JAMAICA TEACHERS' ASSOCIATION
(Limited by Guarantee)

CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2026

JAMAICA

C.R.Hylton & Co.
Chartered Accountants

JAMAICA TEACHERS' ASSOCIATION
(Limited by Guarantee)

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31 MARCH 2026

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SFAI JAMAICA

INDEPENDENT AUDITORS' REPORT

To the Members of
Jamaica Teachers' Association

Opinion

We have audited the financial statements of the Jamaica Teachers' Association (the Association) and the consolidated financial statements of the Jamaica Teachers' Association and its subsidiary (the Group) which comprise the separate and consolidated statement of financial position as at 31 March 2026, the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements give a true and fair view of the financial position of the Association and the Group as at 31 March 2026, and of its separate and consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements section of our report*. We are independent of the Association and the Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants including International Independence Standards (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Association and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Association and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
Jamaica Teachers' Association

Report on the 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 and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association and its subsidiary's internal control.

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

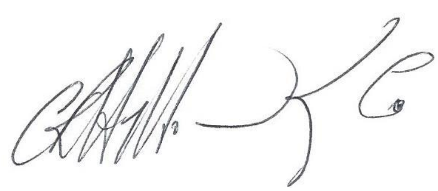
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association or its subsidiary's ability to continue as 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 Association or its subsidiary to cease to continue as a going concern.

- 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 presents a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Additional Requirements of the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.



Chartered Accountant
Kingston, Jamaica
August 12, 2026

JAMAICA TEACHERS' ASSOCIATION
(Limited by Guarantee)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2026

	Note	2026 $'000	2025 $'000
REVENUE	6	33,053	37,428
Cost of sales		(11,477)	(9,815)
GROSS PROFIT		21,576	27,613
Members' subscriptions	7	661,322	637,959
Sponsorship	7	55,198	53,034
Other operating income	7	323,479	25,694
Other gains and losses	8	9,500	5,835
Loss on other operating accounts	30	(34,251)	(43,006)
		1,036,824	707,129
Operating expenses	9	(729,393)	(736,959)
SURPLUS (DEFICIT) BEFORE TAXATION		307,431	(29,830)
Taxation	11	2,728	1,437
NET (DEFICIT) SURPLUS, BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		310,159	(28,393)

JAMAICA TEACHERS' ASSOCIATION
(Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 MARCH 2026

	Note	2026 $'000	2025 $'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	539,450	330,797
Investment properties	13	416,337	394,587
Investments	15	123,847	112,209
Deferred tax assets	16	20,590	17,862
		1,100,224	855,455
CURRENT ASSETS			
Inventories	17	26,774	19,972
Receivables	18	60,461	59,681
Taxation recoverable		47,692	44,753
Short-term investments	19	400,237	295,112
Cash, bank and short-term deposits	19	97,379	137,661
		632,543	557,179
		1,732,767	1,412,634
RESERVES AND LIABILITIES			
RESERVES			
Capital reserve	20	586,566	285,886
Reserve fund	21	199,230	182,683
Special funds	22	20,000	20,000
Retained earnings		717,953	725,021
		1,523,749	1,213,590
NON-CURRENT LIABILITIES			
Members' advances	23	7,266	7,266
Long-term loans	24	6,962	5,095
		14,228	12,361
CURRENT LIABILITIES			
Payables	25	175,465	168,838
Deferred revenue		-	7,453
Bank overdraft	19	17,988	2,836
Current portion of long-term loan	24	1,337	7,556
		194,790	186,683
		1,732,767	1,412,634

Approved for issue by the Board of Directors on August 12, 2026 and signed on its behalf by:

Mark Malabver – President

Mark Nicely – Secretary General

JAMAICA TEACHERS' ASSOCIATION
(Limited by Guarantee)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2026

	Note	Capital Reserve $'000	Reserve Funds $'000	Special Funds $'000	Retained Earnings $'000	Total $'000
Balance at 31 March 2024		285,886	166,734	20,000	769,363	1,241,983
Total comprehensive income						
Net surplus		-	-	-	(28,393)	(28,393)
		285,886	166,734	20,000	740,970	1,213,590
Transaction with owners						
Transfer to reserve fund	21	-	15,949	-	(15,949)	-
Balance at 31 March 2025		285,886	182,683	20,000	725,021	1,213,590
Total comprehensive income						
Net surplus		-	-	-	310,159	310,159
		285,886	182,683	20,000	1,035,180	1,523,749
Transfer of revaluation gain		300,680	-	-	(300,680)	-
Transaction with owners						
Transfer to reserve fund	21	-	16,547	-	(16,547)	-
Balance at 31 March 2026		586,566	199,230	20,000	717,953	1,523,749

	2026 $'000	2025 $'000
Profit retained in the financial statements of:		
The Association	662,653	660,372
The Subsidiary	55,300	64,649
	717,953	725,021

JAMAICA TEACHERS' ASSOCIATION
(Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2026

