

FUTURE ENERGY SOURCE COMPANY LIMITED



SECOND QUARTER (Q2) REPORT

For the Second (2nd) Quarter ended September 30, 2023 for the financial year
April 1, 2023 to March 31, 2024





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FESCO 
Kitson Town
now open



1. Report to Ordinary Shareholders

Directors' Statement

The Board of Directors of Future Energy Source Company Limited ("FESCO" or the "Company") takes pleasure in presenting the Company's unaudited financial statements for the second (2nd) quarter ended September 30, 2023 for the financial year April 1, 2023 to March 31, 2024.

Overview

We are pleased to report that the Company has achieved its best quarterly performance to date with regard to profitability, whilst improving its brand awareness, and despite increasing its advertising, depreciation and interest expenditures. The Company achieved:

1. Gross profit: J\$379.88 million up J\$189.71 million or 99.8% vs Q2 September 2022
2. EBITDA: J\$229.23 million up J\$97.64 million or 74.2% vs Q2 September 2022
3. Net profit: J\$158.69 million up J\$29.40 million or 22.7% vs Q2 September 2022
4. YTD (6 month's) Net Profit: J\$316.70 million up J\$35.63 million or 12.7%
5. Book value of equity: J\$1.619 billion, which is up 24.3% since the last financial year ended March 31, 2023 and up 75.5% or J\$696.19 million when compared to Q2 September 30, 2022.

Further, the Company was able to:

1. In late August, open its 20th FESCO branded retail service station, FESCO Kitson Town
2. Further expand its LPG facilities, fleet, operations and distribution footprint
3. Continue its service station network expansion and work-in-progress Capex/investments

Financial Highlights:

For the quarter ended September 30, 2023, FESCO recorded Turnover/Revenues of J\$7,203.13 million which reflects a 3.3% or J\$231.499 million year over year increase. Several factors affect revenue/turnover with the supply price of fuel being a major component.

On average, this quarter's refinery prices have decreased between J\$25.27- J\$25.60 per litre for gasoline and J\$45.30 – J\$48.01 for diesel relative to the similar period last year Q2 ending September 30, 2022.

Accordingly, FESCO's growth in Turnover for the quarter (Q2) ended September 2023, relative to Q2 September 2022, reflects significant growth in litres of fuel sold. Please refer tables below for details:

Petrojam Fuel Prices (Kingston)							
	Start of Q2	End of Q2	Q2 September 2023 Average Price	Start of Q2	End of Q2	Q2 September 2022 Average Price	Average Price Change Vs Previous Year
	July 1, 2023	September 30, 2023	J\$	July 1, 2022	September 30, 2022	J\$	change J\$
87	166.58	190.53	178.56	215.14	193.16	204.15	(25.60)
90	170.11	196.66	183.38	220.16	197.14	208.65	(25.27)
ADO	161.72	189.78	175.75	227.26	220.26	223.76	(48.01)
ULSD	169.32	197.34	183.33	230.00	227.25	228.62	(45.30)

FESCO has no control over the supply price of fuel and, instead, focuses more on quantity of fuel sold and gross profit.

