relates to disallowing certain realised losses on the basis that it was unable to verify aspects of the underlying asset. As part of its objection, the subsidiary has provided documentary evidence to the Board, which are from multiple third party independent sources, to confirm the substance and validity of the deduction.

The subsidiary is of the strong view that the decision will be favourable and expects to be successful in its appeal. On this basis, no provision has been recorded.

(b) The company established a standby letter of credit for the equivalent of $231,402,000 in favour of the lessors for a warehouse utilised by a food trading subsidiary. The facility is priced at 2% per annum and expires after 1 year with an option to renew annually.

(c) Various companies in the Group are involved in certain legal proceedings incidental to the normal conduct of business. The management of these companies believes that none of these proceedings, individually or in aggregate, will have a material effect on the Group.

35. Related Party Transactions and Balances

The following transactions were carried out with related parties:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
(a) Sales of goods and services				
Sales of goods	5,252	5,650	682,212	627,121
Sales of services	195,167	203,606	3,527,871	3,148,605
(b) Purchase of goods and services				
Purchases of goods	5,213,621	6,703,072	12,936,747	12,643,227
Purchases of services	392,060	366,642	974,194	829,489
(c) Interest				
Interest income	37,682	33,986	533,840	207,734
Interest expense	64,748	61,956	248,552	227,016

Dividends received by the company from subsidiaries and associates were $1,816,539,000 (2022: $1,626,099,000) and $203,471,000 (2022: $120,881,000) respectively.

(d) Transactions with key management

Key management includes directors (executive and non-executive) and members of the Executive Committee

The compensation of key management for services is shown below:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Salaries and other short-term employee benefits	674,358	744,228	519,451	535,092
Fees paid to directors	38,416	36,841	32,970	29,603
Post-employment benefits	61,523	120,165	55,171	111,475
Share-based payments	266,835	212,454	219,453	177,235
	1,041,132	1,113,688	827,045	853,405

The following amounts are in respect of directors' emoluments:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Fees	38,416	36,841	32,970	29,603
Management remuneration	230,062	246,434	230,062	246,434
Share-based payments	113,549	67,303	113,549	67,303
	382,027	350,578	376,581	343,340

35. Related Party Transactions and Balances (Continued)

(d) Transactions with key management (continued)

Transactions with directors and other key management personnel (and their families)

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Sale of goods and services –				
Sales of goods	1,801	1,915	1,133	1,299
Sales of services	3,806	2,164	-	-
Purchase of goods and services –				
Purchase of services	2,188	1,721	2,188	1,721
Interest earned and incurred –				
Interest income	11,737	10,310	-	-
Interest expense	15,709	12,090	-	-

(e) Year-end balances with related parties

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Cash and deposits with subsidiaries	-	-	407,717	123,279
Investment securities with subsidiaries	-	-	665,137	498,908
Receivable from subsidiaries	-	-	1,630,716	1,204,889
Receivable from associates and joint ventures (Note 7)	43,469	30,343	17,419	29,243
Loans receivable from subsidiaries (Note 9)	-	-	5,603,020	2,672,800
Loans receivable from associates and joint ventures (Note 9)	597,431	553,934	-	-
Payable to subsidiaries	-	-	3,384,036	1,917,735
Payable to associates and joint ventures (Note 17)	451,396	589,430	152,618	333,657
Loans & leases payable to subsidiaries	-	-	1,794,167	2,279,606
Deposits payable to associates and joint ventures	1,114,094	1,151,869	-	-

(f) Loans to related parties

Loans receivable from subsidiaries are repayable in the years 2024 - 2028 and bear interest at 3.0% - 10.0% (2022: 3.0% - 8.5%). No provision was required in 2023 and 2022 for loans made to subsidiaries.

