KIW International Limited

Financial Statements
30 September 2024

KIW International Limited

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30 September 2024

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INDEPENDENT AUDITORS' REPORT

To the Members of
KIW International Limited

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of KIW International Limited ("the Company") set out on pages 1 to 24 which comprise the statement of financial position as at 30 September 2024 the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 September 2024 and of its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act.

Basis for Opinion

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

Independence

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

Responsibilities of Management and the Board of Directors for the Financial Statements

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

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INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
KIW International Limited
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Report on the audit of the Financial Statements (continued)

Responsibilities of Management and the Board of Directors for Financial Statements (continued)

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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Report on the audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with the Board of Directors 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.

Report on other legal and regulatory requirements

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

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

Baker Tilly

Chartered Accountants
Kingston, Jamaica
29 November 2024

KIW International Limited

Statement of Financial Position
As at 30 September 2024

	Note	2024	2023
		$	$
ASSETS			
Non-current asset			
Investment securities	5	169,050,000	159,250,000
		169,050,000	159,250,000
Current assets			
Receivables	6	1,627,242	1,627,242
Taxation recoverable		400,837	358,361
Cash and cash equivalents	7	2,792,503	2,684,595
		4,820,582	4,670,198
TOTAL ASSETS		173,870,582	163,920,198
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	8	3,972,771	3,972,771
Capital reserves	9	86,372,532	86,372,532
Capital redemption reserve	10	3,500,000	3,500,000
Treasury shares	11	(11,060,453)	(11,060,453)
Retained earnings		83,668,053	75,160,510
		166,452,903	157,945,360
Current liabilities			
Payables	12	4,567,410	4,801,542
Due to parent company	13	2,850,269	1,173,296
		7,417,679	5,974,838
TOTAL EQUITY AND LIABILITIES		173,870,582	163,920,198

Approved for issue by the Board on 29 November 2024 and signed on its behalf by:

John Mahfood — Director

John Jackson — Director

KIW International Limited

Statement of Comprehensive Income
Year ended 30 September 2024

	Note	2024	2023
		$	$
Interest income		169,905	139,500
Fair value gain/(loss) on investement securities	5	9,800,000	(28,175,000)
Other operating income	14	-	1,401,204
Net operating income/(loss)		9,969,905	(26,634,296)
Operating and administrative expenses	15	(1,462,362)	(1,795,171)
Profit/(loss) before taxation		8,507,543	(28,429,467)
Taxation	16	-	-
Net income/(loss) for the year, being total comprehensive income/(loss)		8,507,543	(28,429,467)

KIW International Limited

Statement of Changes in Equity
Year ended 30 September 2024

	Share Capital	Capital Reserves	Capital Redemption Reserve	Treasury Shares	Retained Earnings	Total
	$	$	$	$	$	$
Balance as at 1 October 2022	3,972,771	86,372,532	3,500,000	(11,060,453)	103,589,977	186,374,827
Total comprehensive loss	-	-	-	-	(28,429,467)	(28,429,467)
Balance as at 30 September 2023	3,972,771	86,372,532	3,500,000	(11,060,453)	75,160,510	157,945,360
Total comprehensive income	-	-	-	-	8,507,543	8,507,543
Balance as at 30 September 2024	3,972,771	86,372,532	3,500,000	(11,060,453)	83,668,053	166,452,903

