CACAO Holdings LTD.

Consolidated Financial Statements
Expressed in United States Dollars
For the Years Ended December 31, 2021 and 2020

CACAO Holdings LTD.

Consolidated Financial Statements
as of December 31, 2021 and for the years ended December 31, 2021 and 2020

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Independent auditor's report

To the Board of Directors and Shareholders of Cacao Holdings Ltd.

Opinion

We have audited the consolidated financial statements of Cacao Holdings Ltd. (the "Company") and its subsidiaries (together the "Group") which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

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 Auditor's responsibilities for the audit of the consolidated 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 Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other Matters

The consolidated financial statements of the Group as at December 31, 2020 and for the year then ended, prior to the restatement to correct the errors as described in Note 29, were audited by other auditors whose report, dated April 9, 2021, expressed an unmodified opinion on those statements. We also have audited the adjustments to restate the 2020 consolidated financial statements to correct the errors, as described in Note 29. In our opinion, such adjustments are appropriate and have been properly applied.

Responsibilities of Board of Directors for the consolidated financial statements

Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Board of Directors is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.

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

- Conclude on the appropriateness of Board of Directors 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with 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.

We also provide to Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Autonomous City of Buenos Aires, May 5, 2022

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Paula V. Aniasi

CACAO Holdings LTD.

Consolidated Statement of Financial Position

December 31, 2021

(Expressed in United States dollars)

	Notes	2021	2020 Restated*	2019 Restated*
ASSETS				
Non-current assets:				
Restricted cash	4	13,449,742	14,818,482	17,791,260
Property, plant and equipment	5	104,824,057	118,263,530	132,010,037
Right of use asset		1,510,944	1,765,514	2,033,967
Deferred taxation	16(a)	5,373,512	6,456,645	6,599,662
Intangible assets	6	6,927,350	8,677,000	10,426,900
Goodwill	7	29,613,000	29,613,000	29,613,000
Total non-current assets		161,698,605	179,594,171	198,474,826
Current assets				
Cash and cash equivalents	8	2,475,102	903,570	5,204,986
Accounts receivable	9	20,241,635	22,176,198	22,296,053
Prepaid expenses	10	3,800,584	3,826,922	4,044,231
Due from ultimate parent company	18(a)	315,821	315,821	834,611
Recoverable taxes	11	723,951	487,258	244,600
Inventories	12	25,747,085	23,199,043	24,914,676
Total current assets		53,304,178	50,908,812	57,539,157
TOTAL ASSETS		**215,002,783**	**230,502,983**	**256,013,983**
EQUITY AND LIABILITIES				
Shareholders' equity:				
Stated capital	13(a)	1,000	1,000	1,000
Contributed capital		1,886,477	1,886,477	9,286,477
Accumulated surplus		62,638,403	61,566,122	54,959,858
Total equity		64,525,880	63,453,599	64,247,335
LIABILITIES				
Non-current liabilities:				
Long-term loans	14	74,608,318	90,988,027	107,278,272
Lease liability	15(b)	1,231,016	1,800,911	2,180,987
Deferred taxation	16(b)	26,484,080	30,099,898	35,365,488
Total non-current liabilities		102,323,414	122,888,836	144,824,747

CACAO Holdings LTD.

Consolidated Statement of Financial Position (Contd.)

December 31, 2021

(Expressed in United States dollars)

	Notes	2021	2020 Restated*	2019 Restated*
Current liabilities:				
Current portion of long-term loans	14	16,833,333	16,833,333	16,833,333
Current portion of lease liability	15(b)	415,222	389,773	395,117
Deferred Revenue		788	-	-
Accounts payable	17	24,057,795	20,138,693	21,611,986
Due to related party	18(b)	174,450	39,209	-
Short-term loan	19	4,000,000	5,000,000	5,000,000
Taxation payable		2,671,901	1,759,540	3,101,465
Total current liabilities		48,153,489	44,160,548	46,941,901
TOTAL EQUITY AND LIABILITIES		**215,002,783**	**230,502,983**	**256,013,983**

*See note 29 for details regarding the restatement.

The accompany notes form an integral part of the financial statements.

The financial statements on pages 4 to 65 were approved for issue by the Board of Directors on May 5, 2022 and signed on its behalf by:

Flavio Pinheiro
Director

Pastor Sanjurjo
Director

CACAO Holdings LTD.

Consolidated Statement of Other Comprehensive Income

December 31, 2021

(Expressed in United States dollars)

	Notes	2021	2020 Restated*
Operating income	20	162,441,206	125,658,536
Operating expense	21	(143,845,503)	(109,111,224)
Profit from operating activities		18,595,703	16,547,312
Other income		500,090	988,485
Gain/(loss) on disposal of property, plant and equipment		37,133	(220,294)
Profit before net finance costs and taxation		19,132,926	17,315,503
Finance charge	22	(6,875,734)	(9,001,604)
Finance income	22	918,338	845,682
Gain on acquisition of subsidiary		-	11,683
Profit before taxation		13,175,530	9,171,264
Taxation	23	(6,103,249)	(2,565,000)
Profit for the year, being total comprehensive income		**7,072,281**	**6,606,264**

*See note 29 for details regrading the restatement.

The accompany notes form an integral part of the financial statements.

CACAO Holdings LTD.

Consolidated Statement of Changes in Equity

Year ended December 31, 2021

(Expressed in United States dollars)

	Share capital [note 13(a)]	Contributed capital	Accumulated surplus	Attributable to shareholders	Total
Balances at December 31, 2019	1,000	9,286,477	54,959,858	64,247,335	64,247,335
Profit for the year, being total comprehensive income			6,606,264	6,606,264	6,606,264
Distribution to shareholders		(7,400,000)	-	(7,400,000)	(7,400,000)
Balances at December 31, 2020	**1,000**	**1,886,477**	**61,566,122**	**63,453,599**	**63,453,599**
Profit for the year, being total comprehensive income			7,072,281	7,072,281	7,072,281
Distribution to shareholders			(6,000,000)	(6,000,000)	(6,000,000)
Balances at December 31, 2021	**1,000**	**1,886,477**	**62,638,403**	**64,525,880**	**64,525,880**

The accompany notes form an integral part of the financial statements.

CACAO Holdings LTD.

Consolidated Statement of Cash Flows

Year ended December 31, 2021

(Expressed in United States dollars)

	Notes	2021	2020 Restated*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		7,072,281	6,606,264
Adjustments for:			
Depreciation	5	17,659,499	16,592,707
Amortisation of intangible assets	6	1,749,650	1,749,900
Amortisation of debt issuance costs		453,626	809,710
Amortisation – right-of-use assets	15	278,623	268,453
Interest expense on lease liability	22	137,874	163,335
Interest income	22	(918,338)	(845,682)
Interest expense	22	6,155,519	8,079,198
Taxation	23	6,103,249	2,565,000
Adjustment/write-off property, plant and equipment			93,962
(Gain)/Loss on disposal of property, plant and quipment		(37,133)	220,294
		38,654,850	36,303,141
Movement in working capital			
Decrease in accounts receivable		1,932,453	119,856
Increase in prepaid expenses		26,338	217,309
(Increase)/Decrease in inventories		(2,548,042)	1,715,633
Increase in amount due from/ to related party		135,241	566,724
Decrease Provisions and other liabilities		788	-
Increase/(Decrease) in accounts payable		3,718,501	(1,222,853)
Cash generated by operations		41,920,129	37,699,810
Taxation paid		(7,723,571)	(9,693,798)
Interest paid		(6,323,229)	(8,344,833)
Net cash provided by operating activities		27,873,329	19,661,079
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		918,338	845,682
Purchase of property, plant and equipment	5	(4,246,822)	(3,167,274)
Acquisition of subsidiary, net of cash acquired		-	(13,429)
Profit on acquisition of subsidiary		-	11,683
Change in restricted cash		1,368,740	2,972,778
Right of use asset		(28,205)	-
Proceeds from sale of property, plant and equipment, net of transfers		63,929	6,718
Net cash (used)/ provided in investing activities		**(1,924,020)**	**656,158**
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution, net		(6,000,000)	(7,400,000)
Short term loan		(1,000,000)	-
Lease liability	15	(544,444)	(385,420)
Repayment of long-term loans		(16,833,333)	(16,833,333)
Net cash used in financing activities		**(24,377,777)**	**(24,618,753)**
Net increase/(decrease) in cash and cash equivalents		1,571,532	(4,301,416)
Cash and cash equivalents at beginning of year		903,570	5,204,986
Cash and cash equivalents at end of year		**2,475,102**	**903,570**

*See note 29 for details regarding the restatement.

