



FINANCE SERVICES LTD.

UNAUDITED FINANCIAL STATEMENTS

3rd QUARTER ENDED SEPTEMBER 30 2024



ISP FINANCE SERVICES LIMITED
UNAUDITED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2024

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ISP FINANCE SERVICES LIMITED UNAUDITED FINANCIAL STATEMENTS

NINE MONTHS ENDED SEPTEMBER 30, 2024

DIRECTORS' REPORT TO STOCKHOLDERS

The Board of Directors of ISP Finance Services Limited (ISP) is pleased to present the Company's unaudited financial results for the 3rd Quarter ended September 30, 2024.

The Company's Net Interest Income decreased from J\$122.2 million to J\$102.5 million in the 3rd Quarter of 2024 representing a decrease of J\$19.6 million or 16.1 % over the corresponding quarter in 2023.

The Company's Net Income after Interest Expenses and Commissions before Operating Expenses totaled J\$98.4m in the reported period versus J\$115.7m recorded in the 3rd Quarter of 2023 representing a decrease of J\$19.6 m or 15.0%.

Operating expenses for the 3rd Quarter ended September 30, 2024 amounted to \$84.3 million, a decrease of 5.0% or \$4.4 million over the corresponding period in 2023 of J\$88.7 million.

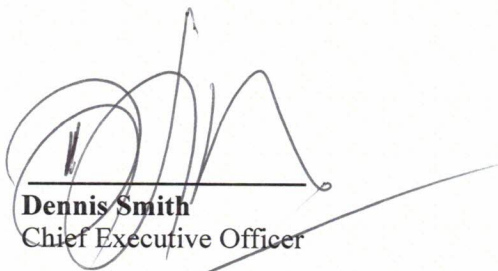
The Company's Net Profit before Taxation for the 3rd Quarter of 2024 was \$14.6 million, a decrease of \$12.4 million or 45.9 % over the same period last year.

The Company's Profit after Tax for the 3rd Quarter of 2024 was J\$12.2 million, a decrease of J\$12.3m or 45.9% versus the same period in the prior year.

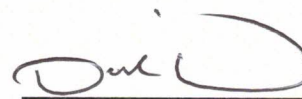
Earnings per share stood at \$0.116 at the end of the 3rd Quarter of 2024 compared to \$0.215 at the end of the 3rd Quarter of 2023 reflecting a decrease of 45.9%.

The total assets of the Company stood at \$1,204 million as at September 30, 2024 which represents an increase of 9% increase over the J\$1,123 million as at September 30, 2023.

The Company would like to thank all our members of staff for their commitment, our customers for their loyalty and our shareholders for their continued show of confidence.



Dennis Smith
Chief Executive Officer



Diyal R. Fernando
Chief Financial Officer



ISP FINANCE SERVICES LIMITED
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2024