	Note	2026 $'000	2025 $'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net surplus (deficit)		307,431	(29,830)
Items not affecting cash resources:			
Depreciation	12,13	4,019	31,261
Interest income		(21,097)	(26,334)
Exchange gain adjustment		(583)	(3,276)
Finance costs		2,521	1,430
Fair value loss on investments		-	(6,536)
Gain on revaluation of equity		-	5,051
Transfer from deferred revenue		(7,453)	-
Revaluation gain		(300,680)	-
Gain on disposal of equipment		(9,500)	701
		(25,342)	(27,533)
Change in operating assets and liabilities:			
Inventories		(6,802)	8,827
Receivables		(780)	20,792
Payables		6,627	31,424
		(26,297)	33,510
Taxation		(2,939)	(3,920)
Interest paid		(2,521)	(148)
Cash provided by operating activities		(31,757)	29,442
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	12	(8,474)	(7,240)
Net adjustment to Plant and equipment and Investment property		80,915	-
Addition to investment property		(9,156)	-
Interest received		23,925	29,052
Acquisition of investments		(116,763)	(21,472)
Cash provided by investing activities		(29,553)	340
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from sale of assets		9,645	38,008
Repayment of loans		(4,352)	(7,556)
Cash (used in) provided by financing activities		5,293	30,452
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(56,017)	60,234
Effect of exchange gain on cash and cash equivalent		583	492
Cash and cash equivalents at beginning of year		134,825	74,099
CASH AND CASH EQUIVALENTS AT END OF YEAR	19	79,391	134,825

JAMAICA TEACHERS' ASSOCIATION
(Limited by Guarantee)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2026

	Note	2026 $'000	2025 $'000
REVENUE			
Members' subscription	7a	661,322	637,959
Sponsorship and fees	7b&7c	377,096	78,727
Other gains and losses	8	9,500	5,835
		1,047,918	722,521
Expenses - Fee Account	9	(697,020)	(700,783)
		350,898	21,738
Loss on other operating accounts	30	(31,390)	(45,161)
SURPLUS (DEFICIT) BEFORE TAXATION		319,508	(23,423)
Taxation	11	-	-
NET (DEFICIT) SURPLUS, BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		319,508	(23,423)

JAMAICA TEACHERS' ASSOCIATION
(Limited by Guarantee)

STATEMENT OF FINANCIAL POSITION
31 MARCH 2026

	Note	2026 $'000	2025 $'000
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	12	538,973	330,205
Investment properties	13	416,337	394,587
Subsidiary company	14	126	126
Investments	15	123,847	112,209
Deferred tax assets	16	13,401	13,401
		1,092,684	850,528
CURRENT ASSETS:			
Receivables	18	57,838	56,741
Taxation recoverable		46,299	43,358
Short- term investments	19	400,237	295,112
Cash and short-term deposits	19	72,507	94,964
		576,881	490,175
		1,669,565	1,340,703
RESERVES AND LIABILITIES			
RESERVES:			
Capital reserve	20	586,566	285,886
Reserve fund	21	199,230	182,683
Special funds	22	20,000	20,000
Retained earnings		662,653	660,372
		1,468,449	1,148,941
NON-CURRENT LIABILITIES:			
Members' advances	23	7,265	7,266
Long-term loans	24	6,962	5,095
		14,227	12,361
CURRENT LIABILITIES:			
Payables	25	167,564	161,556
Deferred revenue		-	7,453
Bank overdraft	19	17,988	2,836
Current portion of long-term loans	24	1,337	7,556
		186,889	179,401
		1,669,565	1,340,703

Approved for issue by the Board of Directors on August 12, 2026 and signed on its behalf by:

Mark Malabver – President

Mark Nicely – Secretary General

JAMAICA TEACHERS' ASSOCIATION
(Limited by Guarantee)

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2026

	Note	Capital Reserve $'000	Reserve Fund $'000	Special Funds $'000	Retained Earning $'000	Total $'000
Balance at 31 March 2024		285,886	166,734	20,000	699,744	1,172,364
Total comprehensive income						
Net deficit		-	-	-	(23,423)	(23,423)
		285,886	166,734	20,000	676,321	1,148,941
Transaction with owners						
Transfer to reserve fund	21	-	15,949	-	(15,949)	-
Balance at 31 March 2025		285,886	182,683	20,000	660,372	1,148,941
Total comprehensive income						
Net surplus		-	-	-	319,508	319,508
		285,886	182,683	20,000	979,880	1,167,768
Transfer of revaluation gain		300,680	-	-	(300,680)	-
Transaction with owners						
Transfer to reserve fund	21	-	16,547	-	(16,547)	-
Balance at 31 March 2026		586,566	199,230	20,000	662,653	1,468,448

JAMAICA TEACHERS' ASSOCIATION
(Limited by Guarantee)

STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2026

	Note	2026 $'000	2025 $'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net surplus (deficit)		319,508	(23,423)
Items not affecting cash resources:			
Depreciation	12, 13	3,672	31,079
Interest income	30	(20,529)	(25,052)
Gain on exchange		(138)	(2,784)
Finance costs	9	2,521	1,430
Fair value loss/(gains) on investments	8	-	(6,536)
(Gain)/loss on disposal of assets	8	(9,500)	701
Transfer from deferred revenue		(7,453)	-
Revaluation gain		(300,680)	-
Gain on revaluation of equity securities	8	-	5,051
		(12,599)	(20,466)
Change in operating assets and liabilities:			
Receivables		(1,097)	21,376
Payables		6,008	28,992
		(7,688)	30,834
Taxation		(2,941)	(3,920)
Interest paid		(2,521)	(1,430)
Cash provided by operating activities		(13,150)	245,484
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	12	(5,367)	(6,737)
Net adjustment to Plant and equipment and Investment property		80,915	-
Addition to investment property		(9,156)	-
Interest received		20,529	29,052
Acquisition of investments		(116,763)	(21,472)
Cash provided by investing activities		(29,842)	843
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from sale of assets		9,645	38,008
Repayment of long-term loans, net		(4,352)	(7,556)
Cash (used in) provided by financing activities		5,293	30,452
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(37,699)	56,779
Cash and cash equivalents at beginning of year		92,218	35,349
CASH AND CASH EQUIVALENTS AT END OF YEAR	19	54,519	92,128