	Unaudited	Unaudited	Unaudited	Unaudited					Audited
	2nd Quarter 3months ended 30-Sep-23	2nd Quarter 3months ended 30-Sep-22	YTD 2nd Quarter 6months ended 30-Sep-23	YTD 2nd Quarter 6months ended 30-Sep-22	Difference +/- Q2 Sep 2023 vs Q2 Sep 2022 \$	Growth % Q2 Sep 2023 vs Q2 Sep 2022 %	Difference +/- YTD Q2 Sep 2023 vs YTD Q2 Sep 2022 \$	Growth % YTD Q2 Sep 2023 vs YTD Q2 Sep 2022 %	12 months April 2022- March 2023 31-Mar-23
Turnover	7,203,127,039	6,971,627,854	13,765,301,966	13,427,924,266	231,499,185	3.3%	337,377,700	2.5%	26,282,165,790
Cost of sales	(6,823,242,858)	(6,781,452,046)	(13,046,790,913)	(13,021,671,952)	(41,790,812)	0.6%	(25,118,961)	0.2%	(25,394,347,783)
Gross profit	379,884,181	190,175,808	718,511,053	406,252,314	189,708,373	99.8%	312,258,739	76.9%	887,818,007
Other Income	-	-	-	-					3,732,315
Operating and administrative expenses & other	(204,066,014)	(65,695,793)	(340,633,877)	(130,743,767)	(138,370,221)	210.6%	(209,890,110)	160.5%	(307,287,423)
Impairment losses on financial assets	-	-	-	-					(17,863,251)
Operating profit	175,818,167	124,480,015	377,877,176	275,508,547	51,338,152	41.2%	102,368,629	37.2%	566,399,648
Finance income, net	(17,123,650)	4,809,534	(61,172,203)	5,569,101	(21,933,184)	-456.0%	(66,741,304)	-1198.4%	8,115,292
Profit before taxation	158,694,517	129,289,549	316,704,973	281,077,648	29,404,968	22.7%	35,627,325	12.7%	574,514,940
Taxation	-	-	-	-					(3,248,187)
Net profit for the period, being total comprehensive income	158,694,517	129,289,549	316,704,973	281,077,648	29,404,968	22.7%	35,627,325	12.7%	571,266,753
EBIT	175,818,167	124,480,015	377,877,176	275,508,547	51,338,152	41.2%	102,368,629	37.2%	566,399,648
Depreciation	(51,795,377)	(7,080,770)	(88,842,441)	(13,983,194)	(44,714,607)	631.5%	(74,859,247)	535.4%	(28,416,394)
Amortisation of Right of use asset	(1,616,749)	(34,271)	(2,440,562)	(548,321)	(1,582,478)	4617.5%	(1,892,241)	345.1%	(548,321)
EBITDA	229,230,293	131,595,056	469,160,179	290,040,062	97,635,237	74.2%	179,120,117	61.8%	595,364,363
Shareholders' Equity	1,618,572,841	922,378,658	1,618,572,841	922,378,658	696,194,183	75.5%	696,194,183	75.5%	1,301,857,312
Non Current Assets	3,043,862,626	1,489,801,496	3,043,862,626	1,489,801,496	1,554,061,130	104.3%	1,554,061,130	104.3%	2,771,328,826
Current Assets	1,616,256,248	1,636,446,906	1,616,256,248	1,636,446,906	(20,190,658)	-1.2%	(20,190,658)	-1.2%	1,055,447,990
Current Liabilities	1,224,479,129	1,294,335,529	1,224,479,129	1,294,335,529	(69,856,400)	-5.4%	(69,856,400)	-5.4%	753,495,827
Net Current Assets	391,777,119	342,111,377	391,777,119	342,111,377	49,665,742	14.5%	49,665,742	14.5%	301,952,163
Current Ratio	1.32	1.26	1.32	1.26					1.40
Debt (Long Term)	1,668,866,763	909,534,215	1,668,866,763	909,534,215					1,771,423,677
Operating Expenses as a % of GP	53.72%	34.54%	47.41%	32.18%					34.61%
Operating Expenses (excl. Depreciation) as a % of GP	40.08%	30.82%	35.04%	28.74%					31.41%
Debt/Equity (Static)	1.03	0.99	1.03	0.99					1.36

FESCO recorded gross profit of J\$379.88 million for the quarter which reflects growth of 99.8% or J\$189.71 million year over year. The Company's YTD Q2 2023/2024 gross profit of J\$718.51 is 80.9% of the gross profits earned for the entire year ended March 2023 and J\$312.26 million more than its YTD Q2 2022/2023 gross profits of J\$406.25 million. The improvement in gross profit reflects both increasing throughput (measured in litres of fuel sold) and diversification of product offerings (fuel types including LPG) and services (increased retail presence).

Operating Expenses of J\$204.07 million, for the period, is up J\$138.37 million versus the similar period last year or 210.6%. This expansion of expenses directly reflects the expanded:

1. Operations (operating locations);
2. Asset base;
3. Operational scope (which now includes increased retailing and manufacturing);
4. Early stage new business costs.

During this period, and for the financial year, the Company has committed to and has expanded its Marketing and Advertising expenditure to create brand awareness for its LPG product FESGAS among other initiatives. The Company's YTD advertising expenditure of J\$28.86 million in just six months exceeds last year's expenditure YTD by J\$21.2 million, and exceeds the total annual expenditure of last year of J\$15.59 million.