KIW International Limited

Statement of Cash Flows
Year ended 30 September 2024

	2024 $	2023 $
CASH RESOURCES WERE PROVIDED BY/(USED IN)		
Operating Activities		
Profit/(loss) before taxation	8,507,543	(28,429,467)
Adjustments for:		
Fair value (gain)/loss on investement securities	(9,800,000)	28,175,000
Interest income	(169,905)	(139,500)
	(1,462,362)	(393,967)
Changes in operating assets and liabilities:		
Increase in receivables	-	(20)
Decrease in payables	(234,132)	(2,464,442)
Cash used in operating activities	(1,696,494)	(2,858,429)
Interest received	169,905	139,500
Income tax paid	(42,476)	(40,918)
Net cash used in operating activities	(1,569,065)	(2,759,847)
Financing Activity		
Due to related party, net	1,676,973	1,698,447
Net provided by financing activity	1,676,973	1,698,447
Net increase/(decrease) in cash and cash equivalents	107,908	(1,061,400)
Cash and cash equivalents at beginning of year	2,684,595	3,745,995
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,792,503	2,684,595
Represented by:		
Cash and cash equivalents	2,792,503	2,684,595

KIW International Limited

Notes to the Financial Statements
30 September 2024

1. Identification and principal activities

KIW International Limited (the "Company') is a public company that was incorporated in Jamaica in August 1955 under the Companies Act of Jamaica. The Company is domiciled in Jamaica and is a 53.91% (2023: 53.91%) subsidiary of Jamaica Teas Limited, the parent company. The remainly shares are widely disbursed. The Company's shares are no longer listed on the Jamaica Stock Exchange

The principal activity of the Companyy is the holding of quoted securities.

During the year the company changed its registered office and relocated its principal place of business from 138 Spanish Town Road, Kingston, to Lots 4 & 6 JIDC Estate, Main Road, Temple Hall, Kingston 9.

2. Summary of material accounting policies

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

(a) Basis of preparation

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

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

The preparation of financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the end of the reporting period and the total comprehensive income during the reporting period. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known. The areas involving a higher degree of judgement in complexity or areas where assumptions or estimates are significant to the financial statements are discussed in note 4.

2. Summary of material accounting policies (continued)

(a) Basis of preparation (continued)

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

The following standards and amendment to standards which have been issued and are effective for mandatory adoption for financial year beginning on or after 1 January 2023 have been adopted by the Company for the first time:

Amendments to IAS 1 – Presentation of Financial Statements on Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (effective for annual periods beginning on or after 1 January 2023) affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

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

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8, (effective for annual periods beginning on or after 1 January 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Effective October 1, 2023, the Company adopted the amendments to IAS 1, which resulted in the Company disclosing material accounting policies, rather than significant accounting policies, based on the following definition from the amended standard:

> "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

KIW International Limited

Notes to the Financial Statements
30 September 2024

2. Summary of material accounting policies (continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards effective in the current year that are relevant to the Company's operations (continued)

Deferred Tax related to assets and liabilities (Amendments to IAS 12 Income Taxes) (effective for annual periods beginning on or after 1 January 2023). These amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendments did not result in any material effect on the Company's financial statements.

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

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

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

Non-current liabilities with covenants (Amendments to IAS 1) (effective for annual periods beginning on or after 1 January 2024). These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

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

2. Summary of material accounting policies (continued)

(b) Financial assets

Classification

The Company classifies its financial assets in the following subsequent measurement categories:

- those to be measured at amortised cost,
- those to be measured at fair value through Other Comprehensive Income (FVOCI)), and
- those to be measured at fair value through profit or loss. (FVTPL)

The classification depends on the entity's business model for managing the financial assets and the contractual tcash flow characteristics of the financial asset.

The Company measures financial ssets at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company measures financial assets at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company measures financial assets at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, unless the company has made an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

The Company reclassifies financial assets when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

2. Summary of material accounting policies (continued)

(b) Financial assets (continued)

Initial measurement

At initial recognition, (except for trade receivables which are measured at their transaction price), the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement

After initial recognition, the Company measures financial assets in accordance with the classification categories as follows:

- Amortised cost: Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVTPL: A gain or loss on an investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Impairment

The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

KIW International Limited

Notes to the Financial Statements
30 September 2024

2. Summary of material accounting policies (continued)

(c) Receivables

Receivables are stated at their nominal value as reduced (where applicable) by appropriate allowances. The Company maintains an allowance for credit losses, which in management's opinion, is adequate to absorb all credit related losses in its portfolio. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. 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 in profit or loss.

