



# 2024 Annual REPORT





# Table of Contents

01	Chairman's Statement
03	CEO's Statement
05	Notice of AGM
07	Board of Directors' Report
09	Board of Directors and Management Team
13	Corporate Governance Report
22	FY 2024 at a Glance
26	Management Discussion & Analysis
34	2024 Highlights
36	Corporate Data
38	Shareholder Listing
41	Notes
42	Proxy Form
44	Audited Financials



## Chairman's Statement

### **Dr. André Foote**

Chairman of the Board of Directors  
Regency Petroleum Company Limited

Kudos must be extended to founder and Chief Executive Officer (CEO), Andrew Williams along with his hardworking team on producing another remarkable year during 2024. Regency Petroleum Company Limited (RPL) surpassed the \$1 billion revenue mark and opened its third full-service station in 2024 in the first of its many milestones to come. The company also completed its second year as a listed company on the Junior Market of the Jamaica Stock Exchange (JSE) where they maintained consistent updates with shareholders through on time submissions to the JSE and engagements through its quarterly earnings calls.

Andrew also received a CEO award by the JSE at its Best Practice Awards in December 2024 by the AC Hotel by Marriott. I'm extremely thankful to the JSE for recognising our CEO during his relatively short time as the CEO of a listed company. I look forward to the company eventually receiving other awards from the JSE Best Practices Committee for its performance as a listed company.

RPL started in May 2018 by the CEO who had a vision to build a Jamaican brand providing exceptional service to persons in his community. Now, that brand has evolved since then into an established brand that continues to grow every day from Cornwall County to Surrey County with the public having access to either an automotive or cooking fuel for their convenience in different parts of the country. That brand has also become synonymous with helping the community through corporate social responsibility (CSR) and enriching the lives of persons in those surrounding areas.

As chairman of RPL, I thank the CEO for inviting me along this journey as the company's chairman and I extend my appreciation to everyone who has contributed to the growth of RPL over these last five years. RPL will be setting new heights in the 2025 financial year which will be achieved through determination, courage, and faith. We encourage customers, shareholders, and other stakeholders to continue with us on our journey for greater opportunities in the coming years and beyond.

**Dr. André Foote**  
Chairman



## CEO's Statement

**Andrew Williams**

Founder & Chief Executive Officer  
Regency Petroleum Company Limited

On behalf of the Board of Directors, I present to you the performance and activities of Regency Petroleum Company Limited or "RPL" in 2024.

### Dear Shareholders,

2024 was a phenomenal year for RPL as we opened our Negril service station in January, delivering on our commitment to investors as detailed in our initial public offering (IPO). The company also brought on board DW People's Choice Company Limited based in Whithorn, Westmoreland under the RPL umbrella in July. This represented the first dealer-owned dealer-operated (DODO) business to begin a franchise with RPL which began operations in January 2019. We subsequently opened our Spanish Town Road service station in late December to bring RPL's third full-service station into operation, with this location also being company-owned company-operated (COCO). Thus, RPL's footprint extended to five locations in Jamaica after five years of operations, a sight I'm proud to behold.

Our top line expanded by 76% to \$1.63 billion as the company recorded sales from the new Negril and Paradise Pen service stations while improving the retail and bulk side of the LPG business. This was a monumental achievement for the company as it represented the first time that revenue surpassed the \$1 billion mark in what was our fifth year of operations. This dream was made possible not only by our loyal customers, but from nearly 7,000 investors putting almost \$300 million in equity capital into the company during its December 2022 IPO. I must extend grace, sincerity and appreciation to everyone who has placed their trust into RPL over the last two years.

With the inclusion of these new service station locations, RPL's operating profit increased 92% from \$49.54 million to \$95.22 million. After accounting for costs related to our bond and other finance expenses, RPL's net profit grew 90% from \$45.76 million to \$86.85 million, a commendable feat for a very young company. We expect all these figures to be considerably higher in 2025 as we gain exposure to the St. Andrew parish from our new service station.

The company's stock price increased by 36 per cent during the year from \$2.42 to \$3.30, with the stock peaking at \$3.46 on December 31. Additionally, RPL welcomed Barita Investments Limited, a new institutional shareholder, which has become the third largest owner in the

company. The continued growth in the stock price and entrance of another significant investor reaffirms the confidence the market has put in your company and its latent growth potential.

Subsequent to the year end, there was a fire at a commercial property adjacent to our Savanna-la-Mar head office and service station on February 19. Thanks to the efforts of the Jamaica Fire Brigade and the hardworking RPL team members, there was no injury to anyone at that location and no damage to any of RPL's operations. The service station component at the location had to be closed for a couple weeks as the authorities did their investigations into the cause of that fire. While this was an unfortunate event, this location makes up less than one per cent of the company's revenue and won't have a deleterious effect on our earnings in the first quarter of 2025.

With a strong platform of three full-service stations, RPL has started 2025 on a strong note as our earning capacity and market reach have improved once again. We look forward to understanding the strength of these locations, which will guide us in our next major decision. There are different opportunities in front of the company for new locations and partnerships, but the company will announce these decisions in short order as they materialise.

The company will focus on maximizing volumes during 2025 as we seek to demonstrate value for money through our service station and LPG business. We intend to continue investing in new cylinders for the LPG business as the retail and bulk business maintain their organic growth trajectory. We remain committed to our customers, stakeholders, and shareholders through the delivery of a quality product and quality service. I extend thanks to other members of RPL's Board of Directors for their guidance throughout the year. I look forward to meeting with our shareholders at our annual general meeting (AGM) and welcome everyone to watch our quarterly earnings calls, which is an avenue we utilize to keep our shareholders abreast of the ongoing developments.

**Andrew Williams**  
Founder & Chief Executive Officer

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of REGENCY PETROLEUM COMPANY LIMITED (The Company) will be held on **Monday June 2, 2025, at 3:00p.m. at the Courtleigh Hotel, 85 Knutsford Boulevard, Kingston 5, St Andrew** to consider and, if thought fit, pass the following

## Resolutions:

### ORDINARY BUSINESS:

To receive the report of the Directors and the Audited Financial Statements for the year ended 31 December 2024:

#### Resolution No. 1

"THAT the Audited Accounts and the Reports of the Directors and Auditors for the year ended December 31, 2024, be and are hereby received and adopted."

To appoint Directors:

Article 102 of the Company's Amended Articles of Incorporation provides that at the annual general meeting subsequent to the first Annual General Meeting of the Company 1/3 of the Directors (except the Managing Director) shall retire every year. One (1) director will retire under this Article - Director Radcliffe Knibb who being eligible offers himself re-election.

#### Resolution No. 2

"THAT Director Radcliffe Knibb retiring by rotation and being eligible for re-appointment be and is hereby re-elected a Director of the Company."

3. To fix the remuneration of the Directors.

#### Resolution No. 3

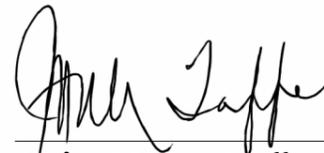
"THAT the amount of \$1,050,000.00 included in the Audited Accounts of the Company for the year ended December 31, 2024, as remuneration for their services as Directors be and is hereby approved."

To appoint the Auditors and authorize the Directors to fix the remuneration of the Auditors.

#### Resolution No. 4

"THAT McKenley & Associates, Chartered Accountants, having signified their willingness to continue in office as Auditors, be and are hereby appointed Auditors for the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company."

DATED THIS **10th** day of **March 2025**  
BY ORDER OF THE BOARD



**Janice A.M Grant Taffe**  
Corporate Secretary

**REGISTERED OFFICE: 93 Great George Street,  
Savanna la Mar, Westmoreland**

*A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her stead. A Proxy need not be a member of the Company.*

*If you are unable to attend, we enclose a Form of Proxy for your convenience. This should be completed and deposited with the Secretary at the Registered Office of the Company, at 93 Great George Street, Savanna-la-Mar, Westmoreland, not less than 48 hours before the time appointed for the meeting. The Proxy Form should bear stamp duty of \$100.00 before being signed. The stamp duty may be paid by adhesive stamps and cancelled by the person signing the Proxy.*



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# Board of Directors' Report

The Directors are pleased to submit their Report and the Audited Financial Statements for the year ended December 31, 2024. The Financial Statements reflect the consolidated results of Regency Petroleum Company Limited.

Operating Results	2024 (in J\$)	2023 (in J\$)
Profit before Tax	86,846,326	45,755,883
Taxation	-	-
Net Profit	86,846,326	45,755,883
Shareholders' Equity at open	434,792,036	388,827,627
Share Capital at open	260,152,400	260,152,400
Shares issued	-	-
Share Capital at end	260,152,400	260,152,400
Retained Earnings at open	174,431,110	128,675,227
Exchange reserve	17,440	208,526
Retained earnings at close	261,277,436	174,431,110
Shareholders' Equity at close	521,447,275	434,792,036

### Dividends

No dividends were declared during the year ending December 31, 2024.

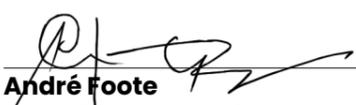
### Directors

The Directors of the Company as at December 31, 2024, were Andre Foote, Edgar Bennett, Andrew Cocking, Radcliff Knibbs and Andrew Williams. In accordance with Article 102 of the Company's Amended Articles of Incorporation only one (1) director is required to retire this year. Director Radcliff Knibbs retires under this Article and being eligible, offers himself for re-election.

### Auditors

The retiring Auditors, McKenley & Associates, Chartered Accountants, having agreed to continue in office as Auditors, will do so in accordance with the provisions of Section 154 of the Companies Act. A resolution authorizing the Directors to fix the remuneration of the Auditors will be presented at the Annual General Meeting.

**On behalf of the Board of Directors,**

  
**André Foote**  
 Chairman

March 10, 2025

Date

# Board of Directors & Management Team



**Dr. André Foote**  
Independent Non-Executive  
Chairman

Dr Andre Foote was the chairman of the Universal Access Fund Company Limited from 2009 to 2011. He was the deputy chairman of the National Land Agency from 2016 to 2020 and is presently the chairman of the Footprints Hotel in Negril. He has been a practising dentist for over 25 years, having completed a doctorate in dental surgery at Howard University in 1987. He served as director of the Medical Associates Hospital between 2010 and 2012. He holds a Master of Business Administration from Nova Southeastern University.



**Andrew Williams**  
Chief Executive Officer

Andrew Williams is the founder of Regency Petroleum Limited. He has been involved in the sale and distribution of petroleum products since 2009. He is a consultant and part-owner of Batteries and Accessories - a four-decade-old family-owned business involved in trading auto parts and tyres. An entrepreneur at heart, he was a co-founder and former managing director of Master Lube Limited a company involved in the distribution of mineral-based lubricants. He is a director of AI Construction Company Limited and a partner in Central Supplies and Construction trading as Central Gases. He completed a Bachelor of Science in Accounting from the University of the West Indies. He is also a Justice of the Peace in the parish of Westmoreland.



**Radcliff Knibbs**  
Independent Non-Executive Director

Radcliff Knibbs is the Chairman of Paramount Trading (Jamaica) Limited, a chemical company listed on the Junior Market of the Jamaica Stock Exchange. He is the co-managing director of CMK Bakery Limited, a Juici Beef Limited franchisee. He is also the managing director of CMK Properties Limited, a property development company. He was the managing director of Inglewood Investments Limited, a Juici Beef Limited franchisee, between 1989 to 1991 and 2007 to 2015. He received a Bachelor of Science in Pure and Applied Chemistry from the University of the West Indies in 1983. He later went on to complete an Executive Masters in Business Administration from Florida International University in 2002.



**Edgar Bennett**  
Independent Non-Executive Director

Edgar Bennett is a qualified accountant and a member of the Association of Chartered Certified Accountants. He holds a Bachelor of Science in Accounting

and Economics from the University of the West Indies and a Master of Science in Forensic Audit and Accounting from the University of South Wales. He began his professional career in 2000 with PricewaterHouseCoopers (PwC) in Kingston as an external auditor. He later transitioned to internal auditing and became the Senior Group Internal Auditor with J. Wray & Nephew Limited.

After completing his Master's Degree in the United Kingdom, he returned to Jamaica and joined Sagicor Group as head of the Financial Controls and Quality Assurance Unit for Banking and Investments. He is currently the Financial Controller of the Cayman Islands Development Bank.