The accompany notes form an integral part of the financial statements.

NOTE 1 - THE GROUP

CACAO Holdings Ltd. (the company), is a limited liability company, which was incorporated incorporated in the Cayman Islands on December 1, 2010. The company is a wholly owned subsidiary of InterEnergy Holdings (IEH) the ultimate parent company.

The company is the holding company for CACAO Jamaica Limited and CACAO JPPC Limited. CACAO Jamaica is the immediate parent company of CACAO JEP Ltd.

(a) CACAO JEP Ltd., formerly Basic JEP Ltd., a limited liability company, which was incorporated under the Commercial Code of St. Lucia on December 12, 1997, was renamed and incorporated in the Cayman Islands on March 19, 2010 and converted to an International Business Company on November 4, 2011 in St. Lucia. The company is a wholly owned subsidiary of CACAO Jamaica Ltd., the immediate parent company. As of August 2015, InterEnergy Holdings is its ultimate parent company.

Cacao JEP Ltd. is the 99% general partner of the following subsidiaries:

(i) Jamaica Energy Partners, a partnership established to own and operate a 124-megawatt power facility for the generation and sale of electricity to Jamaica Public Service Company Limited (JPSCo).

(ii) West Kingston Power Partners, a partnership established to own and operate a 65.5-megawatt power facility for the generation and sale of electricity to Jamaica Public Service Company Limited (JPSCo).

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)
Year ended December 31, 2021
(Expressed in United States dollars)

NOTE 1 - THE GROUP (Contd.)

The Partnerships

(i) Jamaica Energy Partners

The Partnership established a floating power facility at Old Harbour Bay, Jamaica, for the generation and sale of electricity to JPSCo, under a power purchase agreement (the power purchase agreement) with an initial term of 20 years, which commenced October 21, 1994. The initial power purchase agreement was restated with effect from January 12, 2006 to extend the period by approximately 12 years to 2026; this agreement also covers a new barge for a period of 20 years to 2026.

All of the Partnership's operating income is generated from JPSCo from its generation facilities which have a net capacity of 124 megawatts.

(ii) West Kingston Power Partners

West Kingston Power Partners ('the Partnership') has been assigned the Jamaica Energy Partners Supply of Electricity License, 2010 (the License) and a power purchase agreement dated April 12, 2010 (the power purchase agreement) between Jamaica Energy Partners and JPSCo for the supply of electricity (net capacity and energy output) to JPSCo. The partnership was formed for the purpose of designing, financing, constructing, owning, operating and maintaining a 65.5-megawatt diesel generation power plant located at West Kingston, Jamaica to generate, sell and supply electricity to JPSCo. The agreement is for an initial term that ends 20 years after the "commercial operations date" of the generation facility and may be extended for a period to be mutually agreed between the parties.

The power purchase agreement includes detailed provisions in respect of the design, construction and operation of the generation facility and its interconnection with the JPSCo supply network, as well as provisions for liquidated damages for failure to perform certain obligations in accordance with the agreement, such as:

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)
Year ended December 31, 2021
(Expressed in United States dollars)

NOTE 1 - THE GROUP (Contd.)

The Partnerships (Contd.)

(ii) West Kingston Power Partners (Contd.)

- Shortfall in commissioned dependable capacity of the complex
- Shortfall in on-going capacity
- Shortfall in dispatched level requested

(b) CACAO JPPC Ltd., a limited liability company, which was incorporated under the Commercial Code of St. Lucia on November 13, 2018. The company is a wholly owned subsidiary of CACAO Holdings Ltd., the immediate parent company. InterEnergy Holdings is its ultimate parent company.

The company has 100% ownership of the following subsidiary, effective March 13, 2019:

Jamaica Private Power Company Limited ("JPPC") is a limited liability company incorporated and domiciled in Jamaica with its registered office at 100 Windward Road, Kingston 2.

JPPC was established for the sole purpose of developing, owning and operating a 60 megawatt low-speed diesel power plant located at Rockfort, Kingston, Jamaica (the Facility) under a Power Purchase Agreement. The principal activities of JPPC is the generation and sale of net energy output, and earning revenue from declared dependable capacity.

Jamaica Private Power Company Limited (JPPC) entered into a Power Purchase Agreement (PPA) with Jamaica Public Service Company Limited (JPS). JPS will purchase the contract capacity, as defined, at specified rates under a dispatchable arrangement. On the commercial operations date January 7, 1998, JPPC was required to provide an operation security deposit in the amount of US$2,000,000 to ensure the proper operation and maintenance of the facility and to secure as a source of US dollar

NOTE 1 - THE GROUP (Contd.)

fund for JPPC if US dollar is unavailable. The previous PPA expired 20 years from the commercial operations date of January 7, 1998 on December 31, 2017 and was extended on November 9, 2017 for 7 years to December 31, 2024.

The company and its subsidiaries are collectively referred to in these financial statements as “the group”. At December 31, 2021, the company had no direct employees.

NOTE 2 - STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(a) Statement of compliance:

The Consolidated Financial Statements of the Group have been prepared on a going concern basis in accordance with the International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (“IFRIC Interpretations”) adopted by the International Accounting Standards Board (IASB).

New and amended standards that came into effect during the current financial year:

Certain new and amended standards which were in issue came into effect during the current financial period. The adoption of these standards and amendments did not result in any significant change to the presentation and disclosures in these financial statements.

New and amended standards and interpretations not yet effective:

At the date of approval of the financial statements, there were certain new and amended standards and interpretations to existing standards, which were in issue, but were not yet effective and had not been early adopted by the group. Those which management considered may be relevant to the group are as follows:

- Amendments to IAS 37 Provision, Contingent Liabilities and Contingent Assets is effective for annual periods beginning on or after January 1, 2022 and clarifies those costs that comprise the costs of fulfilling the contract.

NOTE 2 - STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (Contd.)

(a) Statement of compliance: (Contd.)

New and amended standards and interpretations not yet effective: (Contd.)

The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. This clarification will require entities that apply the 'incremental cost' approach to recognise bigger and potentially more provisions. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.

- Annual Improvements to IFRS Standards 2018-2020 cycle contain amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, IAS 41 Agriculture, and are effective for annual periods beginning on or after January 1, 2022.

  i. IFRS 9 Financial Instruments amendment clarifies that – for the purpose of performing the ''10 per cent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
  ii. IFRS 16 Leases amendment removes the illustration of payments from the lessor relating to leasehold improvements.

  The amendments to IAS 41 Agriculture removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 Fair Value Measurement.

- Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance contracts and IFRS 16 Leases, is effective for annual accounting periods beginning on or after

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)

Year ended December 31, 2021

(Expressed in United States dollars)

NOTE 2 - STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (Contd.)

(a) Statement of compliance: (Contd.)

New and amended standards and interpretations not yet effective: (Contd.)

January 1, 2021 and address issues affecting financial reporting in the period leading up to interbank offered rates (IBOR) reform. The second phase amendments apply to all hedging relationships directly affected by IBOR reform. The amendments principally address practical expedient for modifications. A practical expedient has been introduced where changes will be accounted for by updating the effective interest rate if the change results directly from IBOR reform and occurs on an 'economically equivalent' basis.
A similar practical expedient will apply under IFRS 16 Leases for lessees when accounting for lease modifications required by IBOR reform. In these instances, a revise discount rate that reflects the change in interest rate will be used in remeasuring the lease liability.
The amendments also address specific relief from discontinuing hedging relationships as well as new disclosure requirements.

- Amendments to IAS 1 Presentation of Financial Statements, will apply retrospectively for annual reporting periods beginning on or after 1 January 2023. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current. Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the requirement for a right to be unconditional has been removed and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. A company classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period. It has now been clarified that a right to defer exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date. With the amendments, convertible instruments may become current. In light of this, the amendments clarify how a company classifies a liability that includes a counterparty conversion option, which could be recognised as either equity or a liability separately from the liability component under IAS 32. Generally, if a liability has any conversion options that involve a transfer of the company's own equity instruments, these would affect its classification as

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)
Year ended December 31, 2021
(Expressed in United States dollars)

NOTE 2 - STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (Contd.)

(a) Statement of compliance: (Contd.)

New and amended standards and interpretations not yet effective: (Contd.)

current or non-current. It has now been clarified that a company can ignore only those conversion options that are recognised as equity when classifying liabilities as current or non-current.
The Group is assessing the impact that these amendments will have on its financial statements when they become effective.

(b) Basis of measurement and functional currency:

The financial statements are presented on the historical cost basis. Unless otherwise stated, the financial statements are presented in United States dollars, which is the functional currency of the group.