Staff costs YTD of J\$106.71 million, which is up YTD J\$61.997 million from J\$44.74 million last year, reflects the expansion of our staff complement (up from 53 to 104) and is consistent and reflective of our expanded operations, operating locations and operating scope and remains efficient as it is just 28.1% of overall expenditure (2023: 28.1% vs 2022: 37.2%) and just 15.1% of gross profit (2023: 15% vs 2022: 12.9%).

Other Expenses which includes but is not limited to expenses such as security, insurance, information technology (IT) and irrecoverable GCT YTD of J\$61.21 million, which is up YTD \$J31.51 million from J\$29.70 million last year, reflects the Company's expanded operations, growing asset base as well as one-off charges. Other Expenses YTD is 21.3% of overall expenditure (2023: 21.3% vs 2022: 21.2%), and is YTD 11.4% of gross profit (2023: 11.4% vs 2022: 7.3%).

The Company's LPG operation is capital intensive as it relates to its fixed asset requirements to establish and fulfil the business' services and operation. Accordingly depreciation and interest expense will in the forming period outweigh its medium and long term "weight" relative to gross profit exemplified by depreciation YTD totalling \$J88.84 million versus \$13.98 million for the similar period last year YTD September 2022.

In summary, staff costs, bank charges, advertising, and asset based expenses including but not limited to depreciation, insurance, and security continue to be our main expense items. Our operations continue to be efficient represented by our total operating expenses being approximately 53.72% of gross profits and, more importantly for this stage of our LPG business development, the Company's total operating expenses excluding depreciation is just 40.1% of gross profits. The Company's expense profile is changing and will reflect its expanded and evolving scope of operations. The Company's expenditure and revenue targets are in line with its internal forecast and mix of established and early stage business expenses.

	Unaudited 3Months 2nd Quarter Ended September 2023			Unaudited 3Months 2nd Quarter Ended September 2022					Unaudited YTD 6 Months 2nd Quarter Ended September 2023	Unaudited YTD 6 Months 2nd Quarter Ended September 2022	
Gross Profits (GP)	379,884,181			190,175,808					718,511,053	406,252,314	
Expenses	2nd Quarter ended September 2023	% of Total Exp	% of GP	2nd Quarter ended September 2022	% of Total Exp	% of GP	+/- %	+/- \$	YTD 2nd Quarter ended September 2023	YTD 2nd Quarter ended September 2022	+/- \$
Accounting fees	-	0.0%	0.0%	628,000	1.0%	0.3%	-100.0%	(628,000)	640,000	961,000	(321,000)
Advertising and Promotion	22,516,267	11.0%	5.9%	4,493,200	6.8%	2.4%	401.1%	18,023,067	28,859,478	7,663,187	21,196,291
Audit fees	3,474,000	1.7%	0.9%	242,416	0.4%	0.1%	1333.1%	3,231,584	5,324,000	1,900,000	3,424,000
Bank Charges	6,673,829	3.3%	1.8%	5,582,249	8.5%	2.9%	19.6%	1,091,580	12,748,962	10,641,029	2,107,933
Depreciation	51,795,377	25.4%	13.6%	7,080,770	10.8%	3.7%	631.5%	44,714,607	88,842,441	13,983,194	74,859,247
Amortisation of Right of use asset	1,616,749	0.8%	0.4%	34,271	0.1%	0.0%	4617.5%	1,582,478	2,440,562	548,321	1,892,241
Director fees	6,005,000	2.9%	1.6%	930,000	1.4%	0.5%	545.7%	5,075,000	8,205,000	1,855,000	6,350,000
Donation	931,422	0.5%	0.2%	1,054,716	1.6%	0.6%	-11.7%	(123,294)	1,251,102	1,184,716	66,386
Office Expenses	1,674,165	0.8%	0.4%	1,967,345	3.0%	1.0%	-14.9%	(293,180)	3,485,570	3,762,557	(276,987)
Legal & Professional fees	3,984,600	2.0%	1.0%	170,100	0.3%	0.1%	2242.5%	3,814,500	8,848,274	2,486,400	6,361,874
Rent Expenses	-	0.0%	0.0%	(450,000)	-0.7%	-0.2%	-100.0%	450,000	-	-	-
Repairs and Maintenance	804,852	0.4%	0.2%	4,351,911	6.6%	2.3%	-81.5%	(3,547,059)	3,828,242	6,506,844	(2,678,602)
Staff Costs	57,420,922	28.1%	15.1%	24,440,063	37.2%	12.9%	134.9%	32,980,859	106,709,774	44,740,859	61,968,915
Utilities	3,804,353	1.9%	1.0%	1,260,971	1.9%	0.7%	201.7%	2,543,382	8,237,825	4,809,699	3,428,126
Other Expenses	43,364,478	21.3%	11.4%	13,909,783	21.2%	7.3%	211.8%	29,454,695	61,212,646	29,700,961	31,511,685
Subtotal	204,066,014	100.0%	53.7%	65,695,795	100.0%	34.5%	210.6%	138,370,219	340,633,877	130,743,767	209,890,110
Total Expenses Excluding Depreciation	152,270,637		40.1%	58,615,025		30.8%	159.8%	93,655,612	251,791,436	116,760,573	135,030,863