**Andrew Cocking**  
Independent Non-Executive Director

Andrew Cocking is the current director of the JMMB Group Limited. He has 37 years of experience in banking, with over 33 years at the senior management level. Prior to his directorship at the JMMB Group, he was the Deputy Group President of Capital & Credit Financial Group (CCFG). During his time at CCFG, he was responsible for the strategic development of international business. In addition, he also spearheaded the negotiations for the merger of CCFG and JMMB Group. He has served on many boards in both the public and private sectors, including Cable & Wireless (Jamaica) Limited and the HEART Trust NTA. He holds a Bachelor of Science in Civil Engineering from Howard University and a Master of Science in Management and Public Policy from Carnegie Mellon University.



### Janice Grant Taffe

Company Secretary

Janice Taffe is an Attorney-at-Law with over 30 years of experience with the Sagcor Group of Companies, working in various executive roles and up to her retirement in July 2021, held the position of Senior Vice President, General Counsel and Corporate Secretary. She is a member of the Jamaican Bar Association and has served as a member of its Continuing Legal Education Committee. She holds a Bachelor of Laws Degree from the University of the West Indies and a Legal Education Certificate from the Norman Manley Law School. She holds a Certificate in Foreign Investment Negotiations from the International Law Institute and has pursued several Corporate Governance courses. Among her significant accomplishments as a corporate governance professional, is her assistance with the introduction of the Corporate Governance Index for listed companies and collaboration in the delivery of Annual Reports by electronic means.



### Dilton Pike

Fire Protection, Training and Safety

Dilton Pike has been involved in fire safety and prevention for over 22 years. First as a firefighter between 1998 and 2005 and then as an instructor and fire prevention officer for the parish of St. Elizabeth. He is a Justice of the Peace for St. Elizabeth.

## Supporting Consultants



### Jerry Grant

Financial Controller

Jerry Grant has over 35 years of experience in the accounting profession spanning various industries, including agriculture, tourism and property development. He is proficient in the use of spreadsheet applications, word programs and various types of accounting software. He has extensive experience in financial statements preparation, business advisory services, cash flow projections, and tax-related matters. He is the Managing Partner of Grant's Accounting Services, located in Montego Bay, Jamaica. He holds a Master of Business Administration in Finance from the University of Technology in Jamaica.



### Lancelot Anderson

Accounting Consultant

Lancelot Anderson is an accountant with over 40 years of experience in the financial sector in the areas of Accounting, Risk Management and Compliance. He has held several senior positions in financial institutions including the National Commercial Bank and the GraceKennedy Financial Group. He has also served on various boards most recently the NCB Employee Corporative Credit Union (NCBECCU). He is a Fellow of the Institute of Chartered Accountants of Jamaica. He holds a Bachelor of Science in Management Studies and a Master of Science in Accounting from the University of the West Indies.

## Management Team



**Amanda Williams**  
Executive Vice President



**Mr. Wazim Williams**  
Executive Co-ordinator & Internal Accounting



**Mrs. Leteshia Porter**  
Operations Manager



**Mr. Oneil Smith**  
Retail Sales Co-ordinator



**David Jackson**  
LPG Plant Manager

# CORPORATE GOVERNANCE REPORT

The Board of Directors of Regency Petroleum Company Limited (RPL, or 'the Company') remains committed to ensuring that it operates within a sound Corporate Governance framework. The Company's Board of Directors has collective responsibility for directing the Company's affairs and ensuring that the corporate strategies and goals are pursued for the benefit of all stakeholders.

The Board is guided by the Company's Corporate Governance Policy which is based on the Private Sector of Jamaica's (PSOJ's) Code, the Securities Act and the Rules of the Jamaica Stock Exchange Junior Market and international best practices.

Corporate Governance Index Rating: The company attained a rating of "BB" (74.6%) for the period 2023/2024. This rating demonstrates the commitment of RPL to the standards of corporate governance since this is the first year that it participated in the Jamaica Stock Exchange's (JSE's) Corporate Governance Index (CGI) review. This index measures how well a company conforms to the various principles of corporate governance practices against international best practices and legal and regulatory requirements. The rating measures the company against other listed companies for the 2023/2024 period and RPL considers this a commendable accomplishment as it is now well positioned to attain even higher ratings going forward.

The Company has a Board-approved Corporate Governance Policy which is available on the Company's website: [www.rplgas.com/investor](http://www.rplgas.com/investor). Shareholders who have queries can direct them to the Investor Relations Officer by emailing: [info@rplgas.com](mailto:info@rplgas.com)

**BOARD COMPOSITION**

The members of the Board of Directors have the expertise required to operate the affairs of the Company. The members each bring to the company’s deliberations, expertise spanning diverse businesses and are qualified, objective and committed to the effective discharge of their duties. The names of the directors and their qualifications are set out in the Directors’ Profile section of this Report.

The Board meets at least quarterly to ensure effective oversight, strategic governance, and a thorough approach to analysis in directing the Company to realize its vision and handle its various obligations. The core competencies of the members are as follows:

KNOWLEDGE AND EXPERIENCE	Andre Foote	Edgar Bennett	Andrew Cocking	Radcliff Knibbs	Andrew Williams
Business management experience at the leadership level	✓	✓	✓	✓	✓
Financial accounting	✓	✓	✓	✓	✓
Corporate finance		✓	✓	✓	✓
Information Technology		✓		✓	✓
Retail distribution or marketing				✓	✓
Corporate Governance	✓	✓	✓	✓	
Human Resource					✓
Risk management		✓	✓		✓
Legal					



**DIRECTORS’ INDEPENDENCE:**

The Corporate Governance Policy stipulates that the number of independent non-executive directors should be no less than one third of the members of the Board. The policy defines an Independent Director as one who meets the following criteria:

has not been an employee of the company or group within the last three years;

has not nor has had within the last three years, a material business relationship with the company either directly, or as a partner, shareholder, director, or senior employee of a body that has such a relationship with the company;

has not received or does not receive additional remuneration from the company apart from a director’s compensation, participates in the company’s share option or a performance-related pay scheme;

has no close family ties with any of the company’s advisers, directors, or senior employees;

does not hold any cross-directorships or has significant links with other directors through involvement in other companies or bodies;

does not represent a significant shareholder.

The criteria of independence ensure that directors holding office are free of any conflicts of interest, position, association or relationship that might influence or reasonably be perceived to influence, in a material way, his or her capacity to bring an unbiased judgment to bear on issues before the Board and to act in the best interest of the entity and its stakeholders generally.



**BOARD COMPOSITION**

As at December 31, 2024, the Board is comprised of five (5) directors, four of whom are Independent Non-Executive directors. The Chief Executive Officer sits as Executive Director and is therefore not considered independent. In addition to the four (4) independent directors, the Company has a Mentor Director who is Independent and non-Executive. The composition of the Board complies with the company’s Corporate Governance Policy. Dr. Andre Foote was appointed Chairman of the Board since inception of the Company and in this position, the Board reposes great confidence in his leadership of the Company.

The following are the four (4) independent members of the Board:

**Dr. Andre Foote**  
Chairman & Independent Director

**Mr. Edgar Bennett**  
Independent Director

**Mr. Andrew Cocking**  
Independent Director

**Mr. Radcliff Knibbs**  
Independent Director

In addition, the company has appointed Mr. Hugh Graham as the Mentor Director.

The Board’s structure signals a clear division of responsibilities between the Board and Management with the composition of predominantly independent directors.

## CONFLICTS OF INTEREST

The Company is guided by the provisions of its Articles of Association in dealing with directors' interest to avoid any exploitation of property, information, or opportunity, whether the Company could take advantage of it. Further to this, the Board adopted an Insider Trading Policy and established guidelines for dealings in the Company's securities. The Corporate Governance Policy also recognizes the need for the implementation of Whistleblowing guidelines which will allow employees to make anonymous complaints to an independent resource. Management has been charged with the responsibility for its implementation.

## BOARD EVALUATION

One of the key pillars of a successful corporate governance framework is the assessment of the performance of the Board as a whole. The Board Evaluation for the performance year 2024 was launched in February 2025 and the findings discussed at a subsequent meeting of the Board held in March 2025. Arising from this review, several strengths were noted. An Action Plan to close gaps identified was developed for the Board to strengthen its performance.

## BOARD TRAINING

Directors' training is a key component of the Board's performance, and a training plan has been developed. The following training sessions were conducted:

Corporate Governance by Dr. Axel Kravatsky, October 2024.

Environment, Social and Governance (ESG) by CorpCare, March 20, 2024

Management participated in the training in Sexual Harassment Policy conducted by the Jamaica Stock Exchange in August 2024.

## DIRECTORS' MEETING ATTENDANCE:

For the year under review, the Board met four (4) times, as outlined in the Attendance Report below.

The meetings were held in hybrid or in-person formats and facilitated ongoing assessments of the company's performance against agreed targets and the Company's overall governance. Discussions were robust and provided management with guidance in achieving its deliverables.

## RE-ELECTION AND APPOINTMENT OF DIRECTORS

Article 102 of the Company's Amended Articles of Incorporation provides that at the annual general meeting after the first Annual General Meeting of the Company one-third of the Directors (except the Managing Director) shall retire every year. One (1) director, Director Radcliff Knibbs will retire under this Article and being eligible for re-election, has offered himself for re-election.

## BOARD COMMITTEES

As at December 31, 2024, the Board has established four (4) Board Committees to provide support to the discharge of the directors' duties and responsibilities.

The Committees are:

- the Audit Committee
- the Remuneration Committee
- the Environmental and Risk Committee
- the Corporate Governance Committee.



Access our Corporate Governance Policy Here



### Audit Committee

The Company has a Board-approved Audit Committee Charter which sets out the duties and responsibilities of the Committee. A copy of the Charter is available on the Company's website: <https://rplgas.com/investor>

The Audit Charter provides that the Committee shall be comprised of three (3) Non-Executive Independent Members of the Board. The Executive Management Team attends meetings as deemed necessary. The Audit Committee reports to the Board Meetings and provides assurance in the areas of financial reporting, compliance with legal regulatory requirements, internal controls, risk management, internal and external audits, and corporate governance.

The Committee held four (4) meetings during the period and reviewed the Company's unaudited quarterly financials and recommended their approval to the Board of Directors. The members of the Audit Committee are as follows:

#### Audit Committee Members

Edgar Bennett -	Independent Chairman
Andrew Cocking -	Independent Member
Radcliff Knibbs -	Independent Member

The CEO, who is a director, attends on behalf of Executive Management as an invitee.

### Corporate Governance Committee

The Corporate Governance Committee was appointed in 2024 and is comprised of Independent Non-Executive members. The Committee's mandate is to consider and approve policies and to oversee the governance framework of the company.

The committee met twice for the year to consider and approve policies and to review the findings of the Board Evaluation survey.

Edgar Bennett -	Independent Chairman
Andrew Cocking -	Independent Member
Radcliff Knibbs -	Independent Member

### Remuneration Committee

The members of the Remuneration Committee are all Independent Non-Executive directors and were appointed during the review period. These are:

Andrew Cocking -	Independent Chairman
Dr. André Foote -	Independent Member
Edgar Bennett -	Independent Member

### Environmental Risk Committee

The members of the Environmental Risk Committee were appointed in November 2022 and comprise the following members:

Andrew Williams -	Non-Independent Chairman
Andrew Cocking -	Independent Member
Edgar Bennett -	Independent Member

### Risk Management

Arising out of the Board review, the company will be taking steps to bolster its risk management framework given the inherent risks associated with its operations. Although management is already aware of the top risks which are likely to impact its business, an independent assessment of the risk framework will be undertaken, before implementation of additional measures.

### Environment, Social and Governance

In 2024, the Board continued its commitment to establish an Environment, Social and Governance (ESG) framework. As a first step, all directors and management attended training in ESG to build awareness and gain a better understanding of what it means to the business. The next steps will include the roll out of its ESG Agenda in line with its core values and current activities.

This is expected to evolve over the next 2 years. In the interim, the Company continues its corporate social engagement within the communities in which it operates through a strong and vibrant programme of corporate social responsibility activities. Through these initiatives, the Company will work through these partnerships to improve the lives of the constituents and ensure the sustainability of its operations.



Directors' Attendance and Participation at Board and Committee meetings

The attendance and participation by directors continue to be robust during the year 2024 as shown in the table below:

Name of Directors	AGM	Board	Audit	Corporate Governance	Environmental Risk **	Remuneration*
<b>Edgar Bennett</b>	1/1	4/4	4/4	2/2	-	-
<b>Andrew Cocking</b>	1/1	4/4	4/4	2/2	-	-
<b>Andre Foote</b>	1/1	4/4	NM	NM	-	-
<b>Radcliff Knibbs</b>	1/1	4/4	4/4	2/2	-	-
<b>*Andrew Williams</b>	1/1	4/4	4/4	2/2	-	-

Attended as an invitee

\*\* Although established, the committees have not yet met.