(c) Accounting estimates and judgements:

The preparation of the financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of, and disclosures related to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. The estimates and associated assumptions are based on historical experience and/or various other factors that are believed to be reasonable under the circumstances. Actual amounts could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NOTE 2 - STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (Contd.)

(c) Accounting estimates and judgements: (Contd.)

Key sources of estimation uncertainty:

- Allowance for impairment losses [see notes 3(s)]

Allowances for doubtful accounts are determined upon origination of the trade accounts receivable based on a model that calculates the expected credit loss (“ECL”).

Under the ECL model, the group analyses its accounts receivable in a matrix by days past due and determined for each age bracket an average rate of ECL, considering actual credit loss experience over the last 12 months and analysis of future delinquency, that is applied to the balance of the accounts receivable.
The average ECL rate increases in each segment of days past due until the rate is 100% for the applicable ageing bracket.

(d) Comparative Information

The balances as of December 31, 2020 that are exposed for comparative purposes, arise from the financial statements as of said dates, except for as explained in note 29 and the reclassification of income to demonstrate the company’s position as lessor and illustrating the income generated by such activity describe in note 20.

Additionally, certain non-significant reclassifications have been made on the figures corresponding to the Financial Statements presented in comparative form in order to maintain consistency in the exposure with the figures of the current year.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation:

Subsidiaries are entities controlled by the group. Control exists when the group has the power to govern the financial and operating policies of an entity so as to obtain economic benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(a) Basis of consolidation: (Contd.)

The consolidated financial statements combine the financial position of the company and its subsidiaries as at December 31, 2021 and their results of operations and cash flows for the year then ended, after eliminating significant intra-group amounts. The company and its subsidiaries are collectively referred to in the financial statements as “the group”.

(b) Non-controlling interests (NCI):

NCI are measured at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition. Changes in the group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(c) Cash and cash equivalents:

Cash 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 commitments, rather than for investment or other purposes. The amounts included are short-term fixed deposits.

(d) Accounts receivable:

Trade and other receivables are measured at amortised cost, less impairment losses [see note 3 (s)].

(e) Accounts payable:

Accounts payable are measured at amortised cost.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(e) Accounts payable: (Contd.)

A provision is recognised in the statement of financial position when the group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be estimated reliably. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(f) Inventories:

Inventories, excluding fuel, are valued at the lower of cost, determined on the weighted average basis, and net realizable value. Fuel is determined using the first-in-first-out (FIFO) method.

(g) Investment in subsidiaries:

The company's investment in subsidiaries is accounted for under the equity method in accordance with IAS 28 and is measeured at the shared of profit, net of impairment.

(h) Related parties:

A related party is a person or company that is related to the entity which is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the "reporting entity").

(i) A person or a close member of that person's family is related to a reporting entity if that person:

  (a) has control or joint control over the reporting entity;
  (b) has significant influence over the reporting entity; or
  (c) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(ii) An entity is related to a reporting entity if any of the following conditions applies:

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(h) Related parties: (Contd.)

(ii) An entity is related to a reporting entity if any of the following conditions applies (Contd.):

(a) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(c) Both entities are joint ventures of the same third party.

(d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(e) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(f) The entity is controlled, or jointly controlled, by a person identified in (i).
(g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
(h) The entity or any member of a group of which it is a part, provides key management services to the entity.

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

The group has related party relationships with its ultimate parent company, and other subsidiaries, its subsidiaries, directors and key management personnel and companies with common directors, and its pension schemes. “Key management personnel” comprises the group’s leadership team which includes executive directors and specified senior officers

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(i) Property, plant and equipment:

Land and buildings held for use in the production or supply of electricity or for administrative purposes, and certain machinery and equipment are carried at cost, less accumulated depreciation and impairment losses. The values of these assets are subject to annual impairment reviews.

Cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised as expenses in the statement of comprehensive income as expenses.

Depreciation is calculated on the straight-line method over the estimated useful lives of the assets. Current annual rates of depreciation are:

Property and power installations	20 – 30 years
Motor vehicles, machinery and equipment	4 – 8 years
Furniture, fixtures and office equipment	3 – 10 years
Right-of-use assets	5 - 12 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

The residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

(j) Intangible asset:

This represents the carrying value of the Power Purchase Agreement with JPSCO and is measured at fair value, less accumulated amortization and impairment losses. The value of this asset is subject to annual impairment review.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(j) Intangible asset: (Contd.)

Amortization is calculated on the straight-line method over the estimated useful life of the intangible asset. The expected useful life of is 10.3 years For the Jamaica Energy Partner's assets and 17.3 years for the West Kingston Power Partner's assets

(k) Revenue recognition:

Performance obligations and revenue recognition policies:

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Additionally, the group operates in the spot market with spot prices which are billed in accordance with prevailing market prices.

The group recognizes revenue when it transfers control over a service rendered to a customer. The group's revenues come from the sale of energy, capacity to a final customer as governed by a signed PPA agreement.

The group followed the five-step approach to assess the impact of IFRS 15 on these contracts:

(l) Contract identification:

- Agreed and approved by both parts, the company and by customer.
- Identifies the commitments of the purchaser in the contract.
- Identifies the commitments of the seller in the contract.
- Prices are established in the contract
- Payment conditions are established.
- The risk, timing, or amount of the entity's future cash flows are expected to change, so the contract has commercial substance. Collection is reasonably assured at the time of delivery.

1) Performance obligations: Revenue is recognized upon delivery of energy to the customer.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(l) Contract identification: (Contd.)

2) Determination of the price: The transaction price is based on: i) contracted prices which are billed in accordance with provisions of the PPA and ii) spot prices which are billed in accordance with prevailing market prices. Revenues are not adjusted for the effect of financing components as sales are made with the credit term of 15 days, which is consistent with market practice.

3) Allocate transaction price: In the contract the transaction price is explicitly stated for each performance obligation. The price of the energy in the contract represents a standard selling price since it arises from similar transactions in the market.

4) Recognize revenue: IFRS 15 includes a practical expedient that allows entities to recognize revenue in the amount at which the entity has a right to invoice if that amount corresponds directly with the value to the customer of the entity's performance to date. As the contracts establish a monthly measurement of both capacity and electricity items, the seller will apply this practical expedient in accounting for the sale of energy.

(m) Income tax:

Income tax on profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

(i) Current income tax:

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

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)

Year ended December 31, 2021

(Expressed in United States dollars)

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(m) Income tax: (Contd.)

(ii) Deferred income tax:

Deferred income tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

(n) Foreign currency:

These financial statements are presented in United States dollars, which is the functional currency of the group. Foreign currency balances, including those held in Jamaica dollars, at the reporting date are translated at the rates of exchange ruling on that date. Transactions in foreign currencies including those denominated in Jamaica dollars are converted at the rates of exchange ruling at the dates of those transactions.

(o) Financing costs:

Financing costs are capitalized as part of the cost of property, plant and equipment up to the time they are brought into use. These costs are amortized over the life of the asset. Subsequent financing costs are included in profit or loss.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(p) Debt issuance cost:

Debt issuance costs represent those charges incurred to secure debt (such as loans and bonds).

Debt issuance costs are capitalised and amortised to interest expense over the loan term, using the effective interest method.

(q) Pension costs:

The subsidiaries sponsor a pension plan (note 25), the assets of which are held separately from those of the group. Contributions to the plan are charged as expenses in the period in which they are incurred.

(r) Leases:

At inception of a contract, the group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group uses the definition of a lease in IFRS 16.

i. As a lessee

   At commencement or on modification of a contract that contains a lease component, the group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)
Year ended December 31, 2021
(Expressed in United States dollars)

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(r) Leases: (Contd.)

i. As a lessee (Contd.)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the group by the end of the lease term or the cost of the right-of-use asset reflects that the group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the scheduled lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Generally, the group uses its incremental borrowing rate as the discount rate.

The group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the group is reasonably certain to terminate early.

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)
Year ended December 31, 2021
(Expressed in United States dollars)

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(r) Leases: (Contd.)

i. As a lessee (Contd.)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee, if the group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

ii. As a Lessor

Agreement where by the Group conveys to a client the right of use of an asset for an agreed period of time in return for a payment, or a series of payments, are classified and accounts for a lease. Leases where the Group retains all the risk and rewards of ownership are classified as operating lease. When the asset is leased out under an operating lease, then the correspondent asset is included in the balance sheet based on the nature of the asset. Lease income on operating assets, or capacity charge as is the case for the Group, is recognized over the term of the lease as billed since it is the most representative basis of the time pattern in which use benefit of the asset is diminished.