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

(a) The Jamaica Teachers' Association (the Association) is registered under the Companies Act of Jamaica with liability limited by guarantee. Its objectives include promoting the educational interest of Jamaica and furthering the welfare of the teaching profession.
(b) The Association's wholly owned subsidiary, the Jamaica Publishing House Limited carries on the business of publishers and distributors of textbooks.
(c) The Association and its‟ subsidiary, are collectively referred to as "the Group".

2. REPORTING CURRENCY

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). These financial statements are presented in Jamaican dollars, which is considered the Group's functional and presentation currency.

3. MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented. Where necessary, prior year comparatives have been restated and reclassified to conform to current year's presentation.

3.1 Statement of compliance

These financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the relevant requirements of the Jamaican Companies Act.

3.2 Basis of preparation

These financial statements have been prepared on the historical cost basis except for certain properties and financial instruments which are stated at fair value.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

Basis of consolidation
The consolidated financial statements combine the financial position, results of operations and cash flows of the Association and its trading subsidiary, The Jamaica Publishing House Limited.

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

3. **MATERIAL ACCOUNTING POLICIES (CONT'D)**

3.2 **Basis of preparation**

Basis of consolidation (cont'd)

Inter-group transactions, balances and unrealized gains on transactions between group entities are eliminated. Unrealized losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The classification of an item into the above level is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values of the Group's financial instruments are discussed in Note 4.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Amendments to IFRS that are mandatorily effective for the current year

In the current year the Group and The Association have applied a number of amendments to IFRS issued by the International Accounting Standards Board (IASB) that are mandatorily effective for the accounting period that begins on or after 1 January 2025.

The application of these amendments has not had any impact on the amounts reported or the presentation and disclosures in these financial statements but may impact the accounting for future transactions and arrangements.

Amendments to Standards		Effective for annual periods beginning on or after
IAS 21	*The effect of Changes in Foreign Exchange Rates* Amendment on 'Lack of Exchangeability', providing guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.	January 1, 2025

- **Amendments to IAS 21: Lack of exchangeability of foreign currency**
  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date with the objective to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. An entity can use an observable exchange rate without adjustment or another estimation technique.

  The standard requires disclosing information that enables users of the financial statements to understand how the currency not being exchangeable into the reporting currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.4 New and revised IFRS in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards, Interpretations and amendments thereto were in issue but were not effective or early adopted for the financial period being reported on:

		Effective for annual periods beginning on or after
<u>New Standards</u>		
IFRS 18	Presentation and Disclosures in Financial statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Revised Standards		
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Effective date postponed indefinitely pending outcome of project on equity method of accounting
IFRS 7 and IFRS 9	*Financial Instruments: Disclosures and Financial Instruments*	
	- Amendments regarding the classification and measurement of financial instruments	January 1, 2026
	- Power Purchase Agreements: Contracts Referencing Nature-dependent Electricity	January 1, 2026
IAS 7 Statement of Cash Flows	Amendments requiring the use of the operating profit subtotal as defined in IFRS 18 as the starting point for the indirect method of reporting cash flows from operating activities. Additionally, the presentation alternatives for cash flows related to interest and dividends paid and received will be removed.	When IFRS 18 is applied, effectively for annual periods beginning on or after January 1, 2027
IFRS 1, 7, 9, 10, IAS 7	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.4 New and revised IFRS in issue but not yet effective (cont'd)

New and Revised Standards and Interpretations in issue not yet effective that are relevant

The Group and The Association have assessed the impact of all the new and revised Standards and Interpretations in issue not yet effective and has concluded that the following are relevant to the operations of the Group and The Association:

- **IFRS 18: Presentation and Disclosures in Financial Statements (New Standard)**
  The objective of the standard is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses that is useful to users of financial statements in assessing the prospects for future net cash inflows to the entity and in assessing management's stewardship of the entity's economic resources.
  IFRS 18 identifies what a complete set of financial statements comprises and identifies this as 'primary financial statements'.

  Statement of profit or loss
  The standard requires that an entity classify all income and expenses within its statement of profit and loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, the first three of which are new. This is complemented by the requirement to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'.

  Main business activities
  For purpose of classification in the three new categories, an entity will need to assess whether it has a 'specified main business activity' of investing in assets or providing financing to customers, as specific classification requirements apply to such entities. Judgement is required in determining the fact and circumstances relevant to a specified main business activity as an entity may have more than one business activity.

  Investing Category
  This category will generally include income and expenses from investments in associates, joint ventures and unconsolidated subsidiaries, cash and cash equivalents and other assets, if they generate a return individually and largely independently of the entity's other resources.