For the quarter, FESCO recorded operating profit or EBIT of J\$175.82 million which reflect a 41.2% or J\$51.34 million, year over year increase. Earnings before interest, taxes, depreciation and amortisation EBITDA was J\$229.23 million up \$J97.64 million or 74.2% from J\$131.60 million earned in Q2 September 2022.

For the quarter, FESCO incurred net finance costs of J\$17.12 million which reflects the net of interest costs related to its debt/bonds etc., interest income and foreign exchange gains.

For the quarter ended September 2023 profit after taxes of J\$158.69 million reflects growth of 22.7% or J\$29.40 million, year over year.

Book Value or Shareholders' Equity as at September 2023, has increased to sum J\$1.62 billion, up from J\$1.30 billion as at March 31, 2023 which reflects increased profitability and profit retention.

The Company's current ratio of 1.32 (September 30, 2023) is up from 1.26 at September 30, 2022. As at September 30, 2023, the Company's Debt to Equity (D/E) (*long term-static*) is 1.03 versus 1.36 from March 31, 2023. The improved ratios (current ratio and D/E) reflect long term debt repayment of both principal and interest, and increased retained earnings (undistributed profits).



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A look ahead

FESCO continues to monitor the moderating inflationary forces within the economy, the recent interest “freeze” by the central bank, the near full employment in many sectors of the economy, a resilient and expanding tourism product among other factors affecting consumer consumption as well as our allocation of investment capital. The Company must also navigate industry-related margin contractionary forces and consolidation within the industry. The Company remains mindful of opportunities for growth and further investment. Internal or self-funding via profit generation, profit retention, at this time, has proven to be the most efficient and cost effective source of capital to fund growth.

In December 2023 the Company expects to open its twenty first (21st) retail service station FESCO Port Maria. We welcome and invite you our valued stakeholders to patronise the station. We hope that all our stations will continue to provide you our valued stakeholders with great fuelling opportunities and services.

October through November 2023 the Company co-sponsored the Pocket Rocket Foundation Six-A-Side football competition in Waterhouse. Like the foundation we strongly believe in the importance of community development through participation, education and sports.

Finally, the Company will continue to make investments in real assets and equipment to support expanding its service station businesses, its industrial client business, and LPG business.

ROCKET
FOUNDATION

FESCO

**SIX-A-SIDE
FOOTBALL
COMPETITION**

**EVERY
WEEKEND
OCT 14TH TO
NOV 19TH 2023
2:30PM**
GAMES ALSO ON
HEROES DAY
OCT 16TH

**FESCO FOOTBALL FIELD
WATERHOUSE
451 SPANISH TOWN ROAD
HOSTED BY ZJ SPARKS
ENTERTAINMENT
GIVEAWAYS
PRIZES**







2. Top 10 Shareholders

	Shareholder	Number of Shares	% of Issued Shares
1	Trevor Barnes	351,712,348	14.0685%
2	Errol McGaw	349,531,982	13.9813%
3	Barita Investmnet Ltd - Long A/C	259,881,180	10.3952%
4	Trevor Heaven Holdings Ltd.	218,768,155	8.7507%
5	Tweedside Holdings	215,862,436	8.6345%
6	Junior Williams	134,738,750	5.3896%
7	Neville Allen	134,330,478	5.3732%
8	Anna Williams -Bacchus	115,346,839	4.6139%
9	Jeremy Barnes	95,000,000	3.8000%
10	Roy Davidson	66,250,000	2.6500%
		<u>1,941,422,168</u>	<u>77.6569%</u>