(s) Impairment of financial assets:

The group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. The group measures loss allowances at an amount equal to lifetime ECLs.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(s) Impairment of financial assets: (Contd.)

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the group considers reasonable and supportable information relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the group's historical experience and informed credit assessment and including forward looking information.

The group assumes that the credit risk on financial assets has increased significantly if it is more than 90 days past due.

The group recognises loss allowances for ECLs and considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the group in full, without recourse by the group to action such as realising security if any is held; or

- the financial asset is more than 90 days past due.

Life-time ECLs are the ECLs that result from all possible default events over the expected life of the financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the group is exposed to credit risk.

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)
Year ended December 31, 2021
(Expressed in United States dollars)

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(s) Impairment of financial assets: (Contd.)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the group assesses whether financial assets carried at amortised costs are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)
Year ended December 31, 2021
(Expressed in United States dollars)

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(s) Impairment of financial assets: (Contd.)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is the case when the group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the group's procedures for recovery of amounts due.

(t) Impairment of non-financial assets:

Long-lived assets, such as property, plant and equipment, and purchased intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset groups to be tested for possible impairment, the group first compares the recoverable value of the CGU to its carrying value.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. Impairment losses and reversals of previously recognized impairment losses are recognised in profit or loss.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(u) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of these financial statements, financial assets have been determined to include cash and cash equivalents and accounts receivable. Similarly, financial liabilities mainly comprise accounts payable.

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)
Year ended December 31, 2021
(Expressed in United States dollars)

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(u) Financial instruments (Contd.):

(ii) Classification and subsequent measurement (Contd.)

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Amortised cost represents the net present value ("NPV") of the consideration receivable or payable as of the transaction date. This classification of financial assets comprises the following captions:

- Cash and cash equivalents
- Trade and other receivables
- Due from related party company

Due to their short-term nature, the group initially recognises these assets at the original invoiced or transaction amount less expected credit losses.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)
Year ended December 31, 2021
(Expressed in United States dollars)

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(u) Financial instruments (Contd.):

(ii) Classification and subsequent measurement (Contd.)

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

The group's objective is to hold financial assets to collect contractual cash flows. In assessing whether the contractual cash flows are solely payments of principal and interest, the group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Financial liabilities

All financial liabilities are recognised initially at fair value and in the case of borrowings, plus directly attributable transaction costs. The group's financial liabilities, which mainly comprise accounts payables is recognised initially at fair value.

Financial assets and liabilities – Subsequent measurement and gains and losses

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)
Year ended December 31, 2021
(Expressed in United States dollars)

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(u) Financial instruments: (Contd.):

(iii) Derecognition

Financial assets

The group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The group enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised.

Financial liabilities

The group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Fair value:

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 in the principal or, in its absence, the most advantageous market to which the group has access at that date. The fair value of a liability reflects its non-performance risk.

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)

Year ended December 31, 2021

(Expressed in United States dollars)

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(u) Financial instruments: (Contd.):

(v) Fair value: (Contd.)

A number of the group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

NOTE 4 - RESTRICTED CASH

This represents interest-bearing deposits, which have been designated to be utilized as indicated in accordance with the Syndicated Loan Agreement and Trust and Retention Accounts Agreement with the group's lenders.

	2021	**2020**
(i) To facilitate major maintenance	1,937,547	2,426,745
(ii) Debt service	11,458,880	12,183,959
(iii) Debt payment	53,315	207,778
	13,449,742	14,818,482

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)

Year ended December 31, 2021

(Expressed in United States dollars)

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

	Property and power installations	Motor Vehicles machinery and equipment	Furniture fixtures and office equipment	Capital work in progress	Total
Cost:					
Adjusted balances at					
December 31, 2019	288,736,660	25,291,512	1,806,853	410,287	316,245,312
Additions	1,360,044	1,068,463		738,767	3,167,274
Adjustments/Transfers	(1,198)	221,810		(320,928)	(100,316)
Disposals	(286,972)	(493)	-	-	(287,465)
December 31, 2020	289,808,534	26,581,292	1,806,853	828,126	319,024,805
Additions	1,182,927	1,569,274	-	1,494,621	4,246,822
Adjustments/Transfers	560,010	823,804	-	(1,383,814)	-
Disposals	-	845,998	-	-	(845,998)
December 31, 2021	291,551,471	28,128,372	1,806,853	938,933	322,425,629
Accumulated depreciation:					
December 31, 2019	167,322,785	16,021,094	891,396	-	184,235,275
Charge for the year	13,297,254	3,295,453	-	-	16,592,707
Write-off	-	(6,254)	-	-	(6,254)
Eliminated on disposals	(60,194)	(259)	-	-	(60,453)
December 31, 2020	180,559,845	19,310,034	891,396	-	200,761,275
Charge for the year	14,754,878	2,904,621	-	-	17,659,499
Eliminated on disposals	-	(819,202)	-	-	(819,202)
December 31, 2021	**195,314,723**	**21,395,453**	**891,396**	-	**217,601,572**
Net book values:					
December 31, 2021	**96,236,748**	**6,732,919**	**915,457**	**938,933**	**104,824,057**
December 31, 2020	**109,248,689**	**7,271,258**	**915,457**	**828,126**	**118,263,530**
December 31, 2019	**121,413,875**	**9,270,418**	**915,457**	**410,287**	**132,010,037**

At the reporting date, property and power installations include buildings at a cost of $2,814,197 (2020: $2,814,197) [net book value of $1,424,220 (2020: $1,545,245)] were constructed on leased land (see note 15).

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)
Year ended December 31, 2021
(Expressed in United States dollars)

NOTE 6 - INTANGIBLE ASSETS

This represents the carrying value of the power purchase agreement with Jamaica Energy Partners, West Kingston Power Partners and Jamaica Private Power Company Limited, allocated from the cost of acquiring the partnerships and company.

	2021	**2020**
At beginning and end of year	17,668,000	17,668,000
Accumulated amortisation		
At beginning of year	8,991,000	7,241,100
Charge for the year	1,749,650	1,749,900
At end of year	10,740,650	8,991,000
Carrying value	6,927,350	8,677,000

NOTE 7 – GOODWILL

	2021	**2020**
Goodwill	29,613,000	29,613,000
	29,613,000	29,613,000

For the purpose of the impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or grouping of cash-generating units, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

In testing goodwill for impairment, the recoverable amount of the cash-generating unit is estimated based on estimated value-in-use. Where the recoverable amount exceeds the carrying amount, no impairment allowance is made. The recoverable amount of the cash-generating unit (CGU) is arrived at by estimating the future cash flows and discounting those cash flows using long-term after-tax discount rates applicable to Jamaica Energy Partners and West Kingston Power Partners. Future sustainable cash flows are estimated based on the most recent projections, after taking account of past experience.

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)
Year ended December 31, 2021
(Expressed in United States dollars)

NOTE 7 – GOODWILL (Contd.)

Goodwill as at December 31, 2021 amounted to $29,613,000 (2020: $29,613,000).

The key assumptions used in the discounted cash flow projections are as follows:

	2021	**2020**
Risk free rate	1.52%	1.45%
Government of Jamaica risk rating	B+	B+

No impairment loss was recognized during the current and prior years because the recoverable amount of the cash-generating unit was determined to be higher than the carrying amount.

NOTE 8 - CASH AND CASH EQUIVALENTS

	2021	**2020**
Interest bearing funds	2,427,898	873,183
Non-interest-bearing funds	47,204	30,387
	2,475,102	903,570

NOTE 9 - ACCOUNTS RECEIVABLE

	2021	**2020**
Trade receivables	19,075,915	15,894,263
Change in law costs recoverable from JPSCo	172,466	1,247,785
Fuel adjustment recoverable from Petrojam	259,732	753,573
Other receivables	739,980	799,290
Insurance receivables	-	3,276,533
Staff receivables	240,006	273,328
	20,488,099	22,244,772
Less: Allowance for doubtful debts	(246,464)	(68,574)
	20,241,635	22,176,198

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)
Year ended December 31, 2021
(Expressed in United States dollars)

NOTE 9 - ACCOUNTS RECEIVABLE (Contd.)

(a) At the reporting date, allowance for doubtful debts of $246,464 (2020: $68,574) was made in respect of other receivables.

