

FOCOL HOLDINGS LIMITED

**Consolidated Interim Financial Statements
For The Three Months Ended December 31, 2023 (Unaudited)**

FOCOL HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 (UNAUDITED)**

(Expressed in Bahamian dollars)

	31-Dec-23	31-Dec-22	30-Sep-23 Audited
ASSETS			
CURRENT ASSETS:			
Cash	42,595,249	27,682,389	31,706,910
Term deposits	4,581,744	4,556,898	4,564,775
Accounts receivable, net	60,781,229	53,677,745	60,348,449
Inventories	27,298,781	36,135,266	24,619,451
Prepaid expenses and sundry assets	6,729,560	4,490,900	4,398,535
Total current assets	<u>141,986,563</u>	<u>126,543,198</u>	<u>125,638,120</u>
NON-CURRENT ASSETS:			
Property, plant and equipment, net	200,528,650	159,364,895	198,999,103
Right of use assets, net	16,255,833	22,791,243	17,667,116
Goodwill and intangible assets	12,094,619	12,164,542	12,125,060
Investment in associate	23,247,878	20,322,382	22,732,255
Due from associate	-	81,064	-
Total non-current assets	<u>252,126,980</u>	<u>214,724,126</u>	<u>251,523,534</u>
TOTAL ASSETS	<u><u>394,113,543</u></u>	<u><u>341,267,324</u></u>	<u><u>377,161,654</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Bank overdraft	18,913	5,044,515	18,176,408
Accounts payable and accrued liabilities	80,723,524	68,725,647	64,934,296
Dividends payable	3,006,261	3,006,513	2,004,342
Current portion of lease liabilities	4,549,994	4,522,659	4,953,751
Current portion of long-term debt	3,747,170	2,174,429	2,135,803
Total current liabilities	<u>92,045,862</u>	<u>83,473,763</u>	<u>92,204,600</u>
NON-CURRENT LIABILITIES:			
Due to associate	3,494,173	2,588,615	3,424,362
Lease liabilities	12,233,010	19,017,150	12,887,120
Long term debt	43,516,822	27,257,922	25,651,638
Preference shares	27,600,787	11,841,049	27,582,157
Total non-current liabilities	<u>86,844,792</u>	<u>60,704,736</u>	<u>69,545,277</u>
SHAREHOLDERS' EQUITY:			
Share capital	83,556	83,563	83,563
Preference shares	500,000	500,000	500,000
Contributed capital	49,500,000	49,500,000	49,500,000
Retained earnings	165,139,333	147,005,262	165,328,214
Total equity	<u>215,222,889</u>	<u>197,088,825</u>	<u>215,411,777</u>
TOTAL LIABILITIES AND EQUITY	<u><u>394,113,543</u></u>	<u><u>341,267,324</u></u>	<u><u>377,161,654</u></u>

FOCOL HOLDINGS LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
THREE MONTHS ENDED DECEMBER 31, 2023 (UNAUDITED)***(Expressed in Bahamian dollars)*

	31-Dec-23	31-Dec-22	30-Sep-23 Audited
REVENUES	105,794,705	105,508,485	441,688,145
COST OF SALES	<u>(79,837,191)</u>	<u>(83,940,324)</u>	<u>(339,021,026)</u>
Gross profit	25,957,514	21,568,161	102,667,119
Equity income	515,624	435,000	2,844,873
Other income	1,768	1,926	6,503
Marketing, administrative and general expenses	(15,070,386)	(12,135,540)	(53,718,606)
Depreciation and amortization expense	(3,905,008)	(3,255,771)	(15,287,331)
Finance costs	(752,759)	(693,238)	(2,784,535)
Dividends on preferred shares	<u>(434,752)</u>	<u>(182,959)</u>	<u>(1,107,095)</u>
NET PROFIT AND COMPREHENSIVE INCOME	6,312,001	5,737,579	32,620,928
Earnings per share	0.06	0.05	0.30

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
THREE MONTHS ENDED DECEMBER 31, 2023 (UNAUDITED)**

(Expressed in Bahamian dollars)