  Financing category
  For an entity that does not provide financing to customers as a specified main business activity, the financing category comprises income and expenses from liabilities arising from transactions that involve only the raising of finance, for example, debentures, loans, notes, bonds and mortgages. It would also include interest income and expenses and the effects of changes in interest rates from liabilities arising from transactions that do not involve only the raising of finance, for example, payables for goods or services, lease liabilities and defined benefit pension liabilities, but only if the entity identifies those amounts when applying another IFRS accounting standard to other liabilities that do not involve only the raising of finance.

  Those entities that provide financing to customers as a main business activity will classify in the operating category income and expenses from liabilities that arise from transactions that involve only the raising of finance related to the provision of financing to customers

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.4 New and revised IFRS in issue but not yet effective (cont'd)

Financing category
and make an accounting policy choice to classify in the operating category or financing category income and expenses from liabilities that arise from transactions that involve only the raising of finance not related to the provision of financing to customers.

Operating category
This category is intended to capture income and expenses from the entity's main business activities. IFRS 18 describes it as a residual category and it therefore will comprise all income and expenses not included within the other categories irrespective of volatility or their unusual nature. However, any income or loss from investments accounted for using the equity method is to be included in the investing category, regardless of the specified main business activity of the entity.

Retrospective application of the standard is mandatory for annual reporting periods starting from 1 January 2027 onwards but earlier application is permitted provided that this fact is disclosed.

The Group and The Association are assessing the impact of this new standard on its financial statements and will implement the standard on the period it becomes effective.

- ***Annual Improvements to IFRS Accounting Standards – Volume 11 (issued in July 2024)***
  These improvements include:

  IFRS 9 *Financial instruments* – Clarifies the treatment of gain/loss on derecognition of lease liabilities by a lessee; Remove and replace phrasing for 'transaction price' in relation to IFRS 15 Revenue from contracts with Customers - *effective 1 January 2026.*

This amendment is not expected to have any measurable impact on the financial statements of the Group and The Association as it expects to hold its leases to maturity.

3.5 Use of estimates and judgements:

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of, and disclosures related to, assets, liabilities, contingent assets and contingent liabilities as at the reporting date and the income and expenses for the period then ended.

Actual amounts could differ from these estimates.

The estimates and associated assumptions are based on historical experience and/or various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.5 **Use of estimates and judgements (Cont'd):**

Critical judgements in applying the Group and The Association's accounting policies:

Critical judgements used in applying the Group and The Association's accounting policies that have a significant risk of material adjustment in the next financial year relate to the estimated useful lives and residual values of plant and equipment, leases and other post-employment benefits.

a) *Depreciable assets*
Estimates of the useful life and the residual value of plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Group and The Association apply a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

b) *Leases - estimating the incremental borrowing rate*
If the Group and The Association cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group and The Association would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group and The Association 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Group and The Association estimate the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as stand-alone credit rating).

3.6 **Revenue recognition**

Revenue from contracts with customers
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration set out in the contract with the customer and excludes amounts collected on behalf of third parties.

Sale of goods
Revenue, principally from the sale of children's school publications are for distribution in the retail channel and is primarily recognized when risks and benefits transfer to the customer, or when the product is on sale and available to the public.

3. **MATERIAL ACCOUNTING POLICIES (CONT'D)**

3.6 **Revenue recognition (Cont'd)**

(i) Right of return
No reserve for estimated returns is established at the time of sale for recognition as a reduction to revenue as there are no established right of returns provide in contracts with customers once delivery has been taken of goods. Historically, no returns have been accepted by the Group.

For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer. The liability is measured at the amount the Group ultimately expects it will have to return to the customer. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

(ii) Significant financing component
Where the Group receives short-term advances from customers, using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it is expected, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

(iii) Contract balances
Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables
A receivable represents the Group's right to an amount of consideration that is unconditional, that is, only the passage of time is required before payment of the consideration is due.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Supply of member services

Members' subscriptions
Nonrefundable Members subscriptions are received monthly and are recognised over the duration members have access to the services of the Association.

Fees
Fees are recoginised at a point in time as services are performed. Generally, delivery or completion of services, if applicable, is not made unless full payment is deposited or received. Upfront fees are assessed for any material rights conveyed to a member for separate performance obligations or are related directly to a performance obligation and revenue deferred appropriately.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.6 Revenue recognition (cont'd)

(iii) Contract balances (cont'd)

Other revenues

Rental income
Rental income from investment and non-investment properties Rental income arising from operating leases on both investment and non-investment properties is accounted for on a straight-line basis over the lease term. For accounting policies relating to investment property, refer to note 3(e).

Interest income
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

When calculating the effective interest rate, the estimates future cash flows consider all contractual terms of the financial instrument, but not expected credit losses (ECL).

3.7 Property, plant and equipment and investment property

All owner-occupied property is recognised at cost. Further, the cost model is also used to account for investment property. Properties are recorded at historical or deemed cost. Historical cost includes expenditure that is directly attributable to the acquisition of the properties.

Investment properties which are held to earn rental income and/or for capital appreciation (including property under construction for such purposes), are measured at cost, including transaction cost. Owner-occupied properties are held for use by the Group, in the supply of services or for administration purposes. Investment properties include portions of office buildings that are held for rental income and capital appreciation that are not owner-occupied.