(d) Cash and cash equivalents

Cash and cash equivalents comprises cash in hand and demand and call deposits with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitment rather than for investment or other purposes.

(e) Share capital

Ordinary shares are classified as equity when there is no obligation to transfer cash or other assets. Transaction costs directly attributable to the issuance of shares are shown in equity as a deduction from the proceeds of the share issue.

(f) Payables

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

KIW International Limited

Notes to the Financial Statements
30 September 2024

2. Summary of material accounting policies (continued)

(g) Related party transactions

A party is related to the Company, if:

(i) directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries and fellow subsidiaries); has an interest in the Company that gives it significant influence over the Company; or has joint control over the Company;

(ii) the party is an associate of the Company;

(iii) the party is a joint venture in which the Company is a venturer;

(iv) the party is a member of the key management personnel of the Company or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or iv);

(vi) the party is the Company that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any company that is a related party of the Company.

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

KIW International Limited

Notes to the Financial Statements
30 September 2024

2. Summary of material accounting policies (continued)

(h) Impairment

At each statement of financial position date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately.

(i) Revenue recognition

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

(ii) Dividend income
Dividend income is recognised at a point in time whenthe right to receive payment is established based on the record date of the dividends and in the period when they are approved.

(iii) Realised gain on sale of investments
Realised gain on the sale of investment is determined by comparing sale proceeds with the carrying amount of the investment. This amount is recognised in the statement of profit or loss.

(iv) Net fair value gains/losses on investments at fair value through profit or loss
Unrealised fair value gain on investments are recognised when there is a change in the fair value from one period to the next. They exclude interest and dividend income.

2. Summary of material accounting policies (continued)

(j) Taxation

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

(i) Current taxation

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

(ii) Deferred income taxes

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

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

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

(k) Foreign currency translation

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

3. Financial risk management

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

The Company'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 Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The directors are ultimately responsible for the establishment and oversight of the Company's risk management framework. They provide written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, as well outstanding receivables.

Cash and cash equivalents:
Cash and cash equivalents are held with financial institutions that are appropriately licensed and regulated, therefore, management believes the risk of default is minimal.

Other receivables:
Due to the nature of its operations, the Company has limited exposure to credit risk from its main operations. The other receivables is made up of deposits on shares. As at September 30, 2024, no impairment allowance was recognised as the amounts were considered immaterial.

Maximum exposure to credit risk:
The Company's maximum exposure to credit risk at period end is represented by its respective carrying amount.

Impairment on cash and cash equivalents, other receivables and resale agreements have been measured at 12-month expected loss basis and reflects the short maturities of the exposures. The Company considered that cash and cash equivalents other receivables and resale agreements have low credit risk.

No impairment allowances were recognised under IFRS 9.

3. Financial risk management (continued)

(b) Liquidity risk

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

Liquidity risk management process

The Company's liquidity management process includes:

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

Undiscounted cash flows of financial liabilities

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

	2024			
	Carrying Amount	**Contractual Cash flows**	**1 to 3 months**	**3 to 12 months**
	$	**$**	**$**	**$**
Payables	4,567,410	4,567,410	-	4,567,410
Due to parent company	2,850,269	2,850,269	-	2,850,269
	7,417,679	7,417,679	-	7,417,679

	2023			
	Carrying Amount	**Contractual Cash flows**	**1 to 3 months**	**3 to 12 months**
	$	**$**	**$**	**$**
Payables	4,801,542	4,801,542	-	4,801,542
Due to parent company	1,173,296	1,173,296	-	1,173,296
	5,974,838	5,974,838	-	5,974,838

Assets available to meet all of the liabilities and to cover financial liabilities include cash at bank and in hand.

KIW International Limited

Notes to the Financial Statements
30 September 2024

3. Financial risk management (continued)

(c) 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 Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest risk.