Issued Shares

2,500,000,000

3. Shareholdings of Directors and Senior Managers

Shareholdings of Directors, Officers & Connected Parties

DIRECTORS	Personal Shareholdings	Connected Parties' Shareholdings	Total	% of Issued Shares
Trevor Barnes	351,712,348	44,784,098	396,496,446	15.8599%
Jeremy Barnes	95,000,000	284,475	95,284,475	3.8114%
Harry Campbell	1,239,510	-	1,239,510	0.0496%
Hugh Coore	12,985,088	258,987,017	271,972,105	10.8789%
Gloria DeClou	-	-	-	0.0000%
Lyden Heaven	7,548,956	261,867,650	269,416,606	10.7767%
Vernon James	4,000,000	-	4,000,000	0.1600%
Errol McGaw	349,531,982	42,940,522	392,472,504	15.6989%
Eaton Parkins	39,569,544	11,867	39,581,411	1.5833%
Belinda Williams	250,000	-	250,000	0.0100%
Junior Williams	134,738,750	42,920,522	177,659,272	7.1064%
SENIOR MANAGERS				% of Issued Shares
Karen Jones	375,602	-	375,602	0.0150%
Omar Morgan	-	-	-	0.0000%
Rowena Nelson	378,063	-	378,063	0.0151%
Khalil Stephenson'	-	-	-	0.0000%
Kareem Gordon	13,428	-	13,428	0.0005%
Stefan Lynshue	-	-	-	0.0000%
Annette Lewis	8,299	-	8,299	0.0003%
Andre Royes	-	-	-	-
COMPANY SECRETARY				% of Issued Shares
Kayola Muirhead	-	808,069	808,069	0.0323%

Issued Shares 2,500,000,000

Combined Directors' Holdings 996,576,178 39.863%

Combined Connected Party Holdings 480,094,063 19.204%

Combined Holdings 1,476,670,241 59.067%

4. Unaudited Financial Statements

Future Energy Source Company Limited



2nd Quarter Results

For the second (2nd) Quarter ended September 30, 2023 for the financial year
April 1, 2023 to March 31, 2024

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Statement of Financial Position

For the Second (2nd) Quarter ended September 30, 2023

FUTURE ENERGY SOURCE COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
FOR SECOND (2nd) QUARTER SEPTEMBER 30, 2023

	Unaudited 6 Months Ended 30-Sep-23 £	Unaudited 6 Months Ended 30-Sep-22 £	Audited 12 Months Ended March 31, 2023
ASSETS			
NON-CURRENT ASSETS:			
Property, Plant and Equipment	2,880,544,036	1,995,156,433	2,746,177,340
Right - of - use Assets	163,318,590		
Finance Lease	-		25,151,486
	<u>3,043,862,626</u>	<u>1,995,156,433</u>	<u>2,771,328,826</u>
CURRENT ASSETS			
Inventories	117,008,972	69,933,023	94,885,856
Prepayments & Receivables	964,245,747	421,626,332	660,259,672
Due from Related Parties	298,900,333	180,010,610	
Taxation Recoverable	-	6,837,598	6,821,387
Current portion Finance lease	-		5,602,595
Cash and Cash Equivalents	236,101,196	593,606,024	287,878,480
	<u>1,616,256,248</u>	<u>1,272,013,587</u>	<u>1,055,447,990</u>
TOTAL ASSETS	<u>4,660,118,874</u>	<u>3,267,170,020</u>	<u>3,826,776,816</u>
EQUITIES & LIABILITIES			
SHAREHOLDER' EQUITY			
Share Capital	228,327,973	228,327,973	228,327,973
Retained Earnings	1,390,244,868	823,340,233	1,073,529,339
TOTAL EQUITY	<u>1,618,572,841</u>	<u>1,051,668,206</u>	<u>1,301,857,312</u>
NON-CURRENT LIABILITIES			
Long term Loan	1,668,866,763	1,212,178,678	1,766,908,066
Lease Liabilities	143,684,530		
Due to Related Parties	-		
Deferred Tax Liabilities	4,515,611	1,267,424	4,515,611
	<u>1,817,066,904</u>	<u>1,213,446,102</u>	<u>1,771,423,677</u>
CURRENT LIABILITIES			
Payables and Accruals	951,431,913	974,580,319	510,442,376
Short term loans	-		
Current portion of Long term loan	273,047,216	24,908,188	243,053,451
Current portion of finance lease	-		
Taxation Payable	-	2,567,205	
	<u>1,224,479,129</u>	<u>1,002,055,712</u>	<u>753,495,827</u>
TOTAL EQUITY AND LIABILITIES	<u>4,660,118,874</u>	<u>3,267,170,020</u>	<u>3,826,776,816</u>