Subsequent expenditure relating to an item of property, plant and equipment and investment property is capitalised when it is probable that future economic benefits will flow to the Group and the cost of the item can be measured reliably. All other subsequent expenditure (repairs and maintenance) is recognised as an expense when it is incurred.

Property, plant and equipment and investment property are derecognised on disposal or when no future economic benefit is expected from the continued use of the asset.

On disposal of an item of property, plant and equipment, the net carrying value of the item is transferred to income and set off against any proceeds from the sale of the item.

Land is not depreciated and is stated at cost less accumulated impairment losses. All other items of plant and equipment and investment property are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of assets commences when the assets are ready for their intended use.

Depreciation is provided on a straight-line basis over the estimated useful lives of property,

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.7 Property, plant and equipment and investment property (Cont'd)

plant and equipment in order to reduce the cost of the asset to its residual value. The depreciation methods estimated remaining useful lives and residual values are reviewed at least annually, with the effect of any changes in estimate accounted for on a prospective basis. Management assesses residual values and useful lives at the end of each reporting period.

Estimated useful lives are as follows:

Buildings	40 years
Furniture, fixtures and equipment	4 -10 years
Computer equipment and motor vehicles	5 years

3.8 Impairment of non-current assets

Property, plant and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the greater of an asset's net selling price and value in use. For assessing impairment, assets are grouped at the lowest level for which there is a separately identified cash flow. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

3.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method.

Net realisable value represents the estimated selling price less all estimated costs of completion and [list the estimated costs necessary to make the sale, for example, costs to be incurred in marketing, selling and distribution].

3.10 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation because of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are several similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as an interest expense.

3. **MATERIAL ACCOUNTING POLICIES (CONT'D)**

3.11 **Foreign currency translation**

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated to Jamaican dollars using the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated using the exchange rate as at the date of 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.

Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognized in profit or loss. Under IAS 39, translation differences on non-monetary financial instruments, such as equities classified as available-for-sale financial assets, are included in equity.

3.12 **Financial instruments**

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Recognition

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

Classification

The Group classifies financial assets at initial recognition based on the financial asset's contractual cash flow characteristic and the Group's business model for managing the instruments. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Initial recognition and measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset that are not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are recognised immediately in profit or loss. Receivables that do not contain a significant financing component are measured on initial recognition at their transaction price.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVOCI)

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.12 Financial instruments (cont'd)

Subsequent measurement (Cont'd)

- Financial assets at fair value through profit or loss (FVTPL)

Amortised cost

These assets arise principally from the provision of goods and services to members as well as other types of financial assets held within a business model where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest (SPPI) on the principal amount outstanding. The SPPI test is performed at an instrument level. After initial recognition, they are subsequently carried at amortised cost using the effective interest method, less any impairment.

The Group's financial assets at amortised cost comprise receivables, cash, bank and deposit balances.

FVTPL and FVOCI

Equity instruments are measured at FVTPL, unless the asset is not held for trading purposes and the Group makes an irrevocable election on an instrument-by-instrument basis to designate the asset as FVOCI. As a result of the election, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses and their reversal are not reported separately from other changes in fair value. Dividends representing a return on such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

The Group manages its investments as a medium term portfolio of assets under a business model which is neither solely for collecting contractual cash flows or to collect such cash flows and sell. The portfolio which includes investment bonds and unitised investment funds as well as equity securities are under contractual terms that expose the instruments to risk or volatility that are not consistent with basic lending arrangements. These instruments are therefore designated at FVTPL as a separate business model.

Derecognition

A financial asset or group of similar financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired or;
- The Group has:
  - (i) transferred its rights to receive the cash flows from the asset or
  - (ii) has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either the Group:
    - (a) has transferred substantially all the risk and rewards of ownership of the asset, or
    - (b) has neither transferred substantially all the risk and rewards of ownership of the asset, but has transferred control of the asset

Where the transfer does not qualify for derecognition as above, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment

The Group recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.12 Financial instruments (cont'd)

Impairment **(cont'd)**

The Group recognises a loss allowance for expected credit losses on trade receivables and other financial assets that are measured at amortised cost applying the expected credit loss model. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recorded when billed or accrued and represent claims against third parties that will be settled in cash. They are generally due for settlement within 30 days and therefore are all classified as current. The Group recognises lifetime ECL at each reporting date for trade receivables applying a simplified approach. The expected credit losses on these financial assets are estimated based on the historical collection trends, type of customer, the age of outstanding receivables and existing economic conditions adjusted for factors that are specific to the debtors as well as the expected changes in factors or conditions affecting the debt at the reporting date, including time value of money where appropriate. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. Significant increase is assessed as the change in the risk of a default over the expected life of the financial asset as at the reporting date with the risk of default on the instrument occurring at the date of initial recognition, considering reasonable and supportable information that is available without undue cost or effort. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The credit risk on a financial instrument is assumed not to have increased significantly if it is determined to have a low credit risk at the reporting date taking into consideration all the terms and conditions of the instrument from the perspective of market participants or by use of other methodologies that are consistent with assessing low credit risk for the particular instrument. 12-moth ECL are applied to the Group's debt securities determined to have low credit risk and other debt securities and bank balances for which credit risk has not increased significantly since initial recognition,

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.
The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due and a financial asset to be in default when the financial asset is more than 90 days past due and/or internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows in its entirety or a portion thereof. Write off takes place when the Group's internal collection efforts have been unsuccessful in collecting the amount due. No significant recovery is expected from amounts written off.