35. Related Party Transactions and Balances (Continued)

(f) Loans to related parties (continued)

	Company	
	2023	**2022**
	$'000	**$'000**
Loans to subsidiaries:		
At 1 January	2,672,800	2,888,921
Loans advanced during the year	4,617,441	1,545,349
Loan repayments received	(1,729,073)	(1,730,364)
Exchange differences	1,629	(61,312)
Interest charged	504,342	160,705
Interest received	(464,119)	(130,499)
At 31 December	5,603,020	2,672,800

(g) Year end balances with directors and other key management

Balances with directors and other key management personnel (and their families)

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Receivables	1,525	10,027	322	439
Loans receivable	169,117	170,168	-	-
Payables	20,193	18,800	-	-
Loans payable	28,713	23,191	-	-
Deposits payable	531,773	448,872	-	-

(h) Loans to directors and other key management

The loans receivable attract interest at rates ranging between 4.72% - 7.58% (2022: 4.78% - 16.38%) and are repayable in the years 2025 - 2045. These loans are secured and are made on terms similar to those offered to other employees. No provision was required in 2023 and 2022 for the loans made to directors and senior managers.

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Loans to directors and other key management:				
At 1 January	170,168	224,134	-	38,766
Loans advanced during the year	9,894	39,093	-	-
Loan repayments received	(10,945)	(77,508)	-	(38,766)
Exchange differences	-	(15,890)	-	-
Interest charged	11,737	10,310	-	-
Interest received	(11,737)	(9,971)	-	-
At 31 December	169,117	170,168	-	-

(i) Share options granted to directors

The outstanding number of share options granted to the directors of the company at the end of the year was 4,994,000 (2022: 3,798,000).

36. Fair Values Estimation

Financial Instruments

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.

The following tables provide an analysis of the Group's and company's financial instruments held as at 31 December that, subsequent to initial recognition, are measured at fair value. The financial instruments are grouped into levels 1 to 3 based on the degree to which the fair values are observable, as follows:

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

	Group			
	2023			
	Level 1	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Assets				
Financial assets at fair value through other comprehensive income:				
Quoted equities	596,884	-	-	596,884
Government of Jamaica securities	-	4,418,249	-	4,418,249
Foreign governments	-	1,773,968	-	1,773,968
Corporate bonds	-	1,960,326	-	1,960,326
Financial assets at fair value through profit or loss:				
Quoted equities	1,708,951	-	-	1,708,951
Other securities	237,450	-	-	237,450
Total Assets	2,543,285	8,152,543	-	10,695,828

36. Fair Values Estimation (Continued)

Financial Instruments (continued)

	Group			
	2022			
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Assets				
Financial assets at fair value through other comprehensive income:				
Quoted equities	919,183	-	-	919,183
Government of Jamaica securities	-	5,420,853	-	5,420,853
Foreign governments	-	1,610,919	-	1,610,919
Corporate bonds	-	2,187,372	-	2,187,372
Financial assets at fair value through profit or loss:				
Quoted equities	1,331,262	-	-	1,331,262
Total Assets	2,250,445	9,219,144	-	11,469,589

	Company			
	2023			
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Assets				
Financial assets at fair value through other comprehensive income:				
Quoted equities	86,884	-	-	86,884
Total Assets	86,884	-	-	86,884

36. Fair Values Estimation (Continued)

Financial Instruments (continued)

	Company			
	2022			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Financial assets at fair value through other comprehensive income:				
Quoted equities	113,841	-	-	113,841
Total Assets	113,841	-	-	113,841

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily equity investments listed on a public stock exchange classified as either fair value through other comprehensive income or fair value through profit or loss.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the statement of financial position date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Note that all of the resulting fair value estimates are included in level 2.

36. Fair Values Estimation (Continued)

Fair Value of Land and Buildings and Investment Properties

An independent valuation of the Group's land and buildings was performed by valuers to determine the fair value of the land and buildings as at 31 December 2022. The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income and is shown in 'capital and fair value reserves' in shareholders' equity (Note 20). The following table analyses the non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Land and buildings and investment properties are classified as level 3. The valuations have been performed using the sales comparison and income approaches for all properties except the Distribution Centre and Group Headquarters, which is valued using the cost approach.

The carrying value of land and buildings classified as level 3 is $15,614,132,000 (2022: $14,848,095,000) and $105,950,000 (2022: $108,000,000) for the Group and company respectively.

The carrying value of investment properties classified as level 3 is $885,500,000 (2022: $789,900,000).