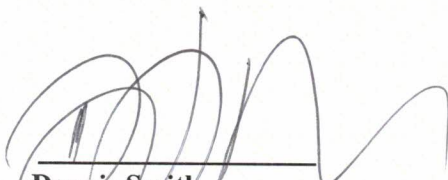
	Unaudited Three Months Ended September 30,2024	Unaudited Three Months Ended September 30,2023	Unaudited Nine Months Ended September 30,2024	Unaudited Nine Months Ended September 30,2023	Audited Twelve Months Ended December 31, 2023
	\$	\$	\$	\$	\$
OPERATING INCOME					
Interest income from loans	118,445,374	137,597,197	400,046,451	367,954,431	507,509,698
Interest income from banks and other receivables	<u>57</u>	<u>9</u>	<u>2071</u>	<u>134</u>	<u>11,736,226</u>
Total interest income	118,445,431	137,597,206	400,048,522	367,954,565	519,245,924
Interest expenses	<u>15,854,245</u>	<u>15,362,140</u>	<u>46,592,236</u>	<u>46,042,579</u>	<u>60,482,407</u>
Net interest income	102,591,186	122,235,066	353,456,286	321,911,986	458,763,517
Commission expenses on loans	<u>(4,181,633)</u>	<u>(6,470,301)</u>	<u>(13,309,941)</u>	<u>(17,904,713)</u>	<u>(23,026,986)</u>
	98,409,553	115,764,765	340,146,345	304,007,273	435,736,531
Other operating income					
Foreign exchange gain /(loss)	-	-	(336,250)	30,000	(459,457)
Gain/Loss- Sale of FA	-	-	-	-	-
Other income	<u>628,332</u>	<u>-</u>	<u>628,332</u>	<u>2,182,271</u>	<u>9,297,252</u>
	628,332	-	292,082	2,212,271	8,837,795
	<u>99,037,885</u>	<u>115,764,765</u>	<u>340,438,427</u>	<u>306,219,544</u>	<u>444,574,326</u>
OPERATING EXPENSES					
Staff costs	24,784,660	27,945,908	70,950,497	81,535,811	103,656,685
Allowance for credit losses	36,062,010	28,379,849	120,124,111	83,734,814	128,800,000
Depreciation expense	1,572,482	1,429,488	4,506,604	4,461,828	9,355,950
Other operating expenses	<u>21,976,769</u>	<u>30,961,113</u>	<u>78,611,675</u>	<u>97,018,626</u>	<u>126,909,657</u>
	84,395,921	88,716,358	274,192,887	266,751,079	368,722,292
Profit before taxation	14,641,965	27,048,407	66,245,540	39,468,465	75,852,034
Taxation charge	<u>(2,440,084)</u>	<u>(4,507,617)</u>	<u>(11,039,820)</u>	<u>(6,060,124)</u>	<u>(9,230,824)</u>
Net profit	12,201,881	22,540,790	55,205,720	33,408,341	66,621,210
Other comprehensive income that may be reclassified to profit and loss					
Revaluation of property, plant and equipment	-	-	-	-	-
Total comprehensive income for the year	<u>12,201,881</u>	<u>22,540,790</u>	<u>55,205,720</u>	<u>33,408,341</u>	<u>66,621,210</u>
Earnings per share (\$)	<u>0.116</u>	<u>0.215</u>	<u>0.526</u>	<u>0.318</u>	<u>0.63</u>

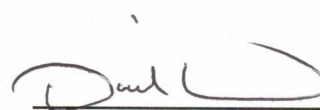


**ISP FINANCE SERVICES LIMITED UNAUDITED
STATEMENT OF FINANCIAL POSITION**

NINE MONTHS ENDED SEPTEMBER 30, 2024

	Unaudited Nine Months Ended September 30, 2024 \$	Unaudited Nine Months Ended September 30, 2023 \$	Audited Twelve Months December 31, 2023 \$
ASSETS			
Cash and cash equivalents	123,728,203	46,016,963	42,835,759
Marketable Securities / Investments	25,000,000	25,000,000	25,000,000
Loans net of provisions for credit losses	1,006,723,937	959,852,757	1,024,989,649
Other receivables	21,748,859	60,188,975	6,555,263
Deposit	1,047,949	1,047,949	1,047,949
Right-of-use asset	4,908,453	-	4,908,453
Deferred tax assets	836,191	161,178	836,191
Property, plant and equipment	20,538,632	17,180,968	16,822,953
TOTAL ASSETS	<u>1,204,532,224</u>	<u>1,109,448,790</u>	<u>1,122,996,217</u>
LIABILITIES AND EQUITY			
LIABILITIES:			
Accounts payable and other liabilities	30,079,081	33,212,511	19,427,334
Secured corporate bond and promissory note	463,808,196	457,623,233	459,169,474
Notes payable	52,535,511	51,785,511	52,535,511
Lease Liability	7,017,107	-	7,017,107
Taxation Payable	11,039,819	12,645,655	-
	564,479,714	555,266,910	538,149,426
EQUITY			
Share capital	195,903,128	195,903,128	195,903,128
Revaluation surplus	3,841,596	3,841,596	3,841,596
Accumulated surplus	440,307,786	354,437,156	385,102,067
	640,052,510	554,181,880	584,846,791
TOTAL EQUITY AND LIABILITIES	<u>1,204,532,224</u>	<u>1,109,448,790</u>	<u>1,122,996,217</u>