NM-Non-member

## DIRECTORS' FEES

The Non-Executive Directors are paid a fixed fee of \$70,000.00 per board meeting attended, with there being no additional payments made for sub-committee meetings. For the period under review total directors' emoluments amounted to \$1,050,000.00 and are disclosed in the Company's audited financial statements. Executive Directors do not receive fees for attending Board or Committee meetings.

## Stakeholder Engagement

RPL is firmly committed to adhering to the highest standards of corporate governance and ethical conduct. The Board, along with Management, believes that accountability and transparency in its decision-making process will help to serve its customers and other stakeholders better and enhance shareholder value. In so doing, the company provides its shareholders with the opportunity to engage the Board and Management during a question-and-answer session at the Company's Annual General Meeting. The Annual General Meeting (AGM) for the financial year 2023 was held face-to-face whilst allowing shareholders to participate in the meeting via electronic means. The Shareholders were fully engaged in this hybrid meeting, and questions were posed

both from among the shareholders attending in person and those online; these were adequately addressed by the Management team.

Additionally, shareholders and investors are invited to virtual investor briefing sessions held throughout the year. Four (4) sessions were held in 2024, at which shareholders were briefed on the company's performance and the outlook for the coming periods. Shareholders can email their queries about company news and new strategies to the email address: [info@rplgas.com](mailto:info@rplgas.com). The Minutes of the Annual General Meetings (AGM), including questions asked and the responses given, are prepared, and made available to shareholders for review on the Company's website ([www.rplgas.com/investor](http://www.rplgas.com/investor)) and at the next AGM. Shareholders may also request a copy of the Minutes by sending an email to [info@rplgas.com](mailto:info@rplgas.com)

## Disclosure obligations

The Company has complied with disclosure obligations by providing investors and shareholders with timely and open disclosure of the company's performance. All financial reports and market sensitive information are released to the investing public through the Jamaica Stock Exchange (JSE) in compliance with applicable regulations and guidelines.



# FY2024 At a Glance



## Executive Summary

RPL achieved a transformative year with robust operational execution and scalable growth in 2024. Market presence and revenue were both enhanced through strategic acquisitions and investments as the company continues to transition toward sustainable and efficient operations. With laser-focused capital discipline and cost efficiency measures, the company realized strong profitability once again.



## Operational Highlights

The company was able to increase revenue by 76% year-over-year from J\$928.76M to J\$1.63B, making 2024 a milestone year where RPL surpassed the J\$1B mark for the first time in the company's history. Other key achievements included the integration of two (2) more service stations during the period – DW People's Choice Company Limited (a dealer-owned, dealer-operated station in Whithorn, Westmoreland) and the much-anticipated Spanish Town Road location of RPL. RPL continues to work towards improved decision-making efficiency and safety metrics, prioritizing overall performance and shareholder value.



## Financial Performance

Gross profit increased by 104%, landing at \$248.41 million, reflecting the operation of the two (2) service stations that joined the RPL portfolio in 2024. Even though expenses grew by 109% because of the additional stations, increased staff and security costs, the realization of lower product costs allowed the company to realize an increased gross profit margin year-over-year, ending the period at 15.22%.



## Financial Position

Total assets increased by 25%, primarily driven by investments of more than \$93.83 million into service station assets and LPG cylinders, which fall under property, plant, and equipment (PP&E). Net trade receivables decreased by 7%, while cash and cash equivalents decreased by \$54.34 million year-over-year as the company continued to invest in PP&E to support future growth. Total liabilities rose by 34% as the new lease is now recognized on our books.



## Shareholder Information

Shareholders' equity grew by 20%, as retained earnings improved from another profitable year of growth. The top ten shareholders showed confidence in the future of the company as they increased their holdings to 94.16%.



## Risk Report

Some of the key risks identified for RPL include:

- Credit Risk: This exists on the LPG side of the business and is mitigated by closer management of terms and a shift in the approach to credit and recovery.
- Execution Risk: The build out and renovation of service stations can be impacted by many external factors, causing delays in completion timelines and missed revenue targets. Active risk management and the development of targets with the risks in mind, provide the best mitigation.
- Safety Risk: Petroleum products can be volatile and pose a potential risk whenever being handled. Our staff are trained in safety protocols and procedures to minimize harm, loss and damage.

Revenue (up 76%)

# \$1.63B

End of period share price

# \$3.30

Market Cap

# \$4.74B

LPG Contribution to Revenues

# 8%

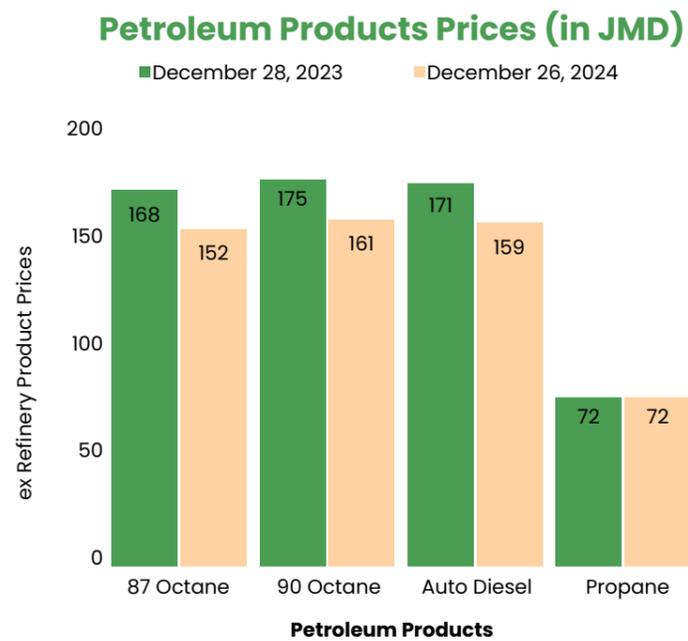


Figure 1: ex Refinery Product Price comparison year-over-year by product

The company does not control the market prices offered on petroleum products; however, the petroleum product prices do impact our revenues and ultimately, our profits, so it is worth noting the changes year over year.

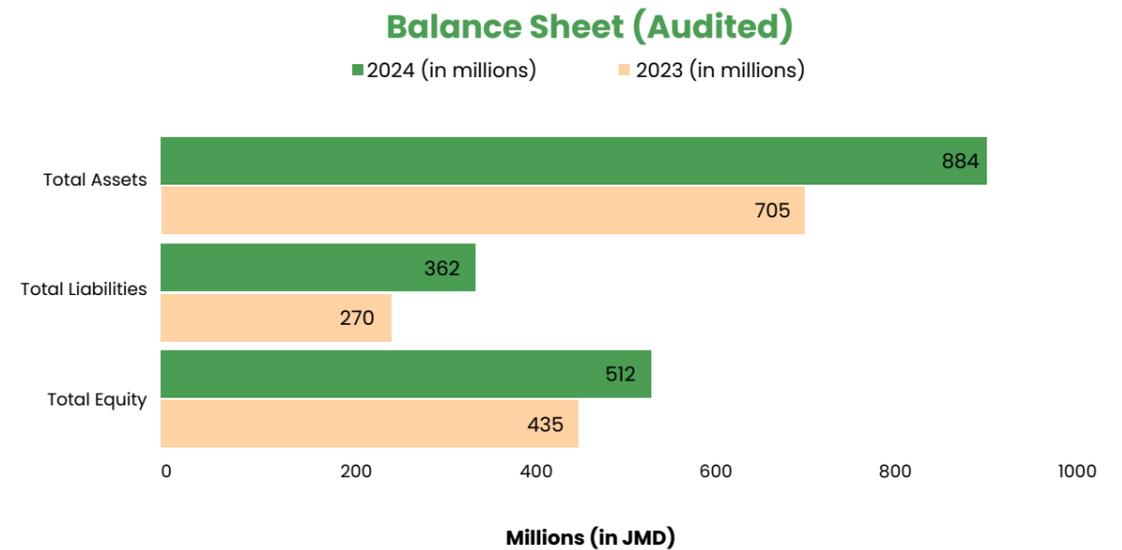


Figure 2: Summary of RPL's audited balance sheet for financial year ended December 31, 2024.

Total Assets grew by 25% for the reporting period due to the continued investment in plant, property and equipment, as expansion continues. Liabilities increased based on the lease now being realized. The bond, with a due date of September 2025, was also reclassified from non-current to current.

### Income Statement Summary

	2024 (in millions)	2023 (in millions)
Revenues	1,632	929
Gross Profit	248	122
Net Profit	87	46

Figure 3: Summary of RPL's audited Income Statement for the financial year ended December 31, 2024.

Revenues saw an increase of 76% during the reporting period. Net profit increased by 89%, even with increased staff costs. This was mainly due to the lower product costs from the supplier.

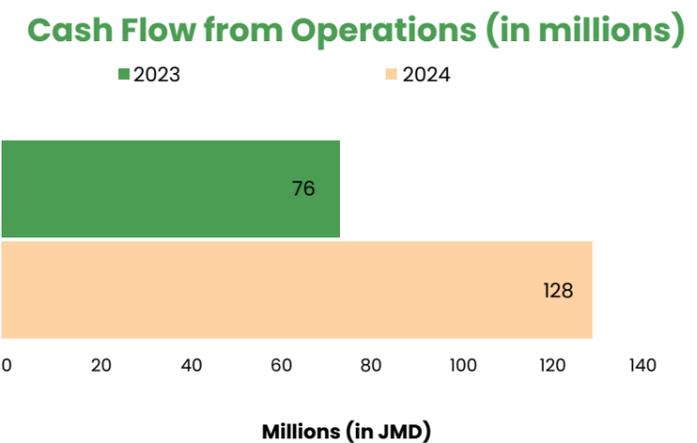


Figure 4: Change in RPL's cash flow from operations year over year

Operational cash flow increased with the addition of two (2) service stations to the company's portfolio.



## Management Discussion and Analysis (MD&A)

The Management Discussion & Analysis (MDA) is to be read in conjunction with the audited financial statements for the period ending December 31, 2024. The financial information of Regency Petroleum Company Limited ("RPL") is presented below in Jamaican Dollars (JMD) which is the functional currency of the company. These financials conform to International Financial Reporting Standards (IFRS) as prescribed by the International Accounting Standards Board (IASB).

RPL is a petroleum marketing company licensed to distribute bulk petroleum products. The company's sales involve liquified petroleum gasoline (LPG)/cooking gas and transportation fuels. RPL also operates service stations which involves the sale of gasoline to retail customers and sale of regular products inside the convenience store.

**Dear shareholders,**

2024 was a fantastic year for Regency Petroleum Company Limited (RPL) as we continued our expansion efforts to further grow shareholder wealth while overcoming different hurdles. The company was able to grow revenue by 76% from \$928.76 million to \$1.63 billion, the first time the company

has surpassed the \$1 billion mark. This improvement in revenue was due to the company opening its Negril location in January 2024 while benefiting from a full year of revenue contribution from the Paradise Pen location which only contributed to five -months of revenue during 2023.

While the company continues to grow its automotive fuel segment, the share of revenue from the LPG segment will naturally decline as the company opens more service stations and enters new partnerships. LPG remains the core of RPL and will continue to grow to new heights through organic growth efforts. The LPG segment made up 8% of revenue during 2024 compared to 24% in 2023 and 18% in 2022.

Gross profit increased by 104% from \$121.76 million to \$248.41 million as the company had more service stations during the period while incurring higher trucking costs to move more volumes of fuel. Also, with lower prices observed from Petrojam, our gross profit margin increased from 13.11% to 15.22%.

The company doesn't control the market prices offered on petroleum products and instead directs its attention on volumes and gross profits.

Our total expenses grew by 109% from \$73.70 million to \$153.92 million largely from the opening of our new service stations, which would have been absent in the prior comparative period. Thus, staff costs and security costs would have had a significant year-on-year increase as the company would be incurring more expenses to operate these new stations. Also, there would have also been higher associated costs related to these line items due to changes in minimum wage and compensation structure in early 2024. Line items like depreciation moved from \$19.34 million to \$39.20 million as the company continued to expand its cylinder count for the LPG business. RPL spent more on advertising and promotional costs during the year as it needed to continue building the company's brand.

One expense being reflected in the 2024 period is a \$5.12 million expected credit loss (ECL) charge. This ECL charge is required by IFRS 9 due to the company having one client in the LPG business whose receivable balance was deemed problematic. The company has worked out a payment plan for this client to pay off this receivable balance while they currently pay upfront with cash for any future orders.

Despite the company having higher operating expenses, our operating profit/ profit before finance costs improved 92% from \$49.54 million to \$95.22 million. RPL's finance costs were 122% higher at \$8.38 million as the company incurred a higher lease liability charge from our new locations while our bank charges doubled due to the company processing more commercial activity at our service stations.