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

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.12 Financial instruments (cont'd)

Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value except for financial liabilities that are not at fair value through profit or loss (FVTPL), where they are recognised net of directly attributable transaction costs of issue. Financial liabilities are subsequently measured at amortised cost, except for those at fair value through profit or loss which are subsequently measured at fair value.

Measurement category

FVTPL

A financial liability is classified as at FVTPL if it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. The Group has no financial liabilities at FVTPL.

Other financial liabilities

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

The Group and the Association's financial liabilities measured at amortised cost comprise trade and other payable and due to related party.

Derecognition

A financial liability is derecognised when the obligation under the instrument is extinguished by being discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of a financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

3.13 Pension scheme costs

Pension scheme costs included in the statement of comprehensive income represent contributions to the scheme which the group operates to provide retirement pensions for the Group's employees (note 28). Contributions to the scheme, made on the basis provided for in the rules, are accrued and charged off when due.

3.14 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand and short term deposits with original maturity of 90 days or less.

3.15 Travel and promotion

It is considered that in normal circumstances, expenditure on attendance at congresses, publicity and overseas activities represents part of the ordinary activities of the Association. Expenditure involving unusually lengthy travel and attendance is considered as exceptional and would be shown as such.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.16 Borrowings

Borrowings are recognized initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective yield method. Any difference between proceeds, net of transaction costs, and the redemption value is recognized in profit or loss over the period of the borrowings.

3.17 Current and deferred income taxes

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because taxable profits exclude items that are taxable or deductible in other years, and items that are never taxable or deductible. The Group's liability for current tax is calculated at tax rates that have been enacted at the reporting date.

Deferred tax is the tax that is 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 liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is charged or credited to profit or loss, except where it relates to items charged or credited to other comprehensive income or equity, in which case deferred tax is also dealt with in other comprehensive income or equity.

3.18 Leases

Policies applicable from 1 April 2019

The Group as a lessee
The company assesses whether a contract is or contains a lease, at inception of the contract. The company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

3.19 Leases (Policy applicable prior to 1 April 2019)

Leases of properties where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance charges are expensed in the statement of comprehensive income over the lease period. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under operating leases are charged as an expense in the statement of comprehensive income on the straight line basis over the period of the lease.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next financial year are discussed below:

(a) Critical judgements in applying the Group’s accounting policies

In the process of applying the Group’s accounting policies, management has not made any judgements that it believes would cause a significant impact on the amounts recognized in the financial statements, except as follows:

(i) Impairment of financial assets
Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of expected credit loss (ECL) and selection of an appropriate model used to measure ECL requires significant judgement.

(b) Key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts and assets and liabilities within the next financial year are discussed below:

(i) Fair value estimation

A number of assets and liabilities included in the Group’s financial statements require measurement at, and/or disclosure of fair value.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction. Market price is used to determine fair value where an active market (such as a recognized stock exchange) exists as it is the best evidence of the fair value of a financial instrument.

The fair value measurement of the Group’s financial and non-financial assets and liabilities utilizes market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilized.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(b) Key sources of estimation uncertainty (cont'd)

(i) Fair value estimation (cont'd)

The standard requires disclosure of fair value measurements by level using the following fair value measurement hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The classification of an item into the above level is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item.

The fair value of financial instruments traded in active markets, such as equity shares in corporate entities, is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1 and comprise equity instruments traded on the Jamaica Stock Exchange.

The fair values of financial instruments that are not traded in an active market are deemed to be determined as follows:

(i) The fair value of investment bonds and similar investment instruments are measured by reference to quoted market prices derived by valuation techniques based on prices quoted by issuers.

(ii) The fair value of fixed rate bank loan is calculated using discounted cash flow technique using as discount rate reflective of current market rates for similar borrowing. See Note 23

(iii) The face value less any estimated credit adjustments, for financial assets and liabilities with a maturity of less than one year are estimated to approximate their fair values. These financial assets and liabilities include cash and short-term deposits, short-term investments, receivables and payables.

(ii) Depreciable assets

Estimates of the useful life and the residual value of property, plant and equipment are required to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Group applies a variety of methods to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(b) Key sources of estimation uncertainty (cont'd)

(iii) Impairment of trade receivables

Allowance for expected credit losses
The Group recognises an allowance for expected credit losses on its trade receivables using the simplified approach. Trade receivables are assumed to be in default when they are 90 days past due, which is also considered to be a significant increase in credit risk since initial recognition, in the absence of more forward-looking information and actual default experience. A provision matrix is utilized in impairment of 50% of the outstanding 90 days past due receivable is made and incorporating the time value of money over the expected collection period, and any reasonable and supporting information that is available at the reporting date about current conditions and expected future development affecting collection of the receivables.

(iii) Income taxes

Estimates are required in determining the provisions for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for possible tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were originally recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. See Note 11.