Approved for issue by the Board of Directors on November 13, 2023 and signed on its behalf by:


Trevor Heaven Director


Jeremy Barnes Director

Statement of Comprehensive Income

For the Second (2nd) Quarter ended September 30, 2023

FUTURE ENERGY SOURCE COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR SECOND (2nd) QUARTER SEPTEMBER 30, 2023

	Unaudited 3 Months Ended 30-Sep-23 \$	Unaudited 3 Months Ended 30-Sep-22 \$	YTD Unaudited 6 Months Ended 30-Sep-23 \$	YTD Unaudited 6 Months Ended 30-Sep-22 \$	Audited 12 Months Ended 31-Mar-23 \$
TURNOVER	7,203,127,039	6,971,627,854	13,765,301,966	13,427,924,266	26,282,165,790
COST OF SALES	(6,823,242,858)	(6,781,452,046)	(13,046,790,913)	(13,021,671,952)	(25,394,347,783)
GROSS PROFIT	379,884,181	190,175,808	718,511,053	406,252,314	887,818,007
OTHER INCOME	-	-	-	-	3,732,315
OPERATING AND ADMINISTRATIVE EXPENSES	(204,066,014)	(65,695,793)	(340,633,877)	(130,743,767)	(307,287,423)
IMPAIRMENT LOSSES ON FINANCIAL ASSETS	-	-	-	-	(17,863,251)
	175,818,167	124,480,015	377,877,176	275,508,547	566,399,648
NET FINANCE INCOME/ (COSTS)	(17,123,650)	4,809,534	(61,172,203)	5,569,101	8,115,292
PROFIT BEFORE TAXATION	158,694,517	129,289,549	316,704,973	281,077,648	574,514,940
TAXATION	-	-	-	-	(3,248,187)
NET PROFIT	158,694,517	129,289,549	316,704,973	281,077,648	571,266,753
The weighted average stock units Issued	2,500,000,000	2,500,000,000	2,500,000,000	2,500,000,000	2,500,000,000
Earnings per Stock Unit attributable to Stockholders of the company	0.06348	0.05172	0.12668	0.11243	0.229

Statement of Changes in Equity

For the Second (2nd) Quarter ended September 30, 2023

FUTURE ENERGY SOURCE COMPANY LIMITED

STATEMENT OF EQUITY

FOR SECOND (2nd) QUARTER SEPTEMBER 30, 2023

	Number of stock units	Share Capital \$	Retained Earnings \$	Total \$
Balance at 1 April 2022	2,500,000,000	228,327,973	542,262,586	770,590,559
Dividend			(40,000,000)	(40,000,000)
Total Comprehensive Income		-	571,277,309	571,277,309
Balance as at 31 March 2023	2,500,000,000	228,327,973	1,073,539,895	1,301,867,868
Total Comprehensive Income	-	-	316,704,973	316,704,973
Balance as at 30 September 2023	2,500,000,000	228,327,973	1,390,244,868	1,618,572,841