The company's profit before tax and net profit increased 90% from \$45.76 million to \$86.85 million with earnings per share moving from \$0.032 to \$0.060. Due to the company being listed on the Junior Market of the Jamaica Stock Exchange (JSE), we currently incur no income taxes until December 2027.

RPL's total assets jumped 25% from \$704.94 million to \$883.58 million as the company invested more than \$93.83 million into its service station assets and LPG cylinders, which fall under property, plant and equipment (PP&E) that closed 2024 at \$490.41 million. We also invested an extra \$85.32 million in gas cylinders for the retail

segment of our LPG business. It should be noted that the \$170.75 million in deferred expenditure and \$83.02 million in deposit on deferred lease expenses under receivables are expected to be set off against the company's future lease payments at the Spanish Town Road and Negril service stations, respectively. The company did not record an inventory balance related to the Paradise Store in its financials as it tested a short-term lease for the operation of that store. The inventory was included in that lease agreement.

Net trade receivables decreased 7% from \$23.35 million to \$21.81 million as the company recorded a higher ECL charge on its past due over 91 days balance. Four-fifths of the \$16.82 million past due over 91 days gross balance is related to one client which is actively reducing this balance. Otherwise, RPL has become a lot stricter on credit terms in the bulk segment of our LPG business. The company also collected the related party balances owed by Central Supplies & Construction and a director during the year. The company's cash and cash equivalents ended the year down from \$67.10 million to \$12.76 million as the company invested significantly in its PP&E to facilitate future growth.

Our total liabilities rose 34% from \$270.15 million to \$362.13 million largely because of our new lease being recognised on our books. The company's bond was reclassified from non-current to current at the end of 2024 due to it being due in September 2025. The company intends to refinance this bond in short order. RPL's payables balance naturally increased from \$47.95 million to \$64.07 million from higher business in the motor fuel and LPG businesses. However, our positive relationship with our suppliers has resulted in the company benefiting from additional time to settle our payables.

Shareholders' equity grew 20% from \$434.79 million to \$521.45 million as retained earnings improved from another profitable year and the foreign exchange reserve. Our top ten shareholders also increased their interest in the company from 92.92% to 94.16% as the company saw the entrance of new shareholders and further purchases by the largest owners.

PetroJam Prices	December 26, 2024	September 26, 2024	June 27, 2024	March 28, 2024	December 28, 2023
87 Octane	\$151.7828	\$166.9628	\$174.1628	\$172.3928	\$168.4528
90 Octane	\$160.7487	\$175.9887	\$182.1487	\$178.4987	\$174.5587
Auto Diesel	\$159.2003	\$163.4003	\$176.1603	\$179.5503	\$170.9903
Propane	\$71.5636	\$70.9736	\$71.1636	\$71.2737	\$72.4437

**Service Station update**

The company has been working overtime since 2023 to complete its Spanish Town Road service station in St. Andrew. However, the location was affected by heavy rains in late 2023 which delayed certain parts of our original timeline. Apart from those events, the final timeline was further affected by a need to settle final invoices with our construction partners during the second quarter of 2024.

Jamaica subsequently experienced the passage of Hurricane Beryl in July which left significant damage to the South Coast of the island. The damage to the electricity grid in that area of the island resulted in the Jamaica Public Service Company (JPS) spending additional time and resources

to restore power in the affected areas. This resulted in the calibration of our fuelling equipment being delayed since JPS pushed back their available timelines on 'powering' different buildings and structures. A consistent and steady supply of power is required for the successful operation of our locations.

After being delayed for some time, the company was able to bring this location into operation during December 2024 and officially opened it in January 2025. This brought the company's footprint to five locations with Negril, Paradise Pen and Spanish Town Road being full-service stations which offer the different options of automotive fuel to the commuting public.

The company also opened its first franchise location during Q2 2024 with DW People's Choice Company Limited in Whithorn, Westmoreland. The company provides technical support and the sale of fuel to this service station which displays RPL branding. We are proud that the owners of DW People's Choice have vested their confidence in RPL and look forward to adding other service stations under similar partnerships.

After officially opening our Negril location in January 2024, the company announced during the second quarter our move to make this location open 24 hours a day from Monday to Saturday. This decision was aligned with the performance of the new station and aim

to make the location an attractive option for commuters to do their business. We also offer a \$3 per litre discount on our self-serve option at this same location which became our highest volume-based location in 2024.

Another major development that we announced in Q2 2024 was our decision to close our service stations on Sundays to give our team members a day of rest, relaxation and peace. By taking this step, we aim to foster an environment where our employees can rest, spend quality time with their families and loved ones, or engage in worship if they choose. This move doesn't undermine our aim to grow the business, but we look at it as a step to respect our team members.

Operator	Station location	Station Type	Status
RPL	Savannah La-Mar, Westmoreland	COCO	Operating
RPL	Negril, Westmoreland	COCO	Operating
RPL	Paradise Pen, Westmoreland	COCO	Operating
RPL	Spanish Town Road, St. Andrew	COCO	Operating
DW People's Choice Company Ltd	Whithorn, Westmoreland	DODO	Operating

COCO – Company owned; company operated. | DODO – Dealer owned; dealer operated.



Figure 5: RPL service station locations in Jamaica

Introducing

# RPL CLUB MEMBERSHIP

**Redefining luxury**

## Risk Report

RPL's growing business exposes it to different risks that come along with the nature of being a petroleum marketing company. Some of these risks and relevant measures are contained below:

**Credit Risk:** RPL extends credit terms to customers on the LPG business which creates the risk that receivables might not be collected in full. Guidelines established under IFRS 9 require the company to apply a provision for the possibility of being unable to recover these receivables. RPL manages credit terms very carefully with its customers and seeks to collect as quickly under established arrangements. The company has penalties in place for customers who do not effectively honour their terms. RPL has managed to recover 'bad debt' from some customers who paid down their balances and must rebuild their credit terms over time. As a result, they pay upfront rather than later. RPL's motor fuel business does not typically have receivables as customers pay up front for the purchase of fuel.

**Execution Risk:** The development of the company's service stations can be impacted by factors beyond our control which can delay the completion of a location. During 2024, RPL was impacted by delays at our Spanish Town Road property due to final invoice settlements with our main contractor and the passage of Hurricane Beryl. Although the company completed the location within its budgeted timelines, it did not meet the timelines mentioned to shareholders during the year. We apologise for these missed commitments and have used this experience to better understand how we communicate timelines to investors. This experience also reiterated the risk we face in the development of any new service station which can have a different timeline for operation due to several external factors.

**Safety Risk:** RPL is involved in the business handling the purchase and sale of petroleum products which can pose a risk in any unexpected scenario. As such, all staff are trained in adequate safety procedures when working with any client and what to do in any safety event. This risk is discussed weekly at the company's meetings across its various locations. The company also maintains all relevant safety certifications from relevant authorities such as the Bureau of Standards Jamaica (BSJ). The continued education of staff with the company's ongoing expansion along with general inspections are crucial to maintaining the safety of our customers and

the general public. The recent fire near our 93 Great George Street location in Savanna-la-Mar and there being no damage reinforces our commitment to maintaining adequate safety protocols.

## Outlook

RPL began 2025 with the official opening of its Spanish Town Road location in mid-January. The event was attended by members of the surrounding community along with members of the sitting government and opposition. The sales observed from this location so far are quite encouraging and give us confidence for the remainder of 2025.

The company is currently planning to introduce Ultra-low-sulphur diesel (ULSD) at its Spanish Town Road location subject to the receipt of relevant regulatory approvals. The company will be seeking to lease the operations of the convenience store at this location to allow for greater focus on the key business activities. RPL will also seek to further monetise this location through the introduction of an automated banking machine (ABM) and complementary services to further enhance the value present at this location.

The company's fuel dispensary at its head office only serves 90 octane and represents less than one per cent of revenue. The disruption to services at this location is not material and shouldn't have any major impact on first quarter earnings.

With the company now having three full-service COCOs under our scope, we will be using the performance of these locations to determine our next moves going forward. The company doesn't expect to open any new proprietary service stations during 2025 but could introduce new franchise locations at any time subject to the signing of agreements with external partners. Shareholders should be able to have a normalised view of the business in 2025, which will be a mixture of five service stations plus a growing LPG business.

Due to the nature of the LPG business, the company's investment in new cylinders should be reflected in the company's numbers during the first half of 2025. Most of the company's LPG business is currently concentrated in Cornwall County, but it could be expanded to other parts of the island once the resources and partnerships can be identified. The company continues to



reinvest all its LPG profits back into the business which we seek to grow organically between the retail and bulk markets.

We currently have two major projects under discussion with financing to be determined as each project progresses. We are also in negotiations with other external partners to further expand our LPG business and potentially develop new service stations in Clarendon and St. James. This is part of our bid to become a household name for automotive fuel and LPG based products.

Like any other publicly listed company, RPL would like to return capital directly to the hands of shareholders through dividends. However, as outlined in our dividend policy, dividends are to be up to 30 per cent of net profits available for distribution, subject to the need for reinvestment. The size of any dividend payment(s) is also limited by any covenants attached to any debt facilities the company utilizes. The company's bond does not preclude it from paying dividends at all, but limits RPL from making payments that would impair its ability to repay the principal or interest on the bond. RPL is currently in a high growth stage, which requires the company to determine the best use of capital, whether internal and external. This is compounded by the fact that our LPG business is highly capital intensive, which means that significantly more capital is needed to grow the operations. As such, while the board can consider the possibility of dividends at a future date, it will be subject to all the factors mentioned above.

Prior to the end of the first quarter, the government announced an increase in the weekly minimum wage from \$15,000 to \$16,000 effective June 1, 2025. These wage increases will result in the company's costs rising for the latter half of 2025, higher than initially budgeted for when considering the expectation of operating four service stations. It is important to note that we welcome the opportunity for all Jamaicans to earn more, but it's equally important that our shareholders understand that some operating costs from our various service providers are expected to increase to accommodate this higher wage bill.

Jamaica's Debt-to-GDP ratio was projected to have declined to 68.7% at the end of March 2025, a historic feat for a nation which was once one of the most heavily indebted countries in the world. The government announced an increase in the income tax threshold during the recent budget debate which will take place over the next three fiscal

years. This leaves more disposable income in the pockets of the average citizen who can spend it in the economy. There were also several other announced measures by the Prime Minister in his contribution to the budget debate.

Under the revised unemployment measurements used by the Statistical Institute of Jamaica (STATIN), Jamaica's unemployment rate moved down to 3.5% in October 2024 which is a record low under the current standards. Jamaica's net international reserves closed 2024 at US\$5.58 billion, a new record high for a transformed nation. Fitch Ratings maintained its credit rating for Jamaica to BB- with a positive outlook while by S&P Global Ratings and Moody's also maintained their BB- and B1 credit ratings, respectively with positive outlooks. A future upgrade to investment grade credit ratings will unlock several buckets of new capital which can be invested on Jamaican shores.

Jamaica observed a slight decline in air traffic during 2024 as the country was affected by a travel advisory and Hurricane Beryl which impacted arrivals into the island. The country is currently benefiting from several major road repair programmes while other major road projects like the Montego Bay Perimeter Road Project remain on schedule. These major infrastructure projects are a plus for the company as they provide greater ease in commuting across different parts of the country.

We look forward to hosting our third annual general meeting within the coming weeks and meeting more shareholders. We currently host quarterly earnings calls with Learn Grow Invest Limited to keep our shareholders and the public abreast of our developments. We welcome questions on our performance and plans which we're excited to execute going forward as we build shareholder value and provide products to the public at a reasonable price and value. Our vision is to grow Jamaica which includes supporting Jamaican businesses along our journey.