Reconciliation of the opening and closing balances of the Group's land and buildings:

	Group headquarters	Distribution center	Other land and buildings	Total
			2023	
	$'000	$'000	$'000	$'000
At 1 January 2022	3,144,265	4,603,310	4,010,435	11,758,010
Additions and transfers in	15,776	4,210	693,075	713,061
Revaluation adjustment	392,257	591,498	1,642,974	2,626,729
Disposals and transfers out	-	-	(939)	(939)
Depreciation	(66,398)	(118,018)	(43,080)	(227,496)
Translation adjustment	-	-	(21,270)	(21,270)
At 31 December 2022	3,485,900	5,081,000	6,281,195	14,848,095
Acquisition of subsidiary	-	-	1,730,498	1,730,498
Additions and transfers in	9,341	-	132,368	141,709
Revaluation adjustment	(305,231)	(379,940)	3,919	(681,252)
Disposals and transfers out	-	-	(189,349)	(189,349)
Depreciation	(68,859)	(122,532)	(79,052)	(270,443)
Translation adjustment	-	-	34,874	34,874
At 31 December 2023	3,121,151	4,578,528	7,914,453	15,614,132

(expressed in Jamaican dollars unless otherwise indicated)

36. Fair Values Estimation (Continued)

Fair Value of Land and Buildings and Investment Properties (continued)

A reconciliation of the opening and closing balances for the company's land and buildings and the Group's investment properties are disclosed in Notes 12 and 38 respectively.

Valuation processes of the Group

On a biennial basis, the Group engages external, independent and qualified valuers to determine the fair value of the Group's land and buildings. The most recent valuations were performed as at 31 December 2022. The Group engages external, independent and qualified valuers to determine the fair value of its investment properties on an annual basis.

Sales Comparison Approach

There have been a limited number of similar sales in the local market, and consequently the sales comparison approach incorporates unobservable inputs which in the valuator's judgement reflects suitable adjustments regarding size, age, condition, time of sale, quality of land and buildings and improvements. The most significant input into this valuation is the price per square foot. The higher the price per square foot the higher the fair value.

Income Approach

The projected net income of the subject properties are discounted using an appropriate capitalisation rate. The most significant inputs to this valuation are the rental rate per square foot and the capitalisation rate. Rental rates of the subject properties are adjusted to reflect the market rent for properties of similar size, location and condition. The higher the rental rate per square foot the higher the fair value. The higher the capitalisation rate the lower the fair value. The average rent per square foot ranges between $600 to $650 and the capitalisation rate ranges between 8% - 9%.

Cost Approach

The fair values of the Distribution Centre and Group Headquarters amounting to $4,578,528,000 (2022: $5,081,000,000) and $3,121,151,000 (2022: $3,485,900,000) have been determined using the cost approach due to specialised nature of the assets. The key inputs into this valuation are shown in the table below.

Unobservable inputs	Range of unobservable inputs - Distribution Centre	Range of unobservable inputs - Group Headquarters	Relationship of unobservable inputs
Certified costs of construction as at date of completion of property	US$21,500,000 - US$22,000,000	J$2,997,445,000	The higher the costs of construction the higher the fair value
Rate of increase in construction costs from date of last valuation	2023: 9% - 11% 2022: 9% - 11%	2023: 8% - 10% 2022: 8% - 10%	The higher the rate of increase in construction costs the higher the fair value
Professional fees - architects, quantity surveyors, engineers	2023: 7% 2022: 7%	2023: 7% 2022: 7%	The higher the professional fees the higher the fair value
Interest cost	2023: 13% 2022: 13%	2023: 14% 2022: 14%	The higher the interest cost the higher the fair value
Estimated profit margin required by developer	2023: 6.0% 2022: 6.0%	2023: 6.0% 2022: 6.0%	The higher the developer's profit the higher the fair value
Rate of obsolescence	2023: 16% 2023: 16%	2023: 12% 2022: 12%	The higher the rate of obsolescence the lower the fair value

37. Financial Instruments by Category

	Group			
	Assets at amortised cost $'000	**Assets at fair value through profit or loss $'000**	**Assets at fair value through other comprehensive income $'000**	**Total $'000**
At 31 December 2023:				
Cash and deposits	27,044,833	-	-	27,044,833
Investment securities and pledged assets	43,411,277	1,946,401	8,749,427	54,107,105
Loans receivable	41,126,156	-	-	41,126,156
Trade and other receivables	18,804,786	-	-	18,804,786
Total financial assets	130,387,052	1,946,401	8,749,427	141,082,880