Dennis Smith
Chief Executive Officer


Diyal R. Fernando
Chief Financial Officer



ISP FINANCE SERVICES LIMITED
UNAUDITED STATEMENT OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2024

	Share Capital \$	Revaluation Surplus \$	Accumulated Surplus \$	Total \$
Balance as at December 31, 2023	195,903,128	3,841,596	385,102,067	584,846,791
Other comprehensive income				
Net profit for the period	-	-	55,205,720	55,205,720
Total comprehensive income	-	-	55,205,720	55,205,720
Balance as at Sept 30, 2024	195,903,128	3,841,596	440,307,787	640,052,511
Balance as at December 31, 2022	195,903,128	3,841,596	321,028,815	520,773,539
Other comprehensive income				
Net profit for the period	-	-	33,408,341	33,408,341
Total comprehensive income	-	-	33,408,341	33,408,341
Balance as at Sept 30, 2023	195,903,128	6,841,596	354,437,156	554,181,880



ISP FINANCE SERVICES LIMITED
UNAUDITED STATEMENT OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2024

	Unaudited Nine Months Ended September 30, 2024 \$	Unaudited Nine Months Ended September 30, 2023 \$	Audited Twelve Months Ended December 31, 2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before interest and taxation	101,797,957	79,450,920	75,852,034
Adjustments for items not affecting cash resources:			
Depreciation on property, plant and equipment	4,506,604	4,461,828	5,891,160
Depreciation on right-of-use asset	-	-	3,464,790
Lease Interest expense			645,905
Unrealized foreign exchange gain	336,250	(30,000)	459,457
Bond amortization	4,638,723	4,638,722	6,184,964
Deferred taxation	11,039,819	12,645,655	-
	<u>122,319,353</u>	<u>101,167,125</u>	<u>92,498,310</u>
(Increase) /decrease in operating assets:			
Loans and other receivables	(6,028,172)	(257,409,012)	(262,367,425)
Deposit		-	-
Due from related party		-	-
Due from director	-	-	-
Increase /(decrease) in operating liabilities:			
Accounts payables and other payables	3,126,494	239,017	(3,316,395)
Cash provided by/(used in) operating activities	<u>119,417,675</u>	<u>(156,002,870)</u>	<u>(173,185,510)</u>
Interest paid	(45,456,658)	(44,221,153)	-
Taxation paid	(9,230,875)	(8,588,531)	(8,518,000)
Net cash used in operating activities	<u>64,730,142</u>	<u>(208,812,554)</u>	<u>(181,703,510)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	(8,222,282)	(1,058,671)	(2,129,988)
Proceeds from the sale of investments	24,384,584	224,959,473	200,000,000
Proceeds from the sale of property, plant and equipment	-	-	-
Net cash used in investing activities	<u>16,162,302</u>	<u>223,900,802</u>	<u>197,870,012</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Bond			-
Lease Liabilities payments	-	-	(4,550,000)
Proceeds from secured bonds		-	-
Proceeds from notes payable	-	-	750,000
Net cash used in financing activities	<u>-</u>	<u>-</u>	<u>(3,800,000)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS -	80,892,444	15,088,248	12,366,502
CASH AND CASH EQUIVALENTS -Beginning of the year	42,835,759	30,928,714	30,928,714
Exchange and gains on foreign cash balance			(459,457)
CASH AND CASH EQUIVALENTS - End of the quarter	<u>123,728,203</u>	<u>46,016,962</u>	<u>42,835,759</u>
REPRESENTED BY:			
Cash and cash equivalents	<u>123,728,203</u>	<u>46,016,962</u>	<u>42,835,759</u>



ISP FINANCE SERVICES LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

NINE MONTHS ENDED SEPTEMBER 30, 2024

1. IDENTIFICATION

ISP Finance Services Limited (the "Company") is incorporated in Jamaica under the Jamaican Companies Act (the Act).

On March 30, 2016, ISP Finance Services Limited became a public listed entity on the Jamaica Stock Exchange Junior Market. Consequently, the Company is entitled to full remission of income taxes for the first five (5) years and fifty percent (50%) remission for the following 5 years providing it complies with the requirements of the Jamaica Stock Exchange Junior Market.

The Company is domiciled in Jamaica, with its registered office at 17 Phoenix Avenue, Kingston 10. The principal activity of the Company is the granting of commercial loans and personal short term loans.

2. BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with IAS 34, 'Interim financial reporting' and should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2023 which have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Act. There have been no changes in accounting policies since the most recent audited accounts as at December 31, 2023.