# 2024 Highlights

## FY2023 AGM



## Opening of Kingston location



## DW Choice Station



## Corporate Data



### Board of Directors

**Dr. Andre Foote**  
*Independent Non-Executive Chairman*

**Andrew Williams**  
*Chief Executive Office*

**Radcliffe Knibbs**  
*Independent Non-Executive Director*

**Edgar Bennett**  
*Independent Non-Executive Director*

**Andrew Cocking**  
*Independent Non-Executive Director*

### Senior Managers

**Jerry Grant**  
*Financial Controller*

**Dilton Pike**  
*Fire Protection, Training and Safety*

**Lance Anderson**  
*Accounting Consultant*



### Company Secretary

**Janice Grant Taffe**  
*Attorney-at-Law*



### Registered Address

93 Great George Street, Savanna-La-Mar, Westmoreland, Jamaica.

Telephone: (876) 724-8128

Website: [www.rplgas.com](http://www.rplgas.com)

Email: [info@rplgas.com](mailto:info@rplgas.com)



### Corporate Governance

Audit Committee

Remuneration Committee

Environmental Risk Committee

Corporate Governance Committee



## Registrar

Jamaica Central Securities Depository Limited  
40 Harbour Street, Kingston



## Bankers

### Sagicor Bank Jamaica Limited

56 Great George Street, Savanna La-Mar, Westmoreland

### Bank of Nova Scotia Jamaica Limited

19 Great George Street, Savanna-La-Mar, Westmoreland



## Auditors

McKenley & Associates Chartered Accountants, Unit 11, Seymour Park, 2  
Seymour Avenue, Seymour Park Complex

Kingston 6

<http://www.wmckenley.com/about-us>



## Lawyers

Patterson Mair Hamilton

Temple Court

85 Hope Road, Kingston 6



## Investor Relations Support

### Learn Grow Invest Limited

22B Old Hope Road, Kingston 5

<https://www.learngrowinvest.net>

(876) 788-1757

# Top 10 Shareholder Listing

As at December 31, 2024

#	Name	Joint Holder	# of Shares	% Issued Shares
1	Andrew Williams		1,148,629,416	80%
2	GK Investments Limited		130,423,884	9.08%
3	Barita Investments Ltd-Long A/C (Trading)		19,056,023	1.33%
4	Glen A. Sabdul		16,999,999	1.18%
5	Donique G. Gayle	GERALDINE K. ROSEGREEN	11,661,000	0.81%
6	Tashua A. Brown-Williams		10,000,000	0.70%
7	Domanick Ffrench		3,245,574	0.23%
8	Solid Life & General Insurance Brokers		3,150,000	0.22%
9	Claudine Murphy		949,290	0.06%
		Jade A. O. M. Speer	1,282,182	0.08%
		Chanel Grainger	831,190	0.05%
		<b>Total Holdings</b>	<b>3,062,662</b>	<b>0.21%</b>
10	Jerry Grant			
		Karen Annmarie Grant	103,518	0.0072%
		Karen Grant	2,300,000	0.1602%
		Miss Kaila Amanda Grant	27,659	0.0019%
		Mrs Karen Grant Miss Kaila Grant	52,509	0.0037%
		Mrs Karen Grant	128,636	0.0090%
		Karen Ann-Marie Grant	14,739	0.0010%
		Rachel Louise Amelia Grant	38,670	0.0027%
		<b>Client Total Ownership</b>	<b>2,665,731</b>	<b>0.19%</b>
<b>TOTAL ISSUED SHARES</b>			<b>1,435,786,770</b>	
<b>Total Units Owned by Top 10 Shareholders</b>			<b>1,348,894,289</b>	
<b>Total Percentage Owned by Top 10 Shareholders</b>			<b>93.9481%</b>	

## Directors and Connected Parties Shareholdings Report As at December 31, 2024

Board Member Account ID	*Primary Holder Joint Holder	Position on Board	Relationship	Volume	%
<b>DR. ANDRE FOOTE</b>	Dr. Andre Foote	Director	Self	2,000,000	0.14
			Director's Holdings	2,000,000	0.14
			Connected Party Holdings	-	0.00
			Combined Holdings	2,000,000	0.14
<b>ANDREW BRADLEY COCKING</b>	Andrew Bradley Cocking	Director	Self	500,000	0.03
			Director's Holdings	500,000	0.03
			Connected Party Holdings	-	0.00
			Combined Holdings	500,000	0.03
<b>ANDREW W. WILLIAMS</b>	Andrew Williams Andrew Wayne Williams Andrew Williams	Director	Self	923,629,416	0.03
			Self	200,000,000	0.03
			Self	25,000,000	0.00
			Director's Holdings	1,148,629,416	0.03
			Combined Holdings	1,148,629,416	80.00
<b>EDGAR BENNETT</b>	Edgar Bennett	Director	Self	-	-
			Director's Holdings	-	-
			Connected Party Holdings	-	-
			Combined Holdings	-	-
<b>JANICE GRANT-TAFFE</b>	Janice Grant-Taffe *Joseph Edward Taffe	Company Secretary	Self	-	-
			Connected	500,000	0.03
			Director's Holdings	-	0.00
			Connected Party Holdings	500,000	0.03
			Combined Holdings	500,000	0.03
<b>RADCLIFF OLANDER KNIBBS</b>	*Radcliff Olander Knibbs		Self	1,100,000	0.08
			Director's Holdings	1,100,000	0.08
			Connected Party Holdings	-	-
			Combined Holdings	1,100,000	0.08

**Total** 18

**Issued Shares** 1,435,786,770.00

## Senior Managers and Connected Parties Shareholdings Report As at December 31, 2024

Board Member Account ID	Position on Board	*Primary Holder Joint Holder	Relationship	Volume	%
DILTON PIKE	Senior Manager	*DILTON PIKE	Self	1,194,088	0.08
		*DILTON PIKE	Self	48,532	0.00
			Senior Manager's Holdings:	1,242,620	0.09
			Connected Party Holdings:	-	-
			Combined Holdings:	1,242,620	0.09
JERRY GRANT	Senior Manager	*JERRY GRANT	Self	2,300,000	0.16
		*JERRY GRANT	Self	128,636	0.01
		*JERRY GRANT	Self	52,509	0.00
		*JERRY ANTHONY GRANT	Self	103,518	0.01
		*JERRY ANTHONY GRANT	Self	38,670	0.00
		*JERRY ANTHONY GRANT	Self	27,659	0.00
		*JERRY ANTHONY GRANT	Self	14,739	0.00
		KAREN GRANT	Connected	-	-
		KAREN ANN MARIE GRANT	Connected	298,990	0.02
		KAREN ANN MARIE GRANT	Connected	321,233	0.02
		KAREN GRANT	Connected	121,002	0.01
		KAREN A. GRANT	Connected	23,323	0.01
		KAREN GRANT	Connected	11,208	0.00
			Senior Manager's Holdings:	2,665,731	0.19
	Connected Party Holdings:	775,756	0.05		
	Combined Holdings:	3,441,487	0.24		
LANCELOT ANDERSON	Senior Manager	*LANCELOT ANDERSON	Self	-	-
		JACQUELINE SOPHIA ANGELA ANDERSON	Connected	1,968,400	0.14
			Senior Manager's Holdings:	-	-
			Connected Party Holdings:	1,968,400	0.14
	Combined Holdings:	1,968,400	0.14		

**Total** 17

**Issued Shares** 1,435,786,770.00





## Form of Proxy

I .....  
of ..... being  
a member of Regency Petroleum Company Limited hereby appoint .....of  
or failing him .....of ..... as my proxy  
to vote for me on my behalf at the Annual General Meeting of the Company to be held on Monday  
June 2, 2025 at 3:00p.m. at the Courtleigh Hotel, 85 Knutsford Boulevard, Kingston 5, St Andrew and  
electronically and at any adjournment thereof.

The Proxy will vote on the undermentioned resolutions as indicated:

Resolutions	For	Against
1. To receive the Audited Accounts and Report of the Directors for the year ended December 31, 2024		
2. To elect Director Radcliff Knibb .		
3. To fix the remuneration of Directors		
4. To appoint and authorize the Directors to fix the remuneration of the Auditors		

**NOTE:** If this form is returned without any indication as to how the person appointed proxy shall vote,  
he will exercise his discretion as to how he votes or whether he abstains from voting.

As witness my hand this.....day of .....2025  
...../.....

Note: if the shareholder is a corporation the form should be signed under its corporate seal.



# Audited Financials

# Table of Contents

46	Independent Auditor's Report
50	Statement of Financial Position
51	Statement of Comprehensive Income
52	Statement of Cash Flows
53	Statement of Changes in Equity
54	Notes to the Financial Statements

To the Members of  
Regency Petroleum Company Limited

## Independent Auditor's Report

Report on the Audit of the Financial Statements

### Our Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Regency Petroleum Company Limited as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act.

### What we have audited:

The Company's financial statements comprise:

- The statement of financial position as at 31 December 2024
- The statement of comprehensive income for the year then ended
- The statement of cash flows for the year then ended
- The statement of changes in equity for the year then ended
- The notes to the financial statements, which include a summary of significant accounting policies

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the 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 Company in accordance with the International Code of Ethics for Professional Accountants (including International 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.

### Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatements in the financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud or error.



To the Members of  
Regency Petroleum Company Limited

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. Key audit matters are selected from the matters communicated with the Audit Committee members (those charged with Governance) but are not intended to represent all matters that were discussed with them. These matters are addressed in the context of our audit of the financial statements as a whole and informing our opinion thereon. We do not provide a separate opinion on these matters. During our work, we encountered no key audit matter that required disclosure.

### Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or cease operations or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibility for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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 International Standards on Auditing (ISA) 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient 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 to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



### Auditor's Responsibility for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.
- We are not responsible for the direction, supervision, and performance of the Company. We remain solely responsible for our audit opinion.
- Conclude on the appropriateness of management's 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 Company'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 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 Company to cease to continue as a going concern.

We communicate with the Board of Directors of the Company 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 the 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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Information

Management is responsible for the other information. The other information comprises the Annual Report inclusive of the Director's, Chairman of the Board and the Chief Executive Officer Reports but does not include the financial statements and the Auditor's Report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appear to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



### Report on Other Legal and Regulatory Requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

The engagement partner on the audit resulting in this independent auditor's report is Wilfred McKenley.

  
**Chartered Accountants**

Date: February 25, 2025

Kingston, Jamaica

### Regency Petroleum Company Limited Statement of Financial Position 31 December 2024

	Note	2024 \$	2023 \$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	490,413,415	435,790,269
Right of use assets	8	82,068,288	6,226,000
Deferred expenditure	17	170,750,726	64,540,777
		<u>743,232,429</u>	<u>506,557,046</u>
<b>Current assets</b>			
Inventories	9	21,123,630	7,804,748
Receivables	10	106,459,584	99,810,759
Due from related parties	11	-	22,898,247
Director's current account	12	-	765,167
Cash and cash equivalents	13	12,759,787	67,103,415
		<u>140,343,001</u>	<u>198,382,336</u>
<b>Current liabilities</b>			
Payables	14	64,074,262	47,947,485
Director's current account		25,515	-
Current portion of long-term loan	15	215,600,000	-
Current portion of lease liability		2,107,505	492,953
		<u>281,807,282</u>	<u>48,440,438</u>
<b>Net current (liabilities) / assets</b>		<u>(141,464,281)</u>	<u>149,941,898</u>
<b>Total assets less current liabilities</b>		<u>601,768,148</u>	<u>656,498,944</u>
<b>Equity</b>			
Issued capital	16	260,152,400	260,152,400
Retained earnings		261,277,436	174,431,110
Exchange reserve		17,440	208,526
		<u>521,447,276</u>	<u>434,792,036</u>
<b>Non-current liabilities:</b>			
Lease liability	15	80,320,872	6,106,908
Long term loan	15	-	215,600,000
		<u>80,320,872</u>	<u>221,706,908</u>
<b>Total equity and non-current liabilities</b>		<u>601,768,148</u>	<u>656,498,944</u>

Approved for issue by the Board of Directors on **February 25, 2025** and signed on its behalf by:

  
 Dr. Andre Foote – Chairman

  
 Andrew Williams – Chief Executive Officer

Regency Petroleum Company Limited  
Statement of Comprehensive Income  
Year ended 31 December 2024

	Note	2024 \$	2023 \$
<b>Operating Revenue</b>		1,631,972,672	928,764,748
Less direct expenses	3	(1,383,559,723)	(807,000,615)
<b>Gross profit</b>		248,412,949	121,764,133
<b>Other operating income:</b>			
Interest income		108,130	256,551
Other income		824,840	1,219,781
		932,970	1,476,332
		249,145,919	123,240,465
<b>Less operating expenses:</b>			
Administrative	4	(151,834,428)	(72,297,685)
Selling & distribution	4	(2,088,855)	(1,406,724)
		(153,923,283)	(73,704,409)
<b>Profit before finance costs</b>		95,222,636	49,536,056
Finance costs	5	(8,376,310)	(3,780,173)
<b>Profit before taxation</b>		86,846,326	45,755,883
Taxation	6	-	-
<b>Profit after taxation</b>		86,846,326	45,755,883
<b>Other comprehensive income</b>			
<b>Item that will be re-classified to profit or loss:</b>			
Exchange difference on translating US\$ bonds		(191,086)	208,526
<b>Profit being total comprehensive income for the year</b>		86,655,240	45,964,409
		\$	\$
<b>Earnings per share</b>	7	0.060	0.032