(b) The ageing analysis of trade receivables is as follows:

	2021	2020
Neither past due nor impaired	16,824,429	13,711,758
31-60 days	2,251,486	2,182,505
	19,075,915	15,894,263

NOTE 10 - PREPAID EXPENSES

	2021	2020
Inventory Prepayment	78,457	65,373
Insurance	2,510,823	2,369,389
Deposit for services	1,211,304	1,392,160
	3,800,584	3,826,922

NOTE 11 - RECOVERABLE TAXES

This represents amounts recoverable from the tax authorities in Jamaica on corporate income tax including amounts paid by the previous parent company, Dr. Bird Power Company.

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)

Year ended December 31, 2021

(Expressed in United States dollars)

NOTE 12 - INVENTORIES

	2021	2020
Fuel and chemicals	7,677,099	4,982,530
Equipment spares	7,102,224	8,759,807
Engine spares	10,232,212	8,510,088
Materials	453,775	299,267
Inventories in transit	281,775	647,351
	25,747,085	23,199,043

No provision has been made in the financial statements for local charges to be incurred in clearing the inventories in transit.

NOTE 13 - SHAREHOLDERS' EQUITY

(a) Stated capital

	2021	2020
Authorised:		
50,000 ordinary shares of $1 par value		
Issued and fully paid:		
1,000 ordinary shares of $1 par value	1,000	1,000

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)
Year ended December 31, 2021
(Expressed in United States dollars)

NOTE 14 - LONG-TERM LOANS

	2021	2020
JEP 2025 Bond (a)	42,500,000	42,500,000
Bank of Nova Scotia (b)	8,250,000	11,250,000
First Citizens Bank Limited (c)	4,850,000	6,466,666
JMMB Bank (Jamaica) Limited (c)	3,800,000	5,066,667
National Commercial Bank Jamaica Limited (c)	8,000,000	10,666,667
Sagicor Bank Jamaica Limited (c)	12,350,000	16,466,667
First Caribbean International Bank Limited (c)	7,000,000	9,333,333
First Global Bank Limited (c)	4,500,000	6,000,000
Proven Management Limited (c)	1,000,000	1,333,333
	92,250,000	109,083,333
Less: Current maturities	(16,833,333)	(16,833,333)
Less: Debt issuance costs	(808,349)	(1,261,973)
	74,608,318	90,988,027

Maturities of long-term loans are as follows:

	2021	2020
Year ending December 31:		
2021	-	16,833,333
2022	16,833,333	16,833,333
2023	16,833,333	16,833,333
2024	16,083,334	16,083,334
2025	42,500,000	42,500,000
	92,250,000	109,083,333

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)
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NOTE 14 - LONG-TERM LOANS (Contd.)

(a) Jamaica Energy Partners, through arrangers Sagicor Investments Jamaica Limited, issued the following bonds totaling USD 42.5M on January 18, 2018:

(i) A seven - year USD 30M variable rate bond
(ii) A seven - year JMD equivalent USD 12.5M indexed variable rate bond. Interest and principal payments on this bond will be made in Jamaican Dollars.

Both bonds were issued at a coupon rate of LIBOR plus 562 basis points with a common maturity date of January 18, 2025 or January 18, 2031, subject to an extension option. For the extension option to be affected, both the investor and the issuer must agree on the terms and issue an Extension Notice. The funds from the bond issue were disbursed through monthly drawdowns over the first year and fully drawn down at year end.

(b) The loan is payable monthly over a six-year period which commenced on September 25, 2018 and matures on August 24, 2024. Interest is accrued at 5.25% annually.

Further, under the loan arrangement, the subsidiary, Jamaica Private Power Company, has a revolving credit facility equivalent to US$3 million to be loaned in Jamaican dollars from time to time, attracts a standby fee which is calculated at a rate of 0.25% per annum on the aggregate amount of the unutilised portion of the facility when the average monthly utilization falls below 50%.

(c) This syndicated loan facility is to be repaid within 7 years with a moratorium of 15 months from the date of disbursement. The loan is repayable in 24 equal quarterly installments commencing on the next interest payment date following the moratorium period. Interest is payable quarterly, starting March 31, 2018 at a variable rate of 3-month LIBOR plus 5.62% per annum.

Further, under the syndicated arrangement, the subsidiaries, Jamaica Energy Partners and West Kingston Power Partners, have a one-year renewable variable rate facility of $5M and $3M, respectively, on which they can make drawdowns for working capital purposes.

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Notes to the Consolidated Financial Statements (Contd.)
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NOTE 14 - LONG-TERM LOANS (Contd.)

These loans have an interest rate of 4% per annum during the one-year period commencing from the date of disbursement and in any subsequent renewal period, the rate may be varied by agreement in writing between the borrowers and the applicable lenders.

(d) The securities on the loans and bonds are summarised below:

(i) Joint and several debentures over the present and future assets of the Partnership;
(ii) A first priority ship mortgage on all vessels;
(iii) A floating charge over all its other assets
(iv) Security contract over project equipment and movable property;
(v) Deed of assignments over all receivables due under the Power Purchase Agreements (PPAs) and all the rights of the Partnership under the Fuel Supply Agreement (FSA) with Petrojam; and
(vi) Deed of Subordination for all inter-company and shareholders/partners' loans and advances;
(vii) Debt Service Reserve Account (DSRA) funded with a minimum of six (6) months' principal and interest payments with the option to establish a Standby letter of credit in favour of the lenders in lieu of a DRSA, providing the bank with at least 90 days' notice of its intention to do so;
(viii) Deed of assignment of business impact insurance policies;
(ix) Cross corporate guarantees in favour of the Partnership and West Kingston Power Partners covering the full indebtedness of each entity.
(x) Establishment of a major maintenance reserve account to fund the projected operations and maintenance charges for the existing twelve (12) months. Major maintenance reports are to be conducted every three (3) years during the life of the loan;
(xi) Mortgages by way of guarantee over the leasehold interests.

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Notes to the Consolidated Financial Statements (Contd.)
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NOTE 15 - LEASES

The group has land and motor vehicles that are utilized under lease arrangements. The components of lease costs were as follows:

	2021	2020
Depreciation of assets	278,623	268,453
Interest on lease liabilities	118,914	135,192
Total amounts recognized in profit or loss	397,537	403,645

Amounts reported in the balance sheet were as follows:

(a) Right-of-use-assets:

	2021	2020
Cost	2,422,068	2,422,068
Addition	28,205	-
Accumulated Depreciation	(939,329)	(656,554)
Property plant and equipment	1,510,944	1,765,514

(b) Lease liabilities included in the statement of financial position:

	2021	2020
Lease liabilities	1,646,238	2,190,684
Current installments of obligations under operating leases	267,405	261,140
Long-term portion of obligations under operating leases	1,164,742	1,892,389
Total operating lease liabilities	1,432,147	2,153,529
Current installments of obligations under finance leases	147,817	133,977
Long-term portion of obligations under finance leases	66,274	288,598
	214,091	422,575
Currrent portion of lease obligation	415,222	389,773
Long-term portion of lease obligation	1,231,016	1,800,911
	1,646,238	2,190,684

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NOTE 15 - LEASES (Contd.)

	2021	2020
Amounts recognized in statement of cash flows:	544,444	385,340
Total cash outflow for leases	544,444	385,340

Maturities of lease liabilities under non-cancellable leases are as follows:

	2021	2020
Less than one year	421,602	524,116
One to four years	1,028,556	1,392,216
Thereafter	689,821	975,518
Total undiscounted lease payments at December 31	2,139,979	2,891,850
Less discount	(493,741)	(701,166)
Balances at December 31	1,646,238	2,190,684

NOTE 16 - DEFERRED TAXES

Deferred tax is attributable to temporary differences between the tax basis of an asset or liability and its carrying amount in the financial statements. These differences will result in taxable or deductible amounts in future years when the reported amount of the asset or liability is recovered or settled . The balance of deferred tax at the reporting date is comprised as follows:

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)

Year ended December 31, 2021

(Expressed in United States dollars)

NOTE 16 - DEFERRED TAXES (Contd.)