	Group			
	Assets at amortised cost $'000	**Assets at fair value through profit or loss $'000**	**Assets at fair value through other comprehensive income $'000**	**Total $'000**
At 31 December 2022:				
Cash and deposits	25,178,016	-	-	25,178,016
Investment securities and pledged assets	36,060,633	1,331,262	10,138,327	47,530,222
Loans receivable	36,800,390	-	-	36,800,390
Trade and other receivables	17,749,167	-	-	17,749,167
Total financial assets	115,788,206	1,331,262	10,138,327	127,257,795

	Group
	Other financial liabilities at amortised cost $'000
At 31 December 2023:	
Deposits	60,348,124
Bank and other loans	32,436,957
Trade and other payables	22,392,580
Total financial liabilities	115,177,661

37. Financial Instruments by Category (Continued)

	Group
	Other financial liabilities at amortised cost
	$'000
At 31 December 2022:	
Deposits	52,655,288
Securities sold under agreements to repurchase	28,469
Bank and other loans	28,318,585
Trade and other payables	21,619,251
Total financial liabilities	102,621,593

	Company		
	Assets at amortised cost	**Assets at fair value through other comprehensive income**	**Total**
	$'000	**$'000**	**$'000**
At 31 December 2023:			
Cash and deposits	2,147,963	-	2,147,963
Investment securities and pledged assets	6,976,343	86,884	7,063,227
Loans receivable	5,603,020	-	5,603,020
Trade and other receivables	2,698,476	-	2,698,476
Subsidiaries	1,630,716	-	1,630,716
Total financial assets	19,056,518	86,884	19,143,402

	Company		
	Assets at amortised cost	**Assets at fair value through other comprehensive income**	**Total**
	$'000	**$'000**	**$'000**
At 31 December 2022:			
Cash and deposits	2,974,595	-	2,974,595
Investment securities and pledged assets	7,054,113	113,841	7,167,954
Loans receivable	2,672,800	-	2,672,800
Trade and other receivables	2,124,366	-	2,124,366
Subsidiaries	1,204,889	-	1,204,889
Total financial assets	16,030,763	113,841	16,144,604

37. Financial Instruments by Category (Continued)

	Company
	Other financial liabilities at amortised cost
	$'000
At 31 December 2023:	
Bank and other loans	13,386,968
Trade and other payables	4,057,730
Subsidiaries	3,384,036
Total financial liabilities	20,828,734

	Company
	Other financial liabilities at amortised cost
	$'000
At 31 December 2022:	
Bank and other loans	11,424,197
Trade and other payables	3,635,603
Subsidiaries	1,917,735
Total financial liabilities	16,977,535

38. Investment Properties

	Group	
	2023	**2022**
	$'000	**$'000**
At 1 January	789,900	765,900
Change in fair value	95,600	24,000
At 31 December	885,500	789,900

The following amounts have been recognised in the income statement:

	Group	
	2023	**2022**
	$'000	**$'000**
Rental income arising from investment properties	54,264	53,842
Direct operating expenses arising from investment properties	17,070	21,932

Investment properties comprise commercial properties that are leased to third parties.

39. Business Combinations

On 14 February 2023, the Group acquired an additional 35.0% of the share capital of Jamaican company, Catherine's Peak Bottling Company Limited. The share purchase brought the Group's total shareholdings in the company to 70.0%, having previously held 35.0% of the share capital since 2018. The company's main activity is the sale of Catherine's Peak pure spring bottled water. GraceKennedy is the exclusive distributor of the Catherine's Peak branded products in Jamaica.

On 31 March 2023, the Group acquired 100.0% of the share capital of Scotia Insurance Caribbean Limited (SICL). SICL is a licensed life insurance company, which offers credit protection to customers on personal loans, residential mortgages, personal lines of credit, personal and small business credit cards. The company currently operates in Barbados, Belize, British Virgin Islands, Cayman Islands and Turks & Caicos Islands. The company subsequently changed its name to GK Life Insurance Caribbean Limited.

The purchase consideration for SICL comprised an initial cash payment amounting to $3,023,490,000 and contingent consideration amounting to $563,549,000. The contingent consideration is dependent on the retention of certain distribution agreements over the next two years, with 50% being payable after one year and the remaining amount after two years.