Statement of Cash Flows

For the Second (2nd) Quarter ended September 30, 2023

FUTURE ENERGY SOURCE COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR SECOND (2nd) QUARTER SEPTEMBER 30, 2023

	Unaudited 6 Months Ended 30-Sep-23 \$	Unaudited 6 Months Ended 30-Sep-22 \$
CASH RESOURCES WERE PROVIDED BY/(USED IN)		
Cash Flows from operating Activities		
Profit before Taxation	316,704,973	281,077,648
Adjusting for:		
Depreciation	88,842,441	13,983,194
Amortisation on right of use assets	2,440,562	548,321
Foreign Exchange Losses	(2,767,775)	2,145,573
Gain on disposal of Property, Plant and Equipment	-	-
Lease Interest Expense	2,541,593	15,650
Mortgage Interest Expense	8,492,935	8,374,920
Interest Expense/ Finance Costs	63,574,623	-
Interest Income	(10,669,173)	(16,105,244)
	469,160,179	290,040,062
Changes in operating assets and liabilities:		
(Increase) in Inventories	(22,123,116)	(20,904,529)
(Increase) in Receivables	(303,986,075)	(141,383,883)
Decrease in Tax Recoverable	6,821,387	(3,799,942)
Increase in payables	440,989,537	223,680,713
Due from Related Parties (increase)	(298,900,333)	7,129,749
Current portion - Finance Lease	5,602,595	7,476,571
Cash provided by operating activities	297,564,173	362,238,741
Income Tax Paid	-	-
Interest received	10,669,173	16,105,244
Interest paid	(74,609,151)	(8,390,570)
Net Cash used in operating activities	(63,939,977)	7,714,674
Cash from Investing Activities		
Purchase of property, plant and Equipment	(223,209,137)	(870,689,393)
Proceed from disposal of Property, Plant & Equip	-	-
Unquoted Investment	-	-
Cash (used) Investing Activities	(223,209,137)	(870,689,393)
Cash flows from Financing Activities		
Issue of shares	-	-
Dividend Paid	-	-
Long term loans, net	(35,495,484)	206,710,567
Long term loans, net	-	-
Short term loans net	-	(157,110,333)
Loan principal payments	(53,052,021)	(1,466,061)
Lease principal payments	(865,907)	(81,002,317)
Finance Lease Receivable net	25,151,486	733,029
Cash provided/(used) by financing activities	(64,261,926)	(32,135,115)
Net (decrease) in cash and cash equivalent during the period	(53,846,867)	(532,871,093)
Effect of foreign exchange on cash and bank	2,069,586	(2,145,571)
Cash and cash equivalent at the beginning of the period	287,878,480	1,128,622,690
Cash and cash equivalent at the end of the period	236,101,196	593,606,024
Represented by:		
Cash and Cash Equivalents	236,101,196	593,606,024
	236,101,196	593,606,024

Notes to the Financial Statements

Expenses:

	2nd Quarter ended September 2023	2nd Quarter ended September 2022	YTD 2nd Quarter ended September 2023	YTD 2nd Quarter ended September 2022
Expenses				
Accounting fees	-	628,000	640,000	961,000
Advertising and Promotion	22,516,267	4,493,200	28,859,478	7,663,187
Audit fees	3,474,000	242,416	5,324,000	1,900,000
Bank Charges	6,673,829	5,582,249	12,748,962	10,641,029
Depreciation	51,795,377	7,080,770	88,842,441	13,983,194
Amortisation of Right of use asset	1,616,749	34,271	2,440,562	548,321
Director fees	6,005,000	930,000	8,205,000	1,855,000
Donation	931,422	1,054,716	1,251,102	1,184,716
Office Expenses	1,674,165	1,967,345	3,485,570	3,762,557
Legal & Professional fees	3,984,600	170,100	8,848,274	2,486,400
Rent Expenses	-	(450,000)	-	-
Repairs and Maintenance	804,852	4,351,911	3,828,242	6,506,844
Staff Costs	57,420,922	24,440,063	106,709,774	44,740,859
Utilities	3,804,353	1,260,971	8,237,825	4,809,699
Other Expenses	43,364,478	13,909,783	61,212,646	29,700,961
Subtotal	204,066,014	65,695,795	340,633,877	130,743,767