(a) Deferred tax asset

	December 31, 2019	Recognised in income	December 31, 2020	Recognised in income	December 31, 2021
Effect of tax losses carried forward	347,647	(96,857)	250,790	(184,960)	65,830
Interest accrued	20,363	(32,852)	(12,489)	14,323	1,834
Unrealized foreign exchange	3,818	(92,642)	(88,824)	115,755	26,931
Property, plant and equipment	5,820,949	484,582	6,305,531	(939,017)	5,366,514
Other	(14,777)	16,414	1,637	(89,234)	(87,597)
	6,178,000	278,645	6,456,645	(1,083,133)	5,373,512

(b) Deferred tax liability

	December 31, 2019	Recognised in income	December 31, 2020	Recognised in income	December 31, 2021
Accounts receivable	-	(66,887)	(66,887)	25,560	(41,327)
Debt issuance costs	458,023	(762,916)	(304,893)	121,808	(183,085)
Intangible assets	(5,153,138)	706,281	(4,446,857)	1,140,624	(3,306,233)
Lease obligations	550,050	(70,291)	479,759	(123,868)	355,891
Unrealised foreign exchange losses	18,373	112,221	130,594	(153,904)	(23,310)
Accounts payable	(222,010)	387,079	165,069	727	165,796
Property, plant and equipment	(31,016,786)	4,960.103	(26,056,683)	2,604,871	(23,451,812)
	(35,365,488)	5,265,590	(30,099,898)	3,615,818	(26,484,080)

NOTE 17 - ACCOUNTS PAYABLE

	2021	2020
Trade payables	16,547,459	11,569,101
Interest payable	502,890	532,713
Other liabilities	5,382,840	5,688,589
Other accrued liabilities	1,624,606	2,348,290
	24,057,795	20,138,693

(Expressed in United States dollars)

NOTE 18 - RELATED PARTY BALANCES

(a) Due from/(to) ultimate parent company

The amount due from/(to) the ultimate parent company is unsecured, interest free and repayable before December 31, 2022.

	2021	2020
InterEnergy Group	315,821	315,821

(b) Due from/(to) related parties

The amount due from/(to) related parties is unsecured, interest free and repayable before December 31, 2022.

	2021	2020
InterEnergy Systems Dominicana SRL	174,450	39,209

NOTE 19 - SHORT TERM LOAN

This facility is an unsecured loan from CIBC FirstCaribbean International Bank, with an interest rate of 4% per annum and is a part of the refinanced debt facility. This is repayable by December 2022 (2022: $4,000,000, 2021:$5,000,000)

NOTE 20 - OPERATING INCOME

	2021	2020
Sale of electric energy	100,044,711	64,115,174
Operating lease of power generation facility (Note 27)	62,396,495	61,543,362
	162,441,206	125,658,536

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)

Year ended December 31, 2021

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NOTE 21 - OPERATING EXPENSES

	2021	2020
Fuel, lubricants and chemicals	87,882,624	53,855,329
Depreciation (note 5)	17,659,499	16,592,707
Labour expenses (note 24)	14,380,071	13,811,241
Maintenance	12,667,341	12,587,625
Insurance	4,481,579	4,015,117
Amortization of intangible asset (note 6)	1,749,650	1,749,900
Amortization of right of use assets	278,623	268,453
Professional fees	786,120	757,645
Travel expenses	557,801	617,225
Office expenses	409,919	400,589
Training and recruitment (note 24)	233,904	165,493
Environment expenses	275,236	360,269
Community services	307,227	201,340
Rent and leases	5,294	77
Vehicle expenses	157,433	132,331
Communication	276,720	188,826
Utilities	870,665	943,169
Liquidated damages	474,818	268,334
Bad debts	-	117
Other	390,979	2,195,437
	143,845,503	109,111,224

NOTE 22 - FINANCE CHARGES AND INCOME

	2021	2020
Finance charges:		
Interest expense	6,155,519	8,079,198
Interest on finance leases	18,960	28,143
Interest on operating leases	118,914	135,192
Finance fees	542,037	540,864
Foreign exchange losses	-	187,690
Bank charges	40,304	30,517
	6,875,734	9,001,604

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Notes to the Consolidated Financial Statements (Contd.)
Year ended December 31, 2021
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NOTE 22 - FINANCE CHARGES AND INCOME (Contd.)

	2021	2020
Finance income:		
Foreign exchange gain	(254,972)	-
Investment income including interest earned on short-term deposits	(663,366)	(845,682)
	918,338	845,682

NOTE 23- TAXATION

The group is subject to income tax at a rate of 33⅓% on the net income of the subsidiaries. Under the Caricom Treaty for the Avoidance of Double Taxation, the after-tax partnership distributions will not be subject to income tax in St. Lucia.

Taxation is based on results for the periods as adjusted for tax purposes and comprises the following:

	2021	2020
Current year tax:		
Income tax at 33⅓%	8,736,911	8,519,112
Less: Adjustment in respect of prior year	(100,977)	(409,877)
Deferred taxation (see note 16):		
Origination and reversal of temporary differences	(2,532,685)	(5,544,235)
	6,103,249	2,565,000

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)
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NOTE 23- TAXATION (Contd.)

Taxation is based on results for the periods as adjusted for tax purposes and comprises the following:

Reconciliation of actual tax charge:

	2021	2020
Profit before tax	13,175,530	9,171,264
"Expected" tax at 33⅓% of profit before tax	4,391,843	3,057,088
Effect on income tax of treating the following items differently for tax purposes:		
Depreciation and capital allowances	4,228,397	(1,142,003)
Items not allowed for tax purposes	(2,416,014)	1,059,792
	6,204,226	2,974,877
Less: Adjustment in respect of prior year	(100,977)	(409,877)
Actual tax charge	6,103,249	2,565,000

NOTE 24 - LABOUR CONCENTRATION

During the year, there was no category of employees represented by unions.
At the reporting date, staff costs were as follows:

	2021	2020
Labour expenses (note 21)	14,380,071	13,811,241
Training and recruitment (note 21)	233,904	165,493
	14,613,975	13,976,734

NOTE 25 - PENSION PLAN

Jamaica Energy Partners, West Kingston Power Partners and Jamaica Private Power Partners sponsor a defined contribution pension plan for employees who have satisfied minimum service requirements. The Scheme is administered by Victoria Mutual (VM) Pensions Management Limited (formerly Prime Asset Management Limited). Both employees and the subsidiaries are required to contribute five percent (5%) of employees' salary to the plan, and employees may make an additional voluntary contribution of up to ten percent (10%). Due to the nature of the plan, it is not anticipated that any further significant liability will accrue to the group. The group's contribution for the year amounted to $371,618 (2020: $319,365).

NOTE 26 - FINANCIAL INSTRUMENTS

(a) Financial risk management:

The group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risks

This note presents information about the group's exposure to each of the above risks arising in the ordinary course of the group's business, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital.

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

The shareholders are ultimately responsible for the establishment and oversight of the group's risk management framework. The executive management team provides principles for overall risk management, as well as policies covering specific areas.

NOTE 26 - FINANCIAL INSTRUMENTS (Contd.)

(a) Financial risk management: (Contd.)

(i) Credit risk

Credit risk is the risk that its customers or counterparties will cause a financial loss for the group by failing to discharge their contractual obligations.

Management of *credit risk*

Management performs ongoing analysis of the ability of its customer and other counterparties to meet repayment obligations.

Trade receivables

Due to the nature of its operations, the group has limited exposure to credit risk from its main operations. The chief risk arises from having only one customer, Jamaica Public Service Company Limited. The group's exposure to credit risk from this arrangement is governed by the terms of the Power Purchase Agreement.

Management of *credit risk*

The customer is allowed fourteen days after the end of each month to submit payment of amounts owing to the group. In the event of late payment, the group is allowed to draw down on a letter of credit established by the customer for this purpose. The letter of credit is established for approximately two (2) months of projected revenue.

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NOTE 26 - FINANCIAL INSTRUMENTS (Contd.)

(a) Financial risk management: (Contd.)

(i) Credit risk (Contd.)

Expected credit loss assessment

The group allocates each exposure to a credit risk grade based on the data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and the available press information about its customer) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit ratings, where available. Exposure within each credit risk grade and an ECL rate is calculated for the group's customer based on delinquency status and actual historical credit loss experience.

Loss rates are calculated based on the probability of a receivable progressing through successive stages of delinquency to write-off, current conditions, the economic conditions over the expected lives of the receivables and other factors such as (the group having a sole customer; available letter of credit to secure approximately two month receivables based on the PPA agreement; and contracted payment terms where overdue payments exceeding 15 days are subject to interest at the prevailing bank base rate.)

Cash resources

Risks relating to cash and bank balances are limited because the counterparties are banks with high credit rating. Accordingly, management does not expect any counterparty to fail to meet its obligations.

Maximum exposure to credit risk

Impairment on cash and cash equivalents has been measured at 12-month expected loss basis and reflects the short maturities of the exposures. The group considered that cash resources have low credit risk.

NOTE 26 - FINANCIAL INSTRUMENTS (Contd.)

(a) Financial risk management: (Contd.)

(i) Credit risk (Contd.)

Maximum exposure to credit risk (Contd.)

As at December 31, 2021 and 2020 no general impairment allowance was recognized, however an allowance was made for a specific doubtful debt receivable for estimated losses inherent in the accounts receivable portfolio.