On 26 October 2023, the Group acquired 100.0% of the share capital of Unibev Limited (Unibev). Unibev is a Jamaican manufacturing company specializing in fully integrated beverage solutions. It is involved in all aspects of the beverage manufacturing process, including, sourcing raw materials and packaging. Its manufacturing facility, located in Spring Garden, Portland, includes a Blue Mountain spring water source.

The fair value of trade and other receivables of the businesses on acquisition was $501,778,000.

The acquired businesses contributed revenue of $904,031,000 and net profit of $431,515,000 to the Group since being acquired.

Had the businesses been consolidated from 1 January 2023, the consolidated income statement would show pro-forma revenue of $155,289,868,000 and net profit of $8,643,711,000. The amounts have been calculated by adjusting the results of the subsidiaries to reflect the additional amortisation that would have been charged assuming the fair value adjustments to intangible assets had applied from 1 January 2023, together with the consequential tax effects.

The goodwill is attributable to market participant synergies including the workforce in place.

The non-controlling interest in Catherine's Peak Bottling Company Limited is based on the proportionate fair value of the net assets acquired.

Acquisition-related costs of $29,521,000 have been charged to administration expenses in the consolidated income statement for the year ended 31 December 2023.

In relation to Unibev, the Group utilised the provision under the standard where one year from the date of acquisition (referred to as the measurement period) is allowed to finalise the purchase accounting for the business combination and therefore also allows for provisionally determined amounts to be included in the financial statements. To the extent that the finalisation of the purchase accounting results in a change, these will be adjusted in the subsequent financial statements, as a prior period adjustment to goodwill. The key items for Unibev within these financial statements for which there is provisional determination of values include certain items of fixed asset, borrowed funds and the allocation of goodwill.

39. Business Combinations (Continued)

The following table summarises the purchase consideration, net assets acquired, goodwill and the non-controlling interest at the acquisition dates:

	Catherine's Peak Bottling Company Limited	Scotia Insurance Caribbean Limited	Unibev Limited	Total
	$'000	$'000	$'000	$'000
Purchase consideration:				
Cash paid on date of acquisition	612,500	3,023,490	1,557,381	5,193,371
Fair value of equity interest held previously	598,680	-	-	598,680
Balance due on contingent consideration	-	563,549	-	563,549
Total purchase consideration	1,211,180	3,587,039	1,557,381	6,355,600
Assets and liabilities arising from the acquisition:				
Cash and cash equivalents	35,030	1,200,573	(43,554)	1,192,049
Fixed assets (Note 12)	396,816	-	1,721,909	2,118,725
Trademarks (included in intangibles) (Note 11)	428,000	-	-	428,000
Licences (included in intangibles) (Note 11)	-	106,096	-	106,096
Bancassurance agreements (included in intangibles) (Note 11)	-	1,303,462	-	1,303,462
Investment securities	-	787,595	-	787,595
Inventories	139,817	-	99,712	239,529
Receivables	209,383	76,746	215,649	501,778
Deferred tax assets (Note 13)	(4,407)	-	(7,147)	(11,554)
Payables and insurance contract liabilities	(186,280)	(257,889)	(461,138)	(905,307)
Taxation payable	-	(14,960)	-	(14,960)
Bank and other loans (Note 33)	(314,157)	-	(1,356,791)	(1,670,948)
Fair value of net assets acquired	704,202	3,201,623	168,640	4,074,465
Non-controlling interest (Note 23)	(211,261)	-	-	(211,261)
Goodwill (Note 11)	718,239	385,416	1,388,741	2,492,396
Purchase consideration settled in cash	612,500	3,023,490	1,557,381	5,193,371
Cash and cash equivalents in business acquired	(35,030)	(1,200,573)	43,554	(1,192,049)
Cash outflow on acquisition	577,470	1,822,917	1,600,935	4,001,322

39. Business Combinations (Continued)

In the prior year, the Group acquired 60.0% of the share capital of Bluedot (2022) Limited. The company, which is domiciled in Jamaica, is a full-service research and data intelligence consultancy, which uses data collection and analytics to inform business insights and decision-making. Bluedot currently has clients in Jamaica and the wider Caribbean region.