Regency Petroleum Company Limited  
Statement of Cash Flows  
Year ended 31 December 2024

	Note	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Net profit		86,655,240	45,964,409
<b>Adjustment for:</b>			
Depreciation	8	39,204,329	19,344,646
Depreciation - right of use	8	1,694,570	725,359
Non-cash adjustment: reclassification of asset	8	-	9,738,602
Operating cash flows before movements in working capital		127,554,139	75,773,016
<b>Changes in operating assets and liabilities:</b>			
Inventories		(13,318,882)	(3,696,443)
Receivables		(6,648,824)	(63,917,073)
Deferred expenditure		(106,209,949)	(64,540,777)
Payables		16,126,778	28,443,098
Related party balances		22,898,247	7,563,136
Taxation		-	(16,508,485)
Director's current account		790,682	(163,000)
		(86,361,948)	(112,819,544)
Net cash flow provided by/(used in) operating activities		41,192,191	(37,046,528)
<b>Cash flows from investing activities:</b>			
Purchase of property, plant & equipment	8	(93,827,476)	(205,682,022)
Finance lease-rights of use	8	(77,536,858)	-
<b>Net cash flow used in investing activities</b>		(171,364,334)	(205,682,022)
<b>Cash flows from financing activities</b>			
Finance lease	8	77,536,858	-
Finance lease-repaid		(1,708,342)	(437,738)
Loan proceeds		-	215,600,000
Net cash flow (used in)/provided by financing activities		75,828,516	215,162,262
Net decrease in cash and cash equivalents		(54,343,627)	(27,566,288)
Cash resources at the beginning of the year		67,103,414	94,669,703
<b>Cash resources at the end of the year</b>	13	12,759,787	67,103,414

Regency Petroleum Company Limited  
Statement of Changes in Equity  
Year ended 31 December 2024

	<u>No. of Shares</u>	<u>Share Capital</u>	<u>Exchange Revaluation Reserve</u>	<u>Retained Earnings</u>	<u>Total</u>
		\$	\$	\$	\$
<b>Balances: 31 December 2021</b>	8,000	8,000	-	72,347,694	72,355,694
Profit for the year	-	-	-	56,327,533	56,327,533
Shares converted during the year	1,148,613,416	-	-	-	-
Shares issued during the year	287,165,354	260,144,400	-	-	260,144,400
<b>Balances: 31 December 2022</b>	1,435,786,770	260,152,400	-	128,675,227	388,827,627
Profit for the year, being total comprehensive income	-	-	208,526	45,755,883	45,964,409
<b>Balances: 31 December 2023</b>	1,435,786,770	260,152,400	208,526	174,431,110	434,792,036
Profit for the year, being total comprehensive income	-	-	(191,086)	86,846,326	86,655,239
<b>Balances: 31 December 2024</b>	1,435,786,770	260,152,400	17,440	261,277,436	521,447,275

Regency Petroleum Company Limited  
Notes to the Financial Statements  
Year ended 31 December 2024

**1. IDENTIFICATION AND PRINCIPAL ACTIVITIES**

Regency Petroleum Company Limited (the Company) is a private company limited by shares, incorporated on 30 May 2018, and domiciled in Jamaica. The Company's registered office is located at 93 Great George Street, Savanna-La-Mar, Westmoreland. The Company commenced trading on 1 January 2019. The Company's principal activity consists of selling liquefied petroleum gases and 90-octane gasoline.

Effective 15 December 2022, the Company was listed on the Junior Market of the Jamaica Stock Exchange (JSE) and under that regime is subject to 100 % tax remission for the next five (5) years as long as the Company remains listed.

The financial statements are expressed in Jamaican dollars.

**2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

**(a) Statement of Compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") using the accounting policies described herein. These policies have been consistently applied for all the years presented, unless otherwise stated.

**Going concern**

The preparation of financial statements in accordance with IFRS assumes that the Company will continue in operation for the foreseeable future. This means, in part, that the statements of profit or loss and comprehensive income and the statement of financial position are prepared on the assumption that there is no intention or necessity to liquidate or curtail operations. This is commonly referred to as the going concern basis. Management believes that the preparation of the financial statements on the going concern basis is appropriate.

**Basis of presentation**

The financial statements have been prepared on the historical cost basis, except for financial instruments that are reported at fair value, through profit or loss.

## 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONTINUED)

### (a) Statement of compliance (continued)

#### Judgments and estimates

The preparation of the financial statements in accordance with IFRS requires Management to make judgments and estimates that affect:

- The application of accounting policies;
- The reported amounts of assets and liabilities;
- Disclosures of contingent assets and liabilities; and
- The reported amounts of revenue and expenses during the reporting periods. Actual results may differ from estimates made in the financial statements.

Judgments are made in the selection and assessment of the Company's accounting policies. Estimates are used mainly in determining the measurement of recognized transactions and balances. Estimates are based on historical experience, and other factors, including expectations of future events, believed to be reasonable under the circumstances. Judgments and estimates are interrelated. The Management's judgments and estimates are continually re-evaluated to ensure they remain appropriate. Revision to accounting estimates is recognized in the period in which the estimates are revised and in the future periods affected. The use of estimates is an essential part of the preparation of financial statements and does not undermine their reliability.

The following are the accounting policies that are subject to judgments and estimates that the Management believes could have the most significant impact on the amounts recognized in the financial statements.

#### Financial assets

Judgment – financial assets are classified and subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of (i) the company's business model for managing the financial assets and (ii) the contractual cash flow characteristic of the financial assets. Judgment is required in determining the business model and its objective.

#### Revenue from contract with customers

Judgment - is required in (i) identifying performance obligations and determining the timing of the satisfaction of the performance obligations and (ii) the transaction price and the amount allocated to the performance obligations.

Estimation – if the consideration promised in a contract includes a variable amount, the company is required to estimate the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to the customer.

## 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONTINUED)

### (a) Statement of compliance (continued)

#### Judgments and estimates (continued)

#### Impairment of assets

Judgment has been used, at each reporting date, in determining whether there has been an indication of impairment in the carrying amounts of the Company's tangible assets, which would require impairment testing to determine whether there is any indication that those assets have suffered impairment losses.

Where the carrying amount of an asset exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

#### Inventories

Estimation – Inventories are carried at the lower of cost and net realizable value. The estimation of net realizable value is based on the most reliable evidence available, at the time the estimates are made, of the amount the inventories are expected to realize. Additionally, estimation is required for inventory provision due to shrinkage, slow-moving, and obsolescence.

#### Income and other taxes

Judgment – Income and other taxes are subject to Government policies. In calculating current and recoverable income and other taxes, Management uses judgment when interpreting the tax rules and in determining the tax position. There are some transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business.

Estimation – Income and other taxes are subject to Government policies, and estimates are required in determining the provision. Management recognizes liabilities for possible tax issues based on estimates of whether additional taxes may be due.

#### Receivables

Estimation – Management's estimate of allowance on accounts receivable is based on analysis of the aged receivables and historical experience with delinquency and default. Default rates and the allowance amount are regularly reviewed against the actual outcomes to ensure that they remain appropriate.

#### Others

Estimation – Other estimates include determining the useful lives of PPE for depreciation; in accounting for and measuring payables and accruals and in measuring fair values of financial instruments.

3. COST OF SALES

	<u>2024</u>	<u>2023</u>
	\$	\$
Opening inventories	7,804,748	4,108,305
Purchases	1,367,119,580	794,659,870
Trucking	29,084,125	15,977,337
Handling charges	674,900	59,851
Closing inventories	(21,123,630)	(7,804,748)
	1,383,559,723	807,000,615

4. EXPENSES BY NATURE

	<u>2024</u>	<u>2023</u>
	\$	\$
<b>Selling &amp; distribution:</b>		
Commission	2,088,855	1,406,724
	2,088,855	1,406,724
<b>Administrative:</b>		
Depreciation	39,204,329	19,344,646
Depreciation- right of use assets	1,694,570	725,359
Audit and accounting fees	7,710,000	7,530,000
Repairs and maintenance	6,681,149	2,108,674
Motor vehicle expenses	60,258	913,501
Staff costs	42,320,075	11,781,189
Telephone	472,371	7,500
Advertising & promotion	7,945,286	6,747,834
Travel & accommodation	997,511	-
Office supplies and stationery expense	797,840	257,350
Electricity	6,177,125	2,313,737
Water	215,898	-
Insurance	455,000	368,273
Legal & professional	8,066,010	7,519,331
Meetings	3,263,811	2,827,341
Medical	319,500	-
License, permits and other fees	70,216	50,000
Directors' fees	1,050,000	1,624,480
Security	14,960,903	2,683,928
Donation	1,281,303	1,620,000
Contracted administrative workers	1,320,680	2,463,830
Expected Credit Loss	5,116,125	-
Other expenses	1,654,469	1,410,712
	151,834,428	72,297,685

5. FINANCE COSTS

	<u>2024</u>	<u>2023</u>
	\$	\$
Lease liability	2,279,018	530,262
Interest & penalties	440,089	854,106
Bank charges	5,657,203	2,395,805
	8,376,310	3,780,173

6. TAXATION

(a) Taxation is based on profit for the year adjusted for taxation purposes and comprises income tax at 25%:

	<u>2024</u>	<u>2023</u>
	\$	\$
Current tax expense	-	-
	-	-

(b) The tax on the Company's profit differs from the theoretical amount that would arise using the applicable tax rate of 25% as follows:

	<u>2024</u>	<u>2023</u>
	\$	\$
Profit before taxation	86,846,326	45,755,882
Tax calculation @ 25%	21,711,581	11,438,970
<i>Adjustment for difference in treatment of:</i>		
Depreciation and capital allowances	(2,814,663)	(5,219,664)
Remission of income tax	(19,217,244)	(6,837,833)
Net effect of other charges for tax purposes	320,326	618,527
Tax charged for the year	-	-

**Regency Petroleum Company Limited**  
**Notes to the Financial Statements**  
**Year ended 31 December 2024**

**6. TAXATION**

**(c) Remission of income tax:-**

By notice dated 13<sup>th</sup> August 2009, the Minister of Finance and the Public Service issued and gazetted the Income Tax (Jamaica Stock Exchange Junior Market) (Remission) Notice, 2009. The Notice effectively granted a remission of income tax to eligible companies that were admitted to the Junior Market of the Jamaica Stock Exchange (JMSE) if certain conditions were achieved after the date of initial admission.

Effective 15 December 2022, the Company's shares were listed on the Junior Market of the JSE.

Consequently, the Company is entitled to a remission of income taxes for ten years in the proportion set out below;

Years 1 to 5 (16 December 2022 – 15 December 2027) – 100%

Years 6-10: (16 December 2027 – 31 December 2032) – 50%

Provided the following conditions are met:

- (i) The Company remains listed for at least 15 years and is not suspended from the JSE for any breach of its rules.
- (ii) The Subscribed Participating Voting Share Capital of the Company does not exceed J\$500 million
- (iii) The Company has at least 50 Participating Voting Shareholders

The financial statements have been prepared on the basis that the Company will have the full benefit of the tax remissions.

**6. EARNINGS PER SHARE**

Basic earnings per ordinary stock (EPS) unit are computed by dividing the net profit for the year attributable to shareholders by the total number of ordinary stock units of 1,435,786,770 (2023-1,435,786,770) ordinary shares in issue for the year.