The group's maximum exposure to credit risk at year end is represented by its respective carrying amount.

(ii) Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The group manages this risk by keeping a substantial portion of its financial assets in liquid form. The group maintains a balance between continuity of funding and flexibility through the use of bank loans.

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)

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NOTE 26 - FINANCIAL INSTRUMENTS (Contd.)

(a) Financial risk management: (Contd.)

(ii) Liquidity risk: (Contd.)

The following are the remaining contractual cash flows at the end of the reporting period of financial liabilities, including estimated interest payments:

	2021					
	Less than 3 months	**3-12 months**	**1-5 years**	**Over 5 years**	**Total**	**Carrying amount**
Accounts payable	24,057,795	-	-		24,057,795	24,057,795
Short term loans		4,160,000	-		4,160,000	4,000,000
Long-term loans	5,688,105	17,635,072	92,530,565		115,853,742	92,250,000
Due to related party	174,450	-		-	174,450	174,450
Finance lease obligations	20,990	62,975	144,136	4,229	232,330	214,091
Operating lease obligations	84,596	253,785	1,024,488	558,426	1,921,295	1,432,147
	30,025,936	22,111,832	93,699,189	562,655	146,399,612	122,128,483

	2020					
	Less than3 months	**3-12 months**	**1-5 years**	**Over5 years**	**Total**	**Carrying amount**
Accounts payable	20,138,693	-	-	-	20,138,693	20,138,693
Long-term loans	6,231,538	18,403,823	108,594,299	-	133,229,660	109,083,333
Short-term loan	-	5,200,000	-	-	5,200,000	5,000,000
Due to related party	-	39,209			39,209	39,209
Lease oligations	133,001	391,115	1,556,503	811,231	2,891,850	2,190,684
	26,503,232	24,034,147	110,150,802	811,231	161,499,412	136,451,919

NOTE 26 - FINANCIAL INSTRUMENTS (Contd.)

(a) Financial risk management: (Contd.)

(iii) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the value of the group's assets, the amount of its liabilities and/or the group's income. Market risk arises in the group due to fluctuations in the value of assets and liabilities.

- *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.

The group incurs foreign currency risk primarily on the settlement of accounts receivable and payable, lease payments and purchases and loans that are denominated in a currency other than the United States dollar. The currency giving rise to foreign currency risk is the Jamaica dollar (J$).

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)
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NOTE 26 - FINANCIAL INSTRUMENTS (Contd.)

(a) Financial risk management: (Contd.)

(iii) Market risk (Contd.)

- *Foreign currency risk (Contd.)*

The functional currency of the group is the United States Dollar. It does not have any international operations and does not maintain significant balances in Jamaican and other currencies.

Management monitors its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions.

	Assets		**Liabilities**		**Net assets/(liabilities)**	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
US$ equivalent	4,653,141	4,169,641	9,375,184	9,402,887	(4,722,043)	(5,233,246)

Sensitivity analysis:

A 8% (2021: 6%) strengthening of the United States dollar (the group's principal foreign currency) against the Jamaican dollar would have increased profit by $377,763 (2020: increased by $313,995). This analysis assumes that all other variables, in particular interest rates, remain constant.

A 2% (2021: 2%) weakening of the United States dollar against the Jamaican dollar at year end would have decreased profit by $104,665 (2020: decreased profit by $94,441). This analysis assumes that all other variables, in particular interest rates, remain constant.

(Expressed in United States dollars)

NOTE 26 - FINANCIAL INSTRUMENTS (Contd.)

(a) Financial risk management: (Contd.)

(iii) Market risk (Contd.)

- *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The group is exposed to interest rate risk because it has borrowings at floating rates. Interest rate risk is managed by maintaining an appropriate mix of variable and fixed rate assets and liabilities.

The maturity profiles and interest rates of the group's loans are disclosed in note 14.

Interest bearing financial assets relate to cash and bank balances.

At December 31, 2021, the interest profile of the group’s interest-bearing financial instruments was:

	2021	2020
Fixed rate instruments:		
Financial assets	15,877,660	15,691,665
Financial liabilities	(12,250,000)	(16,250,000)
	3,627,660	(558,335)
Variable rate instruments:		
Financial assets	-	-
Financial liabilities	(84,000,000)	(97,833,333)
	(84,000,000)	(97,833,333)

Fair value sensitivity analysis for fixed rate instruments:

The group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect the statement of comprehensive income.

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)

Year ended December 31, 2021

(Expressed in United States dollars)

NOTE 26 - FINANCIAL INSTRUMENTS (Contd.)

(a) Financial risk management: (Contd.)

(iii) Market risk (Contd.)

- *Interest rate risk (Contd.)*

Cash flow sensitivity analysis for variable rate instruments:

In respect of United States dollar denominated balances, if interest rates had been 1% higher or 1% lower (2020: 1% higher or 1% lower) and all other variables were held constant, the group's loss/profit for the year would increase/decrease by $840,000(2020: $978,333).

(b) Capital management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the group consists of cash and cash equivalents and equity of the group (consisting of issued capital and retained earnings).

The shareholders monitor the level of dividends paid. For the term-loan facility, dividend could be paid if the debt service ratio for the four rolling quarters is at least 1.2:1 and net debt ratio of 3.5:1.

The debt service ratio is the ratio of the last twelve months earnings before interest and dividend to interest and current portion of long term loan paid in the last twelve months as defined by the Term Loan Agreement. The shareholders continue to ensure that sufficient cash resources are maintained to finance the operations.

There were no changes to the group's approach to capital management during the period.

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)

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NOTE 26 - FINANCIAL INSTRUMENTS (Contd.)

(c) Commodity price risk:

Commodity risk arises from the fluctuations in oil prices. The group purchases fuel at the spot price at the date of loading of the vessel that delivers the fuel to the plant but payment is made monthly based on the spot price at the penultimate day of the previous month.

(d) Fair value disclosure

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in arm's length transactions.

Fair value of the group's financial liability that is measured at fair value on a recurring basis

The following table provides an analysis of financial instruments held as at the reporting date, subsequent to initial recognition, are measured at fair value. The financial instruments are grouped into Levels 1 to 3 based on the degree to which the fair value is observable as follows:

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical instruments. The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets is the current bid price. These instruments are grouped in Level 1.

The following table provides an analysis of financial instruments held as at the reporting date, subsequent to initial recognition, are measured at fair value. The financial instruments are grouped into Levels 1 to 3 based on the degree to which the fair value is observable as follows (continued):

NOTE 26 - FINANCIAL INSTRUMENTS (Contd.)

(d) Fair value disclosure (Contd.)

(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the instrument, either directly (i.e. as prices) or indirectly (i.e., derived from prices). The fair value of financial instruments not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2 and;

(iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the instruments that are not observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

There are no financial instruments classified as Level 1, Level 2 or Level 3 and there were no transfers between levels during the year.

The following methods and assumptions have been used in determining the fair values of financial assets and financial liabilities:

- The carrying amounts of cash and bank balances, receivables and payables and other assets and liabilities maturing within twelve months are assumed to approximate their fair values because of the short-term maturity of these instruments.

- For financial instruments where there is no active market, fair value is determined using appropriate valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis or other valuation models.

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)
Year ended December 31, 2021
(Expressed in United States dollars)

NOTE 26 - FINANCIAL INSTRUMENTS (Contd.)

(d) Fair value disclosure (Contd.)