The Company minimises interest rate risk by investing mainly in fixed rate instruments and contracting liabilities at fixed rate, where possible.

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

	2024					
	Within 1 month	1 to 3 months	3 to 12 months	Over 1 year	Non-interest bearing	Total
	$	$	$	$	$	$
Assets						
Receivables	-	-	-	-	1,669,718	1,669,718
Cash and cash equivalents	2,792,503	-	-	-	-	2,792,503
Total financial assets	2,792,503	-	-	-	1,669,718	4,462,221
Liabilities						
Payables	4,567,410	-	-	-	-	4,567,410
Due to parent company	2,850,269	-	-	-	-	2,850,269
Total financial liabilities	7,417,679	-	-	-	-	7,417,679
Total interest re-pricing gap	(4,625,176)	-	-	-	1,669,718	(2,955,458)

	2023					
	Within 1 month	1 to 3 months	3 to 12 months	Over 1 year	Non-interest bearing	Total
	$	$	$	$	$	$
Assets						
Receivables	-	-	-	-	1,627,242	1,627,242
Cash and cash equivalents	2,684,595	-	-	-	-	2,684,595
Total financial assets	2,684,595	-	-	-	1,627,242	4,311,837
Liabilities						
Payables	-	-	-	-	4,801,542	4,801,542
Due to parent company	-	-	-	-	1,173,296	1,173,296
Total financial liabilities	-	-	-	-	5,974,838	5,974,838
Total interest re-pricing gap	2,684,595	-	-	-	(4,347,596)	(1,663,001)

3. Financial risk management (continued)

(d) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

At the reporting date, the Company was not exposed to foreign currency risk as there was no balance that was denominated in a currency other than the Jamaica dollar.

(e) Equity price risk

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

(f) Capital management

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

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

There were no changes to the Company's approach to capital management during year.

(g) Fair values

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

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

Quoted equities fair values are based on the closing prices published by the Jamaica Stock Exchange.

3. Financial risk management (continued)

(g) Fair values (continued)

Determination of fair value and fair values hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. These two types of inputs have created the following fair value hierarchy:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. This level includes listed equity securities and debt instruments on exchanges.

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

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

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

Equity investments are classified as Level 1.

4. Critical accounting estimates and judgements in applying accounting policies

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

(i) Income taxes

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

(ii) Fair value of financial assets

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

KIW International Limited

Notes to the Financial Statements
30 September 2024

5. Investment securities

	2024	2023
	$	$
Investment securities at FVTPL:		
Balance at the beginning of the year	159,250,000	187,425,000
Fair value gain/(loss) on investement securities	9,800,000	(28,175,000)
Balance at the end of the year	169,050,000	159,250,000

Investment securities comprise quoted equity investments held in a related party that is listed on the Jamaica Stock Exchange, as follows:

	2024	2023
	No. of Units	No. of Units
QWI Investments Limited	245,000,005	245,000,005

The company's investment amounts to 17.95% (2023: 17.95%) of the issued shares of QWI Investments Limited. The company's parent, Jamaican Teas Limited, effectively controls 37.13% (2023: 36.07%) of QWI Investments Limited, through the above holding plus 27.46% (2023: 26.39%) held directly.

6. Receivables

	2024	2023
	$	$
Deposit on buy back of own shares (Note 11)	1,627,242	1,627,242

KIW International Limited

Notes to the Financial Statements
30 September 2024

7. Cash and cash equivalents

		2024	2023
Cash at bank:		**$**	**$**
Bank of Nova Scotia Jamaica Limited	(a)	7,313	26,835
National Commercial Bank Jamaica Limited	(a)	12,755	12,755
Short-term investments:		20,068	39,590
Barita Investments Limited	(b)	2,772,435	2,645,005
		2,792,503	2,684,595 *

(a) Cash at bank represents non-interest-bearing Jamaican dollor denominated operating accounts at licensed commercial banks in Jamaica.