	<u>2024</u>	<u>2023</u>
	\$	\$
Net profit attributable to shareholders	86,655,240	45,964,409
Weighted average number of ordinary shares in issue	1,435,786,770	1,435,786,770
Basic earnings per share	0.060	0.032

**Regency Petroleum Company Limited**  
**Notes to the Financial Statements**  
**Year ended 31 December 2024**

**8. PROPERTY, PLANT, AND EQUIPMENT**

	<u>2024</u>									
	Work-in-Progress	Land	Motor Vehicle	Filing Plant & Site Office	Storage Tanks	Gas Cylinders	Furniture, Fixtures & Equipment	Building	Total	Rights of use Asset
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>At cost:</b>										
1 January 2024	300,000	12,101,500	4,000,000	28,048,426	19,541,647	145,694,814	4,964,086	275,195,993	489,846,466	7,253,592
Additions	3,580,000	-	-	-	-	85,321,091	2,044,630	2,881,755	93,827,476	77,536,858
31 December 2024	3,880,000	12,101,500	4,000,000	28,048,426	19,541,647	231,015,905	7,008,716	278,077,748	583,673,942	84,790,450
<b>Depreciation:</b>										
1 January 2024	-	-	800,000	13,611,213	3,610,758	34,704,102	1,330,125	-	54,056,198	1,027,592
Charge for the year	-	-	400,000	2,804,843	1,073,915	23,101,591	700,871	11,123,109	39,204,329	1,694,570
31 December 2024	-	-	1,200,000	16,416,056	4,684,673	57,805,693	2,030,994	11,123,109	93,260,527	2,722,160
<b>Net book value</b>										
31 December 2024	3,880,000	12,101,500	2,800,000	11,632,370	14,856,974	173,210,212	4,977,720	266,954,639	490,413,415	82,068,288

8. PROPERTY, PLANT, AND EQUIPMENT (continued)

2023

	Work-in-Progress	Land	Motor Vehicle	Filing Plant & Site Office	Storage Tanks	Gas Cylinders	Furniture, Fixtures & Equipment	Building	Total	Rights of use Asset
<b>At cost:</b>										
1 January 2023	135,349,687	-	4,000,000	28,048,426	19,283,647	104,375,118	2,846,168	-	293,903,046	7,253,592
Additions	7,888,560	-	-	-	258,000	41,319,696	2,117,918	154,097,848	205,682,022	-
Reclassification of asset	(142,938,247)	12,101,500	-	-	-	-	-	121,098,145	(9,738,602)	-
31 December 2023	300,000	12,101,500	4,000,000	28,048,426	19,541,647	145,694,814	4,964,086	275,195,993	489,846,466	7,253,592
<b>Depreciation:</b>										
1 January 2023	-	-	400,000	10,806,371	2,536,843	20,134,621	833,717	-	34,711,552	302,233
Charge for the year	-	-	400,000	2,804,842	1,073,915	14,569,481	496,408	-	19,344,646	725,359
31 December 2023	300,000	-	800,000	13,611,213	3,610,758	34,704,102	1,330,125	-	54,056,198	1,027,592
<b>Net book value</b>										
31 December 2023	300,000	12,101,500	3,200,000	14,437,213	15,930,889	110,990,712	3,633,961	275,195,993	435,790,269	6,226,000

Regency Petroleum Company Limited  
Notes to the Financial Statements  
Year ended 31 December 2024

9. INVENTORIES

Liquid Petroleum Gas (LPG)  
Gasoline - 90 Octane  
Paradise Store

	2024	2023
	\$	\$
	877,418	602,647
	20,246,212	5,906,003
	-	1,296,098
	21,123,630	7,804,748

10. RECEIVABLES

Trade receivables  
Less: provision for bad debt  
  
Deposit on deferred lease expenses  
Deposit on motor vehicle  
Other receivables

	2024	2023
	\$	\$
	26,928,605	23,976,792
	(5,116,125)	(624,840)
	21,812,481	23,351,952
	83,023,038	71,751,179
	-	3,500,000
	1,624,066	1,207,628
	106,459,584	99,810,759

The deposit on motor vehicle relates to a specialized vehicle to be used in the business, while the deferred lease deposit relates to expenses incurred constructing a gas station in the town of Negril, Westmoreland.

11. RELATED PARTY BALANCES

Central Supplies & Construction

	2024	2023
	\$	\$
	-	22,898,247

12. DIRECTORS' CURRENT ACCOUNT

Due from:  
Director's current account  
(Due to):  
Director's current account

	2024	2023
	\$	\$
	-	765,167
	(25,515)	-

**Regency Petroleum Company Limited**  
**Notes to the Financial Statements**  
**Year ended 31 December 2024**

**13. CASH AND CASH EQUIVALENTS**

	<u>2024</u>	<u>2023</u>
	\$	\$
Cash	4,319,877	3,588,549
Fixed deposit	1,133,000	1,100,000
Cash equivalent- US\$ bank accounts	967,823	57,937,618
Cash equivalents - JA\$ bank accounts	6,339,087	4,477,248
	<u>12,759,787</u>	<u>67,103,415</u>

**14. PAYABLES**

	<u>2024</u>	<u>2023</u>
	\$	\$
Payables	47,069,932	40,293,547
Statutory payroll taxes	1,985,608	954,577
Other payables and accruals	15,018,722	6,699,361
	<u>64,074,262</u>	<u>47,947,485</u>

**15. LONG-TERM BORROWINGS**

	<u>2024</u>	<u>2023</u>
	\$	\$
8.5% JCSD Trustee Services Limited	215,600,000	215,600,000
Less current portion	(215,600,000)	-
	<u>-</u>	<u>215,600,000</u>

The Company accessed loan capital by way of a JCSD Trustee Service bond, and the proceeds assisted with the financing of the construction of a gas station, located on Spanish Town Road, Kingston. The important restrictive security and compliance clauses included:

- (i) The term of the loan facility is for 15 months, commencing June 30, 2024 and ending September 30, 2025
- (ii) the facility is denominated and repayments are in US dollars.
- (iii) Interest to be paid quarterly over the term of the facility
- (iv) Principal payment will be payable at maturity in US dollars
- (v) The bond is secured by the equity shares of the principal shareholder and managing director.
- (vi) The Company shall not incur, assume or have any additional debts or charge whatsoever over any of its assets that will rank senior or pari passu to the facility without the consent of the Bondholders.
- (vii) The Company shall not make payments to related parties, and or declare or pay any dividends, if such payments would result in the inability of the Company to repay the principal or interest on the bond facility.

There are other regulatory and compliance requirements and special conditions to ensure there is adequate cash flows to repay the facility in addition to the Company complying with the requisite regulations of listed public companies in Jamaica.

**Regency Petroleum Company Limited**  
**Notes to the Financial Statements**  
**Year ended 31 December 2024**

**15. LONG-TERM BORROWINGS (continued)**

**Lease Liability**

Right-of-use Asset, blended principal, and interest payments (rent payments) are made monthly in the amount of \$80,000 and interest is charged at 7.75%, maturing in 2032.

Principal amounts payable are as follows:

	<u>2024</u>	<u>2023</u>
	\$	\$
Current portion	2,107,505	492,953
Long term portion	80,320,872	6,106,908
	<u>82,428,377</u>	<u>6,599,861</u>

**16. SHARE CAPITAL**

Authorized:

Unlimited ordinary shares of no-par

Issued and fully paid:

At beginning and end of the year

	<u>2024</u>	<u>2023</u>
	Unlimited	Unlimited
	<u>1,435,786,770</u>	<u>1,435,786,770</u>
	\$	\$
At beginning and end of the year	<u>260,152,400</u>	<u>260,152,400</u>

**17. DEFERRED EXPENDITURE**

Deposit on Spanish Town Road construction

	<u>2024</u>	<u>2023</u>
	\$	\$
Deposit on Spanish Town Road construction	<u>170,750,726</u>	<u>64,540,777</u>

This represents a loan given to the builder (owner) of the property located on Spanish Town Road, Kingston to construct a gas station which RPL will lease. Upon completion, the monthly lease liability fee will be set off against the receivable until the balance is liquidated. The station was officially commissioned and launched in January 2025.

## 18. SUMMARY OF MATERIAL ACCOUNTING POLICIES

### (a) Basis of preparation

Standards, interpretations, and amendments to published standards effective in the current year.

Certain new accounting standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Company has assessed the relevance of all such new standards, interpretations and amendments and has adopted the following which are relevant to its operations. Unless stated otherwise, the adoption of these new standards, amendments to existing standards or interpretations to published standards did not have a material impact on the operations of the Company.

- **Narrow scope amendments to IAS 1, Practice Statement 2 and IAS 8**, (effective for annual periods beginning on or after 1 January 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendments to IAS 8 - Definition of Accounting Estimates**, (effective for annual periods beginning on or after 1 January 2023). This amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, whereas changes in accounting policies are generally also applied retrospectively to past transactions and other past events.
- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction**, (effective for annual periods beginning on or after 1 January 2023). These amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.
- **IFRS 17, Insurance Contracts**, (effective for annual periods beginning on or after 1 January 2023). This standard replaced IFRS 4, which permitted a wide variety of practices in accounting for insurance contracts. IFRS 17 fundamentally changes the accounting by all entities that issue insurance contracts. The standard has brought significant changes to the accounting for insurance and reinsurance contracts.

## 18. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (a) Basis of preparation (continued)

Standards, amendments, and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

At the date of authorization of these financial statements, certain new accounting standards, amendments and interpretation to existing standards have been issued which are not yet effective, and which the Company has not early adopted. The Company has assessed the relevance of all such new standards, interpretations and amendments and has determined that the following may be relevant to its operations. Unless stated otherwise, the impact of the changes is still being assessed by management.

- **Amendment to IAS 1 – Non-current liabilities with covenants** (effective for annual periods beginning on or after 1 January 2024). These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions
- **Amendment to IAS 7, ‘Statement of Cashflows’ and IFRS 7 ‘Financial Instruments: Disclosures’** (effective for annual periods beginning on or after 1 January 2024). These amendments require specific disclosures about supplier finance arrangements. They require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity’s liabilities, cash flows and exposure to liquidity risk.
- **Amendment to IFRS 16 – Leases on sale and leaseback**, (effective for annual periods beginning on or after 1 January 2024). These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- **Amendments to IAS 21, ‘The Effects of Changes in Foreign Exchange Rates’**, (effective for annual periods beginning on or after 1 January 2025). These amendments add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Therefore, the amendments will impact an entity when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. With these amendments, entities will be better able to assess exchangeability between two currencies and determine the spot rate when exchangeability is lacking.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a material impact on the operations of the Company.

18. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency transactions and balances

Monetary assets and liabilities denominated in currencies other than Jamaican dollars are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary assets and liabilities measured at historical cost denominated in currencies other than Jamaican dollars are translated at the rate of exchange in effect at the date of the transactions or initial recognition. Non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Gains and losses arising from fluctuations in exchange rates are included in profit or loss.

Exchange rates are determined by the published weighted average rate at which commercial banks trade in foreign currencies.

Foreign currency transactions that require settlement in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

18. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant, and equipment

Property, plant, and equipment are stated at historical cost, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items. Land is carried at cost and is not depreciated.

Depreciation is calculated on a straight-line method at such rates as will write off the carrying value of the assets over the period of their expected useful lives. Current annual rates of depreciation are:

Plant & site office	10%
Storage tanks	5%
Cylinders	10%
Equipment	10%

The assets' residual values and useful lives are reviewed periodically for impairment. Where the assets' carrying amount is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

(d) Inventories

Inventories, comprising mainly LPG and 90 Octane gas are stated at the lower of cost, determined consistently on the same bases, and net realizable value. The cost of inventories is determined based on purchase cost on the first-in-first-out basis.

Net realizable value is the estimated selling price of inventory during the normal course of business less estimated selling expenses.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at the bank, short-term financial instruments plus highly liquid instruments including certificates of deposits, where the original maturities of such instruments usually do not exceed three (3) months. Bank overdraft that is repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

(f) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables is recorded at amortized cost.

## 18. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (g) Trade receivables

Trade and other receivables are carried at amortized cost, less impairment losses. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in bad debt expense in the statement of comprehensive income. When a trade receivable is deemed uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognized as recovery and credited to bad debt expense in the statement of comprehensive income.

#### Credit risk and expected loss

The company is primarily exposed to credit risk on its trade receivable and does not provide for any lifetime expected credit loss (LECL). It applies the practical experience of not adjusting the promised consideration receivable because the period is less than 12 months. The company, in accordance with IFRS 9, recognizes a loss allowance on a forward-looking basis at an amount equal to its expected credit model (ECL) that was developed during the year in regards to its financial assets measured at amortized cost.

### (h) Revenue recognition

#### (i) Sale of goods

Revenue is recognized when the performance obligation, satisfied at a point-in-time to transfer goods and or services to the customer is complete. The completion is assessed when the customer takes control and or obtains the benefits of the goods and /or services and the company has a present right to payment as evidenced by an invoice or the right to invoice.

#### (ii) Finance income

Finance income comprises interest earned on funds invested and foreign exchange gains recognized in profit or loss. Interest income is recognized in profit or loss as it accrues, taking into account the effective yield on the asset.

#### (iii) Other operating income includes miscellaneous inflows recognized when received.

### (i) Expenses

- Expenses are recognized on the accrual basis.
- Finance costs comprise interest incurred on borrowings, calculated using the effective interest method, foreign exchange losses, and bank-related charges.

## 18. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (j) Impairment

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset or cash-generating units fair value less costs to sell and its value in use and is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in comprehensive income.

### (k) Leases

Leases of property, plant, and equipment where the Company has substantially taken over all the risks and rewards of ownership are classified as finance leases. Finance leases are recognized at the inception of the lease at the lower of the fair value of the leased asset or the present value of minimum lease payments. Each lease payment is allocated between the liability and interest charges to produce a constant rate of charge on the lease obligation. The interest element of the lease payments is charged to comprehensive income over the lease period.