	$'000
Total consideration	132,862
Fair value of net assets acquired	(97,492)
Non-controlling interest (Note 23)	38,997
Goodwill (Note 11)	74,367
Purchase consideration settled in cash	132,862
Cash and cash equivalents in business acquired	(46,892)
Cash outflow at end of year	85,970

40. Subsequent Events

(a) On 29 February 2024, the Board of Directors approved an interim dividend in respect of 2024 of 52 cents per ordinary stock unit. The dividend is payable on 5 April 2024 to shareholders on record as at 15 March 2024.

41. Adoption of New Accounting Standard

The Group has adopted IFRS 17 'Insurance Contracts', from 1 January 2023, and the financial statements of the Group have been restated as of that date to reflect the effect of this adoption.

The Group identified, recognised and measured each group of insurance contracts as if IFRS 17 has always applied; derecognised any existing balances that would not have existed if IFRS 17 had always applied; and recognised the resulting net difference in equity.

The new standard was applied retrospectively, resulting in the restatement of the prior year financial statements along with the opening statement of financial position for that year.

Below is a summary of the line items in the financial statements affected by the restatement.

Reconciliation of Equity at:	**31 December 2022 $'000**	**31 December 2021 $'000**
Equity attributable to owners of GraceKennedy Limited as previously reported	71,995,793	67,605,593
Decrease in Receivables	(4,885,750)	(3,338,720)
Decrease in Payables	15,279,080	12,558,496
Addition of Insurance contract liabilities	(9,716,050)	(8,562,995)
Decrease in Foreign currency translation	241	-
Increase in Non-Controlling interests	(41,142)	(40,752)
Increase in Retained earnings	636,379	616,029
Decrease in Other reserves	(241)	-
Adjustment to Equity attributable to owners of GraceKennedy Limited from adoption of IFRS 17	636,138	616,029
Equity attributable to owners of GraceKennedy Limited as restated	72,631,931	68,221,622

Reconciliation of profit for the period ended:	**31 December 2022 $'000**
Profit attributable to owners of GraceKennedy Limited as previously reported	7,027,398
Decrease in Revenues	(1,326,032)
Decrease in Direct and operating expenses	1,224,310
Increase in Other income	122,487
Increase in Net Profit	20,765
Increase in Non-Controlling interests	(415)
Increase in Profit attributable to owners of GraceKennedy Limited	20,350
Profit attributable to owners of GraceKennedy Limited as restated	7,047,748

	$
Earnings per Stock Unit for profit attributable to the owners of GraceKennedy Limited:	Basic
EPS as previously reported	$7.09
Decrease due to restatement	$0.02
EPS as restated	$7.11

Earnings per Stock Unit for profit attributable to the owners of GraceKennedy Limited:	Diluted
EPS as previously reported	$7.02
Decrease due to restatement	$0.02
EPS as restated	$7.04

Form of Proxy

I/We...
of...
being a member/members of GraceKennedy Limited hereby appoint ....
....of...
or failing him/her...
of...
as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, 29 May 2024 at 2:00 p.m. at GraceKennedy Headquarters, 42-56 Harbour Street, Kingston, Jamaica and electronically via an online platform which can be accessed via our website at www.gracekennedy.com and at any adjournment thereof.

	FOR	AGAINST
RESOLUTION 1		
RESOLUTION 2		
RESOLUTION 3A		
RESOLUTION 3B		
RESOLUTION 4		
RESOLUTION 5		

Unless otherwise instructed, the proxy will vote or abstain from voting as he/she thinks fit.

Dated this .... day of 2024

....
Signature

....
Signature

....
Signature

Place Stamp Here

J$100

Note:

1. In the case of a body corporate, this form should be executed under seal in accordance with the company's Articles.
2. To be valid this proxy must be deposited with the Corporate Secretary of the Company at 73 HARBOUR STREET, KINGSTON, JAMAICA not less 48 hours before the time appointed for holding the Meeting. A Proxy need not be a member of the Company.
3. This form of proxy should bear stamp duty of $100. Adhesive stamps are to be cancelled by the person signing the proxy.

GraceKennedy
GROUP

GraceKennedy Limited

42 - 56 Harbour Street, Kingston
Jamaica | West Indies
1 (876) 922-3440
www.gracekennedy.com