The financial Statements have been prepared under the historical cost basis and are expressed in Jamaican dollars, un-less otherwise indicated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Property, plant and equipment

All property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, except for motor cars which are carried at fair value, are recorded at historical or deemed cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Valuations are performed frequently enough to ensure that the fair value of revalued motor cars does not significantly differ from its carrying amount. The increase of the carrying amount of a motor car as a result of revaluation is credited directly to equity (under the heading "revaluation surplus"). A revaluation decrease should be charged directly against any related revaluation surplus, with any excess being recognized as an expense in the statement of comprehensive income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Property, plant and equipment (Cont'd)

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of



ISP FINANCE SERVICES LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

NINE MONTHS ENDED SEPTEMBER 30, 2024

the item if it is probable that the future economic benefits embodied in the part will flow to the Company and its cost can be reliably measured.

The cost of day-to-day servicing of property, plant and equipment is recognized in the statement of comprehensive income as incurred. With the exception of freehold land, on which no depreciation is provided, property, plant and equipment are depreciated on the straight-line basis over the estimated useful lives of such assets.

The rates of depreciation in use are:

Leasehold Improvements	20%
Furniture and Equipment	10%
Computer Software and Equipment	20%
Motor Cars	20%
Motor Bikes	20%

b) Loans and other receivables

Loans

Loans are carried at original contract amounts less provisions made for doubtful amounts and impairment, based on a review of all outstanding amounts at the end of the period.

Other receivables

Other receivables are carried at amortized cost less provisions for doubtful amounts and impairment losses.

Allowance for impairment losses on loan receivables

In determining amounts recorded for impairment of financial assets in the financial statements, management makes assumptions in determining the inputs to be used in the ECL measurement model, including incorporation of forward-looking information. Management also estimate the likely amount of cash flows recoverable on the financial assets in determining loss given default. The use of assumptions makes uncertainly inherent in such estimates.

Under the ECL model, the Company analyses its loan receivables in a matrix by days past due and determined for each age bracket an average rate of ECL. Subsequently, a further analysis is considered on the actual credit loss experienced over the last twelve (12) months and future delinquency is assessed, which is then applied to the balance of the loan receivables.

Bad debts are written off when identified.



ISP FINANCE SERVICES LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c) Income

Interest income is recognized on the accrual basis, by reference to the principal outstanding and the interest rate applicable. Interest income is calculated on the simple interest basis.

4. LOANS, NET OF PROVISIONS FOR CREDIT LOSSES

Loans consist primarily of unsecured notes due from the Company's clients

	Unaudited Nine Months Ended September 30, 2024 \$	Unaudited Nine Months Ended September 30, 2023 \$	Audited Twelve Months Ended December 31, 2023 \$
Loans	1,222,856,287	1,132,569,591	1,119,443,754
Less:			
Provision for credit losses	(216,132,350)	(172,716,834)	(94,454,105)
	<u>1,006,723,937</u>	<u>959,852,757</u>	<u>1,024,989,649</u>

5. SHARE CAPITAL

	Unaudited Nine Months Ended September 30, 2024 Number (‘000)	Unaudited Nine Months Ended September 30, 2023 Number (‘000)	Audited Twelve Months Ended December 31, 2023 Number (‘000)
Authorized share capital:			
Ordinary shares	105,000	105,000	105,000
	Unaudited Nine Months Ended September 30, 2024 \$	Unaudited Nine Months Ended September 30, 2023 \$	Audited Twelve Months Ended December 31, 2023 \$
Issued and fully paid:			
5,000,000 Ordinary shares at \$1 per share	5,000,000	5,000,000	5,000,000
51,017,500 Ordinary shares at \$2 per share	102,035,000	102,035,000	102,035,000
48,982,500 Ordinary shares at \$2 per share	97,965,000	97,965,000	97,965,000
Less: Share issue costs	(9,096,872)	(9,096,872)	(9,096,872)
	<u>195,903,128</u>	<u>195,903,128</u>	<u>195,903,128</u>



ISP FINANCE SERVICES LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2024

5. SHARE CAPITAL (CONT'D)

- (a) On February 11, 2016, by an ordinary resolution, the authorized share capital of the Company was increased from 5,000,000 to 105,000,000 ordinary shares to rank pari passu in all respects with the existing shares of the Company.