Property, plant, and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

The company has adopted IFRS 16 and recognized in the Statement of Financial Position right of use assets and lease liabilities.

Right-of-use assets is measured at cost comprising the following:

- (1) The amount of initial measurement of the lease liability
- (2) Any lease payments made at or before the commencement date less any lease incentives received.
- (3) Any initial direct cost, and
- (4) Restoration cost

Right-of-use assets is generally depreciated over the shorter of the asset useful life and the lease term on a straight-line basis.

### (l) Income taxes

The income tax expense for the year comprises a current and deferred tax. Income tax expense is recognized in net income, except to the extent that it relates to items recognized either in Other Comprehensive Income (OCI) or directly in equity.

#### I. Current taxation

The current tax charge is the expected tax payable on the taxable income for the year, using tax rates in effect at the reporting date plus any over or under provision of tax in respect of previous years.

## 18. SUMMARY OF MATRIAL ACCOUNTING POLICIES (CONTINUED)

### (l) Income taxes (continued)

#### II. Deferred taxation

Deferred tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

The Company was listed on 15 December 2023 under the Junior Market Jamaica Stock Exchange 100% tax remission regime and management do not consider it to be prudent to account for deferred tax under the tax remission regime.

### (m) Related party disclosure

Related parties are identified and disclosed to allow users of the financial statements to be aware of the possibilities that the financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties.

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the "reporting entity")

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

- (i) Has control or joint control over the reporting entity;
- (ii) Has significant influence over the reporting entity; or
- (iii) Is a member of the key management personnel of the reporting entity or a parent of the reporting entity.

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

An entity is related to a reporting entity if any of the following conditions apply:

- The Company and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- One company 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).
- Both companies are joint ventures of the same third party.
- One company is a joint venture of a third entity, and the other entity is an associate of the third entity.
- The company is a post-employment benefit plan for the benefit of the employees of either the reporting entity or an entity related to the reporting entity.
- The company is controlled, or jointly controlled by a person identified in (a) above.
- A person identified in ((a) (i)) above has significant influence over the company or is a member of the key management personnel of the company (or of a parent of the company).

### (n) Share capital

Ordinary shares are classified as equity and carried at cost, net of any transaction costs.

## 19. CAPITAL MANAGEMENT

The Company's objectives when managing capital is:

- Ensuring sufficient liquidity to support its financial obligations and execute its operating and strategic plans;
- Maintaining healthy liquidity reserves and access to capital;
- Optimizing the cost of capital while taking into consideration current and future industry, market, and economic risks and conditions; and
- To safeguard its ability to continue as a going concern to provide returns for its shareholders and benefits for other stakeholders.

## 20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### overview and risk management framework

The Company's overall risk management policies are established to identify and analyze the risks faced by the Company and to set appropriate risk levels and controls and to monitor risk and adherence to limits. Derivative financial instruments are not used to reduce exposure to any of the risks.

The Board of Directors is ultimately responsible for the oversight of the Company's risk management and seeks to minimize potential adverse effects on the Company's financial performance and to manage these risks by close monitoring of each risk factor.

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

- Market risk (including foreign currency and interest rate risk)
- Credit risk;
- Liquidity risk

The Company also has exposure to the following risks from its operations:

- Operational risk; and
- Reputational risk

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(a) Financial risk management

The following risk categories below presents information about the Company's exposure and the Company's objectives, policies, and processes for measuring and managing these risks. Further quantitative disclosures are included throughout the financial statements and notes thereof.

(i) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage market risk exposures within acceptable parameters while optimizing returns. The Company's financial risk management policy establishes guidelines on how the Company manages the market risk inherent in the business and provides mechanisms to ensure business transactions are executed in accordance with established limits, processes and procedures.

All such transactions are carried out within the established guidelines. The Company does not use derivatives in order to manage the volatility of market risk.

• Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company conducts business globally and is exposed to these risks arising from various transactions denominated in foreign currencies, primarily the United States (US\$) dollar.

The Company manages 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. The Company further manages this risk by maximizing foreign currency earnings and holding foreign currency balances.

The Company's statement of financial position as at 31 December 2024 did not include any foreign liabilities.

The average of the Bank of Jamaica (BOJ) selling rate of exchange applicable at 31 December 2024 is 156.41 (2023 - \$154.95).

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(a) Financial risk management (continued)

(i) Market risk (continued)

• Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Interest –bearing financial assets are primarily cash and cash equivalent, securities purchased under resale agreements and investments. Interest bearing financial liabilities are represented by loans and bank overdrafts.

The Company attempts to manage the risk relating to financial liabilities by procuring the most advantageous rates under contracts with interest rates that are fixed for the life of the contract, where possible. A financial asset is primarily managed by investing excess cash in short-term deposits and maintains interest-earning bank accounts with licensed financial institutions considered to be stable.

(ii) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company faces credit risk principally in respect of its receivables from customers and to a lesser extent cash at bank and short-term deposits held with financial institutions.

Apart from the introduction of the Expected Credit Loss Model (ECL) introduced by IFRS 9, there were no significant changes in the Company's approach to managing credit risk during the year.

Cash and cash equivalent

Cash and cash equivalent are managed by maintaining these balances with licensed financial institutions considered to be stable and are deemed to have a low risk of default.

Trade receivables credit risk

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk for receivables is mitigated by stringent credit reviews and approval of limits to customers. The Company also structures the levels of credit risk it undertakes by placing credit limits on individual counterparties. The Company has an established credit process, which involves regular analysis of the ability of customers and other counterparties to meet repayment obligations.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(a) Financial risk management (continued)

(ii) Credit risk (continued)

Impairment:

The Company establishes a provision for impairment that represents its estimate of possible incurred losses in respect of trade receivables. Impairment is assessed for each customer balance over 90 days. The Company's exposure to this risk is low because approximately 46% (91% - 2023) of its trade debtors are under 90 days.

The Company's credit period on the sale of goods ranges from 7 to 30 days, depending on the relationship with the respective customer. The Company introduced the ECL model in regard to impairment of receivables and this resulted in the Company providing adequately for all receivables where collectability is deemed doubtful.

Movement on the provision for impairment of trade receivables:

	<u>2024</u>	<u>2023</u>
	\$	\$
Balance at 1 January 2024	624,840	1,844,621
Increase in provision for receivables impairment	5,116,125	-
Bad debt recovered during the year	(624,840)	(1,219,781)
Balance at 31 December 2024	<u>5,116,125</u>	<u>624,840</u>

**Aging analysis of trade receivables that are past due and impaired**

Trade receivables over 90 days overdue are considered impaired and are reviewed for any necessary provision. The impairment recognized represents an estimate of possible incurred losses in respect of trade receivables over 90 days. The impaired receivables mainly relate to customers who are in unexpected difficult economic situations.

	<u>31 December 2024</u>		<u>31 December 2023</u>	
	\$ Gross	\$ Impairment	\$ Gross	\$ Impairment
Due 0 to 60 days	9,280,678	573,227	19,507,358	-
Past due 61 to 90 days	832,621	124,893	1,659,137	-
Past due over 91 days	16,815,307	4,418,005	2,810,297	624,840
	<u>26,928,605</u>	<u>5,116,125</u>	<u>23,976,792</u>	<u>624,840</u>

As of 31 December 2024, past due over 90 days \$16,815,307 (2023 - \$2,810,297) were considered impaired, and a provision of \$4,418,005 or 28% (2023 - \$624,840 or 22%) was considered partially impaired and therefore no need was considered necessary for any additional provision.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(a) Financial risk management (continued)

(ii) Credit risk (continued)

**Financial instruments counterparty credit risk**

The Company exposure to financial instruments counterparty credit risk is related to its activities with cash and cash equivalent balances and amounts due from related parties. The Company manages this exposure by maintaining these balances with licensed financial institutions considered to be stable and are deemed to have a low risk of default and to transact business only with highly rated counterparties.

Maximum exposure to financial instruments counterparty credit risk:

	<u>2024</u>	<u>2023</u>
	\$	\$
<b>Credit risk exposures are as follows:</b>		
Related party balances	-	22,898,247
Receivables	106,459,584	99,810,759
Cash and short-term equivalents	12,759,787	67,103,415
	<u>119,219,371</u>	<u>189,812,421</u>

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(a) Financial risk management (continued)

(iii) Liquidity risk

Liquidity risk is the risk that the Company might encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities.

**Liquidity risk management process**

The Company manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form. The Company maintains cash and short-term deposits for up to 90-day periods to meet its liquidity requirements.

The Company's liquidity management process, as carried out within the Company and monitored by the Treasury function, includes:

- i. Monitoring future cash flows and liquidity on an ongoing basis. This incorporates an assessment of expected cash flows
- ii. Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow
- iii. Maintaining committed lines of credit
- iv. Managing the concentration and profile of debt maturities
- v. Optimizing cash returns on investments.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(a) Financial risk management (continued)

(iii) Liquidity risk (continued)

**Cash flows of financial liabilities**

The Company's financial liabilities comprise long-term loans, payables and accruals. The table below shows the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Company can be required to settle its liabilities. These amounts are due as follows:

	<u>2024</u>				
	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>1 year or less</u>	<u>1-2 yrs</u>	<u>2-5 yrs</u>
	\$	\$	\$	\$	\$
Accounts payable	64,074,262	64,074,262	64,074,262	-	-
Long-term liabilities	215,600,000	229,344,500	229,344,500	-	-
<b>Total financial liabilities</b>	<b>279,674,262</b>	<b>293,418,762</b>	<b>293,418,762</b>	<b>-</b>	<b>-</b>

	<u>2023</u>				
	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>1 year or less</u>	<u>1-2 yrs</u>	<u>2-5 yrs</u>
	\$	\$	\$	\$	\$
Accounts payable	47,947,485	47,947,485	47,947,485	-	-
Long-term liabilities	215,600,000	228,367,234	12,767,234	215,600,000	-
<b>Total financial liabilities</b>	<b>263,547,485</b>	<b>276,314,719</b>	<b>60,714,719</b>	<b>215,600,000</b>	<b>-</b>

## 20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

### (b) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes such as personnel, technology, and infrastructure, as well as from external factors, other than financial risks, such as those arising from legal, regulatory requirements and natural disasters.

The management of the Company is responsible for managing operational risk so as to avoid financial loss and damage to the Company's reputation while at the same time balancing the control procedures to allow innovation and creativity to facilitate the growth of the Company. Management is aware of the many operational risks, especially as it relates to the handling of gas and petroleum products and continues to implement the necessary strategies to mitigate the negative impact of the different risks associated with the operation of the Company.

### (c) Reputational risk

The Company is engaged in a business that distributes gas and petroleum products to individuals and various industries. Its reputation is critical within the marketplace and the Company's management endeavors at all times to be ethical and adopts international best practices in the storage, manufacturing, and distribution of its products.

The Company ensures that the necessary safety, sanitary and quality standards are maintained and has regular audits from the government bodies responsible for the Company's portfolio of products including the government's Bureau of Standards, Public Health Department and Jamaica Customs Department. Also, as a supplier to several multinational and reputable local companies in the Western part of the island, the Company adheres and complies with their respective quality standards.

Rigorous quality checks are integrated into the Company's receiving and delivery processes of its products, and this reduces the level of accidents and customer complaints. Management considers the Company's reputation secured, as events that may damage the Company's reputation are immediately investigated and the appropriate action is taken in a manner that satisfies the complainant.

## 21. RELATED PARTIES TRANSACTIONS AND BALANCES

The statement of comprehensive income did not include any material payments to related parties. Refer to notes 11 and 15 for details of balances relating to directors.

## 22. CONTINGENCIES AND COMMITMENTS

- (i) The Company's attorney reported in a letter relating to the year ended 31 December 2024 that as far as they are aware, there were no:
- instructions from the Company to represent them in any claims or possible claims
  - knowledge of any guarantees of indebtedness of others
  - trust monies held on behalf of the Company.
- (ii) Management is not aware of any commitments as at 31 December 2024, except those relating to long-term borrowings which are detailed in Note 15 of the financial statements.

## 23. SUBSEQUENT EVENT AFTER THE FINANCIAL PERIOD

On February 19, 2025, a fire occurred at a nearby commercial property adjacent to the Company's gas station located at 93 Great George Street, Savanna-la-Mar. While the fire caused significant damage to the neighboring premises, no direct damage was sustained to the gas station itself. However, the incident resulted in the temporary closure of the gas station due to safety concerns, the ongoing investigation, and required regulatory inspections.

Management does not anticipate any material financial impact arising from the closure. The costs associated with the event, including the temporary closure, are being reviewed, but no significant impairments are expected to the Company's assets.



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