(b) Short-term investments, which all have remaining maturities of less than three (3) months, substantially comprise Reverse Repurchase Agreements or Certificates of Participation, consisting of an interest in, or is collaterised by Government of Jamaica or Bank of Jamaica Securities. These agreements may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligations. The risk is managed primarily by reviews of the financial status of the counterparty. The rate of interest is 6.0% (2023: 6.5%) per annum.

8. Share capital

	2024	2023
	No. of shares	**No. of shares**
Authorised:		
Ordinary shares at no par value	1,034,343	1,034,343
Preference shares at no par value	2,000,000	2,000,000
Ordinary stocks at no par value	15,965,607	15,965,607
Preference stock at no par value	14,000,000	14,000,000

	2024	2023
	$	**$**
Issued and fully paid:		
15,965,607 (2023: 15,965,607) ordinary stocks at no par value	3,972,771	3,972,771

KIW International Limited

Notes to the Financial Statements
30 September 2024

9. Capital reserves

	2024	2023
	$	$
Realised surplus on revaluation and sale of property	87,412,086	87,412,086
Realised loss on buy back of own shares	(1,039,554)	(1,039,554)
	86,372,532	86,372,532

10. Capital redemption reserve

This reserve represents cumulative preference shares that were redeemed in 2018 out of accumulative surplus and transferred to capital redemption reserve. A total of 14 million 8% cumulative redeemable preference shares were held by Jamaica Teas Limited valuaing $0.25 each.

11. Treasury shares

2024	2023
$	$
11,060,453	11,060,453

Treasury stock represents cost incurred in buying back the Company's own stock units, which have not been cancelled, but are being held as treasury stock. As at September 30, 2024, the Company held 1,095,375 (2023: 1,095,375) of its own stock units. In addition, the Company is in the process of acquiring further stock units, for which a deposit of $1,627,222 (2023: $1,627,222) has already been paid (see Note 6).

12. Payables

	2024	2023
	$	$
Capital distribution payable	3,904,910	3,904,910
Other payables and accruals	662,500	896,632
	4,567,410	4,801,542

KIW International Limited

Notes to the Financial Statements
30 September 2024

13. Due to parent company

The amount due to Jamaican Teas Limited is unsecured, interest free and has no fixed repayment terms.

14. Other operating income

This represents the reversal of overaccrual of expenses in previous years.

15. Expense by nature

	2024	2023
	$	$
Operating and administrative expenses:		
Audit fee	800,000	1,011,037
Directors' emoluments:		
Fee	275,000	-
Management remuneration	-	-
General expenses	152,362	360,446
Professional fees	212,500	417,100
Penalties	-	6,588
Travelling and subsistence	22,500	-
	1,462,362	1,795,171

16. Taxation

(a) There was no taxation charge for the year due to the tax losses incurred. Subject to the agreement with the Commissioner General, Tax Administration Jamaica, the Company has taxation losses of approximately $24,500,037 (2023: $23,207,580) available for set-off against future taxable profits.

Deferred tax assets amounting to approximately $6,125,009 (2023: $5,801,895) have not been recognised in respect of tax losses. At this time, the directors and management do not consider that it is probable that future taxable profits will be available against which to utilise these losses.

16. Taxation (continued)

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

	2024	2023
	$	$
Profit/(loss) before taxation	8,507,543	(28,429,467)
Tax calculated at a tax rate of 25%:	2,126,886	(7,107,367)
Adjusted for the effects of:		
Items not allowed for tax purposes:		
Fair value (gains)/losses	(2,450,000)	7,043,750
Others	-	1,647
Deferred tax asset not recognised	323,114	61,970
	-	-

17. Due to related party

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

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

(a) Enterprises over which a substantial interest in the voting power is owned by a key management personnel, including directors and officers and close members of families; or

(b) Enterprises over which such a person, in (a) above, is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the Company.

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

	2024	2023
	$	$
Due to:		
Jamaican Teas Limited	2,850,269	1,173,269