

FOCOL HOLDINGS LIMITED

**Consolidated Interim Financial Statements
For The Nine Months Ended June 30, 2023 (Unaudited)**

FOCOL HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2023 (UNAUDITED)**

(Expressed in Bahamian dollars)

	30 June 2023	30 June 2022	30 Sept 2022 Audited
ASSETS			
CURRENT ASSETS:			
Cash	26,363,961	19,733,556	30,900,968
Term deposits	4,556,898	4,549,129	4,556,898
Accounts receivable, net	65,465,622	67,148,014	42,749,693
Inventories	26,883,644	38,143,114	28,708,117
Prepaid expenses and sundry assets	4,701,472	5,535,601	2,804,129
Total current assets	<u>127,971,597</u>	<u>135,109,414</u>	<u>109,719,805</u>
NON-CURRENT ASSETS:			
Property, plant and equipment, net	193,821,221	157,048,546	160,368,519
Right of use assets, net	20,062,015	20,415,732	21,536,310
Goodwill and intangible assets	12,144,236	12,220,002	12,203,004
Investment in associate	21,192,382	20,295,183	19,887,382
Due from associate	83,612	95,901	82,191
Total non-current assets	<u>247,303,466</u>	<u>210,075,364</u>	<u>214,077,406</u>
TOTAL ASSETS	<u><u>375,275,063</u></u>	<u><u>345,184,778</u></u>	<u><u>323,797,211</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Bank overdraft	14,879,868	7,021,917	6,157,152
Accounts payable and accrued liabilities	70,435,421	74,364,098	52,206,556
Dividends payable	3,054,342	2,006,432	2,004,342
Current portion of lease liabilities	5,140,469	3,548,030	3,534,963
Current portion of long-term debt	2,111,955	3,546,571	2,215,696
Total current liabilities	<u>95,622,055</u>	<u>90,487,048</u>	<u>66,118,709</u>
NON-CURRENT LIABILITIES:			
Due to associate	5,169,677	2,151,322	1,665,123
Lease liabilities	15,862,157	18,552,155	18,582,968
Long term debt	26,193,089	27,003,970	27,780,758
Preference shares	27,582,158	11,832,752	11,832,752
Total non-current liabilities	<u>74,807,081</u>	<u>59,540,199</u>	<u>59,861,601</u>
SHAREHOLDERS' EQUITY:			
Share capital	83,563	83,647	83,563
Preference shares	500,000	500,000	500,000
Contributed capital	49,500,000	49,500,000	49,500,000
Retained earnings	154,762,364	145,073,884	147,733,338
Total equity	<u>204,845,927</u>	<u>195,157,531</u>	<u>197,816,901</u>
TOTAL LIABILITIES AND EQUITY	<u><u>375,275,063</u></u>	<u><u>345,184,778</u></u>	<u><u>323,797,211</u></u>

FOCOL HOLDINGS LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
NINE MONTHS ENDED JUNE 30, 2023 (UNAUDITED)***(Expressed in Bahamian dollars)*

	30 June 2023	30 June 2022	30 Sept 2022 Audited
REVENUES	326,978,938	298,905,728	423,808,309
COST OF SALES	<u>(257,902,919)</u>	<u>(240,780,256)</u>	<u>(343,702,811)</u>
Gross profit	69,076,019	58,125,472	80,105,498
Equity income	1,305,000	2,169,515	1,761,713
Other income	4,794	4,606	6,160
Marketing, administrative and general expenses	(37,768,366)	(33,024,368)	(44,758,098)
Depreciation and amortization expense	(9,764,850)	(9,093,953)	(12,002,398)
Finance costs	(2,116,058)	(2,161,710)	(2,790,871)
Dividends on preferred shares	<u>(677,096)</u>	<u>(779,178)</u>	<u>(959,178)</u>
NET PROFIT AND COMPREHENSIVE INCOME	20,059,443	15,240,384	21,362,826
Earnings per share	0.17	0.13	0.18

FOCOL HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
NINE MONTHS ENDED JUNE 30, 2023 (UNAUDITED)**

(Expressed in Bahamian dollars)

	Share Capital	Preference Shares	Contributed Capital	Retained Earnings	Total
Balance at September 30, 2021	83,647	500,000	49,500,000	141,816,175	191,899,822
Total comprehensive income	-	-	-	15,240,384	15,240,384
Common share dividends	-	-	-	(10,032,675)	(10,032,675)
Preference share dividends	-	-	-	(1,950,000)	(1,950,000)
Balance at June 30, 2022	83,647	500,000	49,500,000	145,073,884	195,157,531
Balance at September 30, 2022	83,563	500,000	49,500,000	147,733,338	197,816,901
Total comprehensive income	-	-	-	20,059,443	20,059,443
Common share dividends	-	-	-	(10,030,417)	(10,030,417)
Preference share dividends	-	-	-	(3,000,000)	(3,000,000)
Balance at June 30, 2023	83,563	500,000	49,500,000	154,762,364	204,845,927

FOCOL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
NINE MONTHS ENDED JUNE 30, 2023 (UNAUDITED)

(Expressed in Bahamian dollars)