(iv) Deferred tax assets

The financial statements include net deferred tax assets of 20.59 million (2025: $17.862 million) for the Group and 13.401 million (2025: $13.401 million) for the Association representing tax benefits available for set-off against future taxable surpluses. The directors and management believe that based on plans and budget projections, the Association will return to profitability in the near future and therefore the net deferred tax asset recognised is realisable. See Notes 11 and 16.

5. FINANCIAL RISK MANAGEMENT

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Market risk
- Interest rate risk
- Liquidity risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

5. **FINANCIAL RISK MANAGEMENT (CONT'D)**

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(i) Principal financial instruments

The principal financial instruments used by the Group, from which financial instruments risk arises, are as follows:

- Trade receivables
- Cash and short-term deposits
- Investments
- Long-term loans
- Payables
- Bank overdraft
- Members' advances

(ii) Financial instruments by category

Financial assets

	Amortised cost		FVTPL	
	2026 $'000	**2025 $'000**	**2026 $'000**	**2025 $'000**
Cash and short-term deposits	97,378	137,661	-	-
Receivables	45,277	42,216	-	-
Short-term investments	400,237	295,112	-	-
Investments	-	-	123,847	112,209
Total financial assets	542,892	474,989	123,847	112,209

Financial liabilities

	Financial liabilities At amortised cost	
	2026 $'000	**2025 $'000**
Payables	175,466	168,838
Bank overdraft	17,988	2,836
Members' advances	7,266	7,266
Long-term loans	8,299	12,651
Total financial liabilities	209,	191,591

(iii) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and short-term deposits, receivables, payables, bank overdraft, members' advances and long-term loans.

Due to their short-term nature, the carrying value of cash and short-term deposits, receivables, payables and bank overdraft approximates their fair value. The fair value of the members' advances is not determinable given its special nature and no specified repayment terms.

5. **FINANCIAL RISK MANAGEMENT (CONT'D)**

(iv) Financial instruments measured at fair value

The fair value hierarchy of financial instruments measured at fair value is provided below:

	Level 1		Level 2	
	2026	**2025**	**2026**	**2025**
	$'000	**$'000**	**$'000**	**$'000**
FV through P&L (FVTPL)				
Investment bonds and policies	-	-	34,323	34,323
Unitised investment funds	-	-	38,132	38,132
Quoted equity	37,089	39,754	-	-
	37,089	39,754	72,455	72,455

There were no transfers between levels during the period.

(v) Financial risk factors

The General Council has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function.The General Council provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

The overall objective of the General Council is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

(a) 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. Credit risk arises from receivables, investments, bank and short-term deposit balances.

Receivables
Revenue transactions in respect of the Group's primary operations are settled either in cash or electronic transfers. For its operations done on a credit basis, the Group has policies in place to ensure that transactions are done with members.

Investments at fair value
The Group limits its exposure to credit risk by investing in marketable securities, spread over several instrument types and held directly with or brokered through financial institutions that are reputable and regulated counterparties. The risk is further managed by investing across sovereign and corporate debt securities and equity investments through portfolio funds. Accordingly, management does not expect any counterparty to fail to meet its obligations.

5. **FINANCIAL RISK MANAGEMENT (CONT'D)**

(v) Financial risk factors (cont'd) -

(a) Credit risk (cont'd)

Bank, short-term deposits and investments
Balances with banks and other financial institutions including deposits and repurchase agreements are limited to reputable financial institutions that are regulated. The Group has policies that limit the amount of credit exposure to any one financial institution.

At the end of the reporting period approximately 80% of these balances were with the Group's main banker or affiliates with the balance in two other financial institutions.

Cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

Maximum exposure to credit risk
The maximum exposure to credit risk is equal to the carrying amount of approximately $666.739 million (2025: $587.198 million) as disclosed in note 5(ii) above on financial instrument by category and set out as follows:

The carrying values and maximum exposure are as follows:

	The Group		The Association	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Financial assets				
Cash and short-term deposits	97,378	137,661	72,507	94,964
Receivables	45,277	42,216	103,679	39,411
Short-term investments	400,237	295,112	361,337	295,112
FVTPL investments	123,847	112,209	161,979	112,209
Total financial assets	666,739	587,198	699,502	541,696

(b) Market risk

Currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

Currency risk arises from sales income and holding of United States (US) dollar cash resources and investments. The Group manages this risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The Group further manages this risk by maximizing foreign currency earnings and holding net foreign currency assets.

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(v) Financial risk factors (cont'd) -

(b) Market risk (cont'd)

Concentration of currency risk
The Group is exposed to foreign currency risk in respect of holdings in US dollar receivables, cash and short-term deposits and investments. The carrying amounts of these foreign currency denominated monetary assets in the ordinary course of business at the end of the reporting period is as follows:

	Assets	
	2026	**2025**
	J$'000	**J$'000**
US dollars:		
Cash and short-term deposits	9,193	8,931
Investments (FVTPL)	18,900	18,132
Receivables	-	725
	28,093	27,788

Foreign currency sensitivity
The following table indicates the sensitivity of profit before taxation to changes in foreign exchange rates. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates.

The sensitivity analysis represents outstanding foreign currency denominated cash and bank and accounts receivable balances and adjusts their translation at the year-end for a 1.5% (2025: 3.5%) devaluation and a 1% (2025: 1%) revaluation of the Jamaican dollar against the US dollar. The changes below would have no impact on other components of equity.