	Share Capital	Preference Shares	Contributed Capital	Retained Earnings	Total
Balance at September 30, 2022	83,563	500,000	49,500,000	147,733,338	197,816,901
Total comprehensive income	-	-	-	5,737,579	5,737,579
Common share dividends	-	-	-	(6,015,655)	(6,015,655)
Preference share dividends	-	-	-	(450,000)	(450,000)
Balance at December 31, 2022	83,563	500,000	49,500,000	147,005,262	197,088,825
Balance at September 30, 2023	83,563	500,000	49,500,000	165,328,214	215,411,777
Total comprehensive income	-	-	-	6,312,001	6,312,001
Common shares purchased and cancelled	(7)	-	-	(38,121)	(38,128)
Common share dividends	-	-	-	(6,012,761)	(6,012,761)
Preference share dividends	-	-	-	(450,000)	(450,000)
Balance at December 31, 2023	83,556	500,000	49,500,000	165,139,333	215,222,889

FOCOL HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
THREE MONTHS ENDED DECEMBER 31, 2023 (UNAUDITED)**

(Expressed in Bahamian dollars)

	31-Dec-23	31-Dec-22	30-Sep-23 Audited
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	6,312,001	5,737,579	32,620,928
Adjustments for:			
Depreciation and amortization expense	3,905,008	3,255,771	15,287,331
Equity income from associate	(515,624)	(435,000)	(2,844,873)
Loss on disposal of property, plant and equipment, net	-	-	(3,001)
Income from operations before working capital changes	9,701,385	8,558,350	45,060,385
(Increase) Decrease in accounts receivable, net	(432,780)	(10,928,052)	(17,598,756)
(Increase) Decrease in prepaid expenses and sundry assets	(2,331,025)	(1,686,771)	(1,594,406)
(Increase) Decrease in inventories	(2,679,330)	(7,427,149)	4,088,666
Increase (Decrease) in accounts payable and accrued liabilities	15,789,228	16,519,091	12,727,740
Increase (Decrease) in dividends payable	1,001,919	1,002,171	-
Net cash from operating activities	<u>21,049,397</u>	<u>6,037,640</u>	<u>42,683,629</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) Decrease in term deposits	(16,969)	-	(7,877)
(Increase) Decrease in due from associate	-	1,127	82,191
Increase (Decrease) in due to associate	69,811	923,492	1,759,239
Proceeds from disposal of property, plant and equipment	-	-	7,140
Purchase of property, plant and equipment	(3,974,201)	(991,894)	(48,165,120)
Purchase of intangible assets	-	-	(48,367)
Net cash used in investing activities	<u>(3,921,359)</u>	<u>(67,275)</u>	<u>(46,372,794)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from long-term debt	20,000,000	-	-
Repurchase of ordinary shares	(38,128)	-	-
Proceeds from preference share issuance	-	-	15,732,562
Common share dividends paid	(6,012,761)	(6,015,655)	(12,026,052)
Repayment of lease liabilities	(1,057,866)	(1,046,549)	(6,021,646)
Repayment of long-term debt	(523,449)	(564,103)	(2,209,013)
Preference share dividends paid	(450,000)	(450,000)	(3,000,000)
Net cash from (used in) financing activities	<u>11,917,796</u>	<u>(8,076,307)</u>	<u>(7,524,149)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	29,045,834	(2,105,942)	(11,213,314)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>13,530,502</u>	<u>24,743,816</u>	<u>24,743,816</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>42,576,336</u></u>	<u><u>22,637,874</u></u>	<u><u>13,530,502</u></u>
CASH AND CASH EQUIVALENTS IS COMPRISED OF THE FOLLOWING:			
Cash and bank balances	42,595,249	27,682,389	31,706,910
Bank overdraft	(18,913)	(5,044,515)	(18,176,408)
	<u>42,576,336</u>	<u>22,637,874</u>	<u>13,530,502</u>
SUPPLEMENTAL INFORMATION :			
Interest paid on bank overdraft and loans	536,361	407,415	1,808,763
Interest received	1,516	1,926	6,503
NON- CASH TRANSACTION:			
Change in lease liability	-	2,468,265	1,744,586

FOCOL HOLDINGS LIMITED

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS THREE MONTHS ENDED DECEMBER 31, 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 three months ended December 31, 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 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, 2023.

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, 2023.

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, 2023.