	30 June 2023	30 June 2022	30 Sept 2022 Audited
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	20,059,443	15,240,384	21,362,826
Adjustments for:			
Depreciation and amortization expense	9,764,850	9,093,953	12,002,398
Equity income from associate	(1,305,000)	(2,169,515)	(1,761,713)
Loss on disposal of property, plant and equipment, net	-	-	48,202
Income from operations before working capital changes	<u>28,519,293</u>	<u>22,164,822</u>	<u>31,651,713</u>
(Increase) Decrease in accounts receivable, net	(22,715,929)	(16,278,879)	8,119,442
(Increase) Decrease in prepaid expenses and sundry assets	(1,897,343)	(2,090,439)	641,033
(Increase) Decrease in inventories	1,824,473	(15,237,292)	(5,802,295)
Increase (Decrease) in accounts payable and accrued liabilities	18,228,865	49,956,505	27,796,872
Increase (Decrease) in dividends payable	<u>1,050,000</u>	<u>-</u>	<u>-</u>
Net cash from operating activities	<u>25,009,359</u>	<u>38,514,717</u>	<u>62,406,765</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) Decrease in term deposits	-	(343,603)	(351,372)
(Increase) Decrease in due from associate	(1,421)	(36,924)	(23,214)
Increase (Decrease) in due to associate	3,504,554	(1,268,909)	(1,755,108)
Proceeds from disposal of property, plant and equipment	-	-	7,503
Purchase of property, plant and equipment	(39,165,861)	(13,835,510)	(19,592,528)
Purchase of intangible assets	<u>(33,345)</u>	<u>(19,470)</u>	<u>(46,358)</u>
Net cash used in investing activities	<u>(35,696,073)</u>	<u>(15,504,416)</u>	<u>(21,761,077)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Conversion of bank overdraft to long-term debt	-	27,150,000	27,150,000
Repurchase of ordinary shares	-	-	(409,245)
Common share dividends paid	(10,030,417)	(10,032,675)	(12,036,502)
Repayment of lease liabilities	(3,583,745)	(3,433,030)	(5,019,081)
Repayment of long-term debt	(1,691,410)	(1,264,676)	(1,818,763)
Proceeds from preference share issuance	15,732,563	-	-
Preference share dividends paid	<u>(3,000,000)</u>	<u>(1,950,000)</u>	<u>(3,000,000)</u>
Net cash (used in) from financing activities	<u>(2,573,009)</u>	<u>10,469,619</u>	<u>4,866,409</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(13,259,723)	33,479,920	45,512,097
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	24,743,816	(20,768,281)	(20,768,281)
CASH AND CASH EQUIVALENTS, END OF YEAR	11,484,093	12,711,639	24,743,816
CASH AND CASH EQUIVALENTS IS COMPRISED OF THE FOLLOWING:			
Cash and bank balances	26,363,961	19,733,556	30,900,968
Bank overdraft	<u>(14,879,868)</u>	<u>(7,021,917)</u>	<u>(6,157,152)</u>
	<u>11,484,093</u>	<u>12,711,639</u>	<u>24,743,816</u>
SUPPLEMENTAL INFORMATION :			
Interest paid on bank overdraft and loans	<u>1,256,433</u>	<u>1,282,952</u>	<u>1,716,575</u>
Interest received	<u>4,794</u>	<u>4,606</u>	<u>6,160</u>
NON- CASH TRANSACTION:			
Transfer of bank overdraft to long-term debt	<u>-</u>	<u>27,150,000</u>	<u>27,150,000</u>
Change in lease liability	<u>2,468,265</u>	<u>-</u>	<u>1,607,480</u>

FOCOL HOLDINGS LIMITED

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS NINE MONTHS ENDED JUNE 30, 2023 (UNAUDITED)

1. NATURE OF OPERATIONS

FOCOL Holdings Limited is incorporated under the laws of The Commonwealth of The Bahamas. The consolidated interim financial statements for the nine months ended June 30, 2023 comprise of FOCOL Holdings Limited and its subsidiaries (together referred to as “the Group”). The Group operates in the energy sector through its wholly owned subsidiaries as follows:

- Freeport Oil Company Limited;
- Grand Sun Investments Limited;
- Grand Bahama Terminals Limited;
- GAL Terminal Limited;
- Convenience Retailing Limited;
- Sun Services Limited;
- O.R. Services Limited;
- Freeport Oil Holdings Investments Limited and its wholly owned subsidiaries, Sun Oil Limited, Sun Oil Turks and Caicos Limited and Sun Brokerage Co., Ltd. Sun Oil Limited also operates through its 60% voting interest in BTCI Tankers Limited;
- Sun Oil Aviation Limited;
- Sun Marine Limited;
- Boulevard Services Limited;
- Bahamas Utilities Company Limited (formerly Sun Utilities Company Limited);
- Bahamas Utilities Holdings Limited;
- Bahamas Solar & Renewables Company Limited;
- Atlantic International Supply & Trading Limited (“AIST”); and
- Atlantic International Supply & Trading Limited (“AIST-TCI”).

2. BASIS OF PREPARATION

The consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 ‘Interim Financial Reporting’. They do not include all of the information and note disclosures required in the annual financial statements in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the Group’s consolidated financial statements for the year ended September 30, 2022.

3. ACCOUNTING POLICIES

The consolidated interim financial statements have been prepared in accordance with the accounting policies included in the Group’s consolidated financial statements for the year ended September 30, 2022.

4. ESTIMATES AND JUDGEMENTS

The preparation of consolidated interim financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities, at the date of the consolidated interim financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Significant judgements, estimates and assumptions applied in these consolidated interim financial statements were the same as those applied in the Group's consolidated financial statements for the year ended September 30, 2022.