	2021		2020	
	Carrying value	Fair value	Carrying value	Fair value
	$	$	$	$
Financial assets				
Restricted cash	13,449,742	13,449,742	14,818,482	14,818,482
Cash and cash equivalents	2,475,102	2,475,102	903,570	903,570
Accounts receivable	20,241,635	20,241,635	22,176,198	22,176,198
Due from ultimate parent	315,821	315,821	315,821	315,821
Financial liabilities				
Long - term loans	92,250,000	92,250,000	109,083,333	109,083,333
Finance lease obligations	1,432,147	1,432,147	2,190,684	2,190,684
Operating lease obligations	214,091	214,091	-	-
Due to related party	174,450	174,450	39,209	39,209
Accounts payable	24,057,795	24,057,795	20,138,693	20,138,693
Short-term loan	4,000,000	4,000,000	5,000,000	5,000,000

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Notes to the Consolidated Financial Statements (Contd.)
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NOTE 27 - THE GROUP AS LESSOR

The Group has recognized revenues of $62,396,495 ($61,543,362) from plants that conveyed to a client the right to use an asset for an agreed period of time in return for a payment, or series of payments. The Partnership is not exposed to residual values at the end of the current leases, nor have any obligation to sell any facility to the lessee. The Partnership will retain full title of all the facilities subject to lease. The future minimum lease payments receivable under the non-cancellable operating lease, grouped according to their maturity dates. The amounts shown in the table are the contractual undiscounted cash flows:

	2021	**2020**
2021	-	62,396,495
2022	61,939,141	61,939,141
2023	62,691,245	62,691,245
2024	62,998,555	62,998,555
2025	51,065,131	51,065,131
2026	150,420,901	150,420,901
	389,114,973	451,511,468

NOTE 28 - COMMITMENTS AND CONTINGENCIES

(a) The group entered into a Power Purchase Agreement (PPA) with Jamaica Public Service Company Limited (JPS). JPS will purchase the contract capacity, as defined, at specified rates under a dispatchable arrangement. On the commercial operations date January 7, 1998, the group was required to provide an operation security deposit in the amount of US$2,000,000 to ensure the proper operation and maintenance of the facility and to secure as a source of US dollar fund for the Group if US dollar is unavailable. The previous PPA expired 20 years from the commercial operations date of January 7, 1998 on December 31, 2017 and was extended on November 9, 2017 for 7 years to December 31, 2024. During the year, on January 8, 2018, the group provided an operations security deposit of US$1 million under the extended PPA.

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Notes to the Consolidated Financial Statements (Contd.)

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NOTE 28 - COMMITMENTS AND CONTINGENCIES (Contd.)

On September 28, 2018 a non-cash security deposit by way of a Letter of credit of U$1 million was issued by Bank of Nova Scotia Jamaica Limited. This matures on September 28, 2024.

The agreement provides for liquidated damages to be paid to JPS if the facility does not meet certain performance levels. JPS charges the group liquidated damages with respect to shortfalls in commissioned dependable capacity and also liquidated damages for dispatch deviation. Liquidated damages of $474.82 thousands (2020: $268.33 thousands) were accrued in the current period.

Interest is charged on trade receivables at the base rate as defined in the Power Purchase Agreement (PPA), on amounts outstanding. A Letter of Credit was issued in accordance with the PPA.

(b) The group has entered into a Fuel Supply Agreement with Petrojam Limited (Petrojam) for the fuel oil supply to the Facility. The price for such fuel oil shall be at the then current market price. Petrojam will supply between 40,000 and 60,000 barrels of fuel oil each month to the facility. The group has the option of buying the Petrojam delivery facilities in the event of certain circumstances. The agreement expires 20 years from the commercial operations date of January 7, 1998. The Fuel Supply Agreement with Petrojam Limited was extended on November 9, 2017 for seven years to December 31, 2024.

(c) The group has entered into a lease agreement with Jamaica Public Service Company Limited and Urban Development Corporation for the lease of certain parcels of land where the Facility has been constructed. The initial rent of J$125,100 per month is revised annually for inflation since construction of the Facility and continuing through the term of the Agreement. The Agreement expires concurrently with the Power Purchase Agreement. The charge is calculated at the prevailing exchange rate.

NOTE 29 - RESTATEMENT

After the issuance of the Consolidated Financial Statements as of December 31, 2020, the Group identified several errors which required restatement of the previously issued consolidated financial statements.

These errors were related to deferred tax and goodwill, bargain purchase and finance costs recognized during a business combination. The errors have been corrected by restating each of the affected financial statement line items for the prior periods as shown below.

As part of the restatement process, the Group has also chosen to modify the presentation method of Right of use assets, it was determined that should be shown as a line item on the balance sheet. These assets were previously included in the balance for Property, plant and equipment. The financial line items for the prior period have been restated.

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)

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NOTE 29 - RESTATEMENT (Contd.)

Restatement reconciliation of statement of financial position

	Balance sheet					
	31 December 2020	**Increase/ Decrease**	**31 December 2020 (Restated)**	**31 December 2019**	**Increase/ Decrease**	**31 December 2019 (Restated)**
	$	**$**	**$**	**$**	**$**	**$**
Property. Plant and equipment	120,029,044	(1,765,514)	118,263,530	134,044,004	(2,033,967)	132,010,037
Right of use asset	-	1,765,514	1,765,514	-	2,033,967	2,033,967
Deferred Tax Asset	4,248,645	2,208,000	6,456,645	3,970,000	2,629,662	6,599,662
Goodwill	29,904,000	(291,000)	29,613,000	29,904,000	(291,000)	29,613,000
Other Non-current Assets	23,945,482	-	23,945,482	28,218,160	-	28,218,160
Total Non-current Assets	177,677,171	1,917,000	179,594,171	196,136,164	2,338,662	198,474,826
Total current assets	50,908,812	-	50,908,812	57,539,157	-	57,539,157
Total assets	228,585,983	1,917,000	230,502,983	253,675,321	2,338,662	256,013,983
Equity						
Share capital	1,000	-	1,000	1,000	-	1,000
Contributed Capital	1,886,477	-	1,886,477	9,286,477	-	9,286,477
Accumulated surplus	57,733,255	3,832,867	61,566,122	50,782,897	4,177,051	54,959,858
Total Equity	59,620,732	3,832,867	63,453,599	60,070,284	4,177,051	64,247,335
Deferred Tax Liability	31,748,999	(1,649,101)	30,099,898	37,203,732	(1,838,244)	35,365,488
Long-term Loans	91,254,648	(266,621)	90,988,027	107,278,272	-	107,278,272
Lease Liabilities	1,800,911	-	1,800,911	2,180,987	-	2,180,987
Total Noncurrent liabilities	124,804,558	(1,915,722)	122,888,836	146,662,991	(1,838,244)	144,824,747
Accounts Payable	20,138,838	(145)	20,138,693	21,612,131	(145)	21,611,986
Other Current liabilities	24,021.855	-	24,021.855	25,329,915	-	25,329,915
Total current liabilities	44,160,693	(145)	44,160,548	46,942,046	(145)	46,941,901
Total Equity and liabilities	228,585,983	1,917,000	230,502,983	253,675,321	2,338,662	256,013,983

CACAO Holdings LTD.

Notes to the Consolidated Financial Statements (Contd.)

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NOTE 29 - RESTATEMENT (Contd.)

.Restatement reconciliation of Profit or Loss and Other Comprehensive Income

	Income statement		
	31 December 2020	Increase/ Decrease	31 December 2020 (Restated)
	$	$	$
Operating income	125,658,536	-	125,658,536
Operating expenses	(109,111,224)	-	(109,111,224)
Operating profit	16,547,312	-	16,547,312
Other Income	988,485		988,485
Gain/(loss) on disposal of property, plant and equipment	(220,294)		(220,294)
Profit before net finance costs and taxation	17,315,503	-	17,315,503
Finance income/costs	(8,000,881)	(155,041)	(8,155,922)
Gain on acquisition of subsidiary	11,683		11,683
Profit/ (loss) before tax	9,326,305	(155,041)	9,171,264
Taxation	(2,375,857)	(189,143)	(2,565,000)
Profit, being total comprehensive for the year	6,950,448	(344,184)	6,606,264

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NOTE 29 - RESTATEMENT (Contd.)

Restatement reconciliation of Statement of Cash Flows

		Cash flow	
	31 December 2020	**Increase/ Decrease**	**31 December 2020 (Restated)**
	$	**$**	**$**
Profit for the year	6,950,448	(344,184)	6,606,264
Adjustments for:			
Depreciation	16,986,265	(393,558)	16,592,707
Amortisation of right of use	-	268,453	268,453
Interest expense on lease liability	135,192	28,143	163,335
Interest expense	7,952,300	126,898	8,079,198
Taxation	2,375,857	189,143	2,565,000
Accounts Payable	(1,222,952)	99	(1,222,853)
Other adjustments (including increase/decrease in working capital)	(13,390,925)	-	(13,390,925)
Net cash provided by operating activities	19,786,185	(125,006)	19,661,179
Purchase of property, plant and equipment	(3,292,279)	125,005	(3,167,274)
Other Adjustments	3,823,432	-	3,823,432
Net cash used in investing activities	531,153	125,005	656,158
Repayment of long-term loans	(16,833,334)	1	(16,833,333)
Other adjustments	(7,785,420)	-	(7,785,420)
Net cash (used)/provided used in financing activities	(24,618,754)	1	(24,618,753)
Net (decrease)/increase in cash and cash equivalents	(4,301,416)	-	(4,301,416)
Cash and cash equivalents at beginning of year	5,204,986	-	5,204,986
Cash and cash equivalents at end of year	903,570	-	903,570