On February 11, 2016, 51,017,500 ordinary shares at \$2 per share were issued to the Chief Executive Officer which was satisfied by offsetting against the \$102,035,000 debt owed to him by the Company, through a related entity.

- (b) On March 22, 2016, the Company raised additional capital of \$97,965,000 from its initial public offering of 48,982,500 shares for its enlistment on the Jamaica Stock Exchange Junior Market. Transaction costs of \$9,096,872 were incurred for the initial public offering. All ordinary shares carry the same voting rights.

6. SECURED CORPORATE BOND

During the year ended December 31, 2022, the Company issued a secured bond. The bond attracts an interest rate of 11.5% per annum. The bond matures on September 30, 2025. The bond is secured by the fixed and floating assets of the Company.

7. TAXATION

On March 30, 2016, the Company's shares were listed on the Jamaica Stock Exchange Junior Market. Consequently, the Company is entitled to full remission of income tax for the first five (5) years and fifty percent (50%) remission for the following 5 years, providing that the Company adheres to the rules and regulation of the Jamaica Stock Exchange Junior Market.

The interim financial statements up to and including the 1st Quarter Ended March 31, 2021 have been prepared on the basis that the Company will have the full benefit of the tax remissions. Effective, the 2nd Quarter Ended June 30 2021, taxation has been provided for at the remission of 50% of the tax payable.



ISP FINANCE SERVICES LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2024

8. EARNINGS PER SHARE

Earnings per share is computed as the net profit for the year divided by the weighted average number of ordinary shares in issue for the period as at the reporting date.

		Unaudited Three Months Ended September 30, 2024	Unaudited Three Months Ended September 30, 2023	Unaudited Nine Months Ended September 30, 2024	Unaudited Nine Months Ended September 30, 2023	Audited Twelve Months Ended December 31, 2023
Net profit	\$	<u>12,201,881</u>	<u>22,540,790</u>	<u>55,205,720</u>	<u>33,408,341</u>	<u>66,621,210</u>
Weighted average number of shares	No	<u>105,000,000</u>	<u>105,000,000</u>	<u>105,000,000</u>	<u>105,000,000</u>	<u>105,000,000</u>
Earnings per share	\$	<u>0.116</u>	<u>0.215</u>	<u>0.526</u>	<u>0.318</u>	<u>0.63</u>

9. PROFIT BEFORE INTEREST AND TAXATION

	Unaudited Nine Months Ended September 30, 2024	Unaudited Nine Months Ended September 30, 2023	Audited Twelve Months Ended December 31, 2023
	\$	\$	\$
Net profit for the period	66,245,540	39,468,465	75,852,034
Current year taxation charge	(11,039,819)	(6,060,124)	(9,230,824)
Profit before interest	<u>55,205,720</u>	<u>33,408,341</u>	<u>66,621,210</u>
Interest expense	46,592,237	46,042,579	60,482,407
Profit before interest and taxation	<u>101,797,957</u>	<u>79,450,920</u>	<u>127,103,617</u>



ISP FINANCE SERVICES LIMITED
NINE MONTHS ENDED SEPTEMBER 30, 2024

SCHEDULE OF TOP TEN (10) STOCKHOLDERS

<u>SHAREHOLDER</u>	<u>UNITS</u>
1 Gencorp Limited	50,517,500
2 Sunfisher Corporation	45,832,500
3 Dennis Smith	3,500,000
4 Brandon Smith	1,500,000
5 Bridgeview Investments Limited	562,266
6 Bridgeton Management Services Limited	411,367
7 Virgen Advertising Limited	311,028
8 Marston Gordon	248,895
9 Racoth Holdings Limited	241,012
10 Carissa Gordon	204,250

**SCHEDULE OF SHAREHOLDINGS OF DIRECTORS, SENIOR
MANAGERS AND CONNECTED PARTIES**

<u>Directors</u>	<u>Shareholding</u>
Dennis Smith	3,500,000
Brandon Smith	1,500,000
Diyal R. Fernando	28,224
 <u>Senior Managers</u>	
Seymour Smith	75,000
 <u>Connected Parties</u>	
Gencorp Limited	50,517,500
Sunfisher Corporation	45,832,500