	% Change in Currency Rate 2026	**Effect on Profit before Tax 2026** $'000	**% Change in Currency Rate 2025**	**Effect on Profit before Tax 2025** $'000
Currency:				
USD	-1.5	421	-3.5	307
USD	+1	(280)	+1	(92)

Price risk
Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group is exposed to price risk arising from its holdings in quoted investment securities and unitized investment funds at a total carrying amount of $83.884 million (2025: $72.272 million).

5. **FINANCIAL RISK MANAGEMENT (CONT'D)**

(v) Financial risk factors (cont'd) -

(b) Market risk (cont'd)

Price risk sensitivity
Sensitivity analysis has been determined based on the exposure to equity and quoted securities price risk at the end of the reporting period. If these prices were 1.5% (2025: 6% increase) higher or 2% (2025: 2%) lower, net surplus for the year would increase by $1.158 million (2025: $6.538 million) or decrease by $1.678 million (2025: $2.179 million) as a result of changes in fair values of these instruments. There is reduced sensitivity due mainly to the reduced holding by the Group of these instruments during the year.

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

Floating rate instruments expose the Group to cash flow interest rate risk, whereas fixed rate instruments expose the Group to fair value interest rate risk.

Short term deposits, short-term investments, Investments in bonds and guaranteed policies are the main interest-bearing assets within the Group. The Group's short-term deposits are due to mature and re-price respectively, within 3 months of the reporting date and include repurchase agreements totaling $24.274 million (2025: $93.727 million). Short-term investments amounting to $362.105 million are at fixed rates and at origination will mature within a year of issue. They earn comparable low interest rates in the current low market interest rate environment.

The investment bonds and policies are at fixed interest rates over the life of the instruments. Management does not intend to hold these instruments until maturity and therefore constantly monitor market conditions to determine favorable conditions for sale.

The Group's only Interest-bearing liability comprises a long term bank loans which is at a fixed rate for five years. The fair value of the loans at the end of the reporting period is disclosed in Note 24.

The following tables indicate the level of interest rate exposure of the Group for Jamaican dollar and United States Dollar denominated short-term deposits and repurchase agreements at the end of the reporting period (including short-term investments):

	2026 $'000	2025 $'000
J$ Denominated instruments	343,205	179,155
USD Denominated instruments	18,900	115,957
Total	362,105	295,112

5. **FINANCIAL RISK MANAGEMENT (CONT'D)**

(v) Financial risk factors (cont'd) -

(b) Market risk (cont'd)

Interest rate sensitivity
There is no significant exposure to interest rate risk on short term deposits, as these deposits have a short term to maturity and are constantly reinvested at current market rates.

The sensitivity analyses below have been determined based on the exposure to interest rates for interest sensitive short-term deposits and short-term investments at the end of the reporting period. A 25 basis point increase or a 25 basis points decrease for Jamaican dollar instruments and for foreign currency instruments a 25 basis points increase or a 50 basis points decrease, represents management's assessment of the possible change in interest rates in the short-term.

If interest rates had been 25 basis points higher or 25 basis points lower for Jamaican dollar or 25 basis points higher and 50 basis points lower for foreign currency instruments and all other variables were held constant (2025: 25/75 and 25/50 respectively), the Group's surplus for the year would increase by $0.905 million or decrease by $.953 million (2025: increase by $0.738 million or decrease by $1.923 million).

The Group's sensitivity to interest rates would have reduced during the current period mainly due to decreased holdings of demand and short-term interest-bearing instruments.

(c) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Liquidity risk management process
The Group's liquidity management process, as carried out within the Group and monitored by the Finance Department, includes:

(i) Monitoring future cash flows and liquidity on a regular basis.
(ii) Maintaining a portfolio of short-term deposit balances that can easily be liquidated as protection against any unforeseen interruption to cash flow.
(iii) Maintaining committed lines of credit.
(iv) Optimizing cash returns on investments.

(vi) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide benefits for the stakeholders.

There are no particular strategies to determine the optimal capital structure. There are also no external capital maintenance requirements to which the Group is subject.

6. REVENUE

Revenue represents the price of publications sold to third parties after discounts.

7. INCOME FROM OPERATIONS

(a) MEMBERS' SUBSCRIPTION

This represents gross subscription due from members during the year.

(b) SPONSORSHIP AND FEES

This comprises various programmes and events for which the Group received sponsorship through its members or sponsoring organizations.

	2026 $'000	2025 $'000
Annual conference	627	336
Education conference & Education symposium	200	157
Professional Development Fund	49,000	40,900
Awards function	-	400
Professional Development Day	40	311
Radio programmes	888	1,010
Other sponsorships	4,443	9,920
	55,198	53,034

(c) OTHER OPERATING INCOME

	2026 $'000	2025 $'000
Interest income	19,877	25,052
Revaluation of investment property	80,680	-
Revaluation of Mandeville land	220,000	-
Other	2,922	642
	323,479	25,694

8. OTHER GAINS AND LOSSES

	2026 $'000	2025 $'000
Investment gains/(losses)		
Gain/(loss) on disposal of assets	9,500	(701)
Net gains on investments in unitised trusts funds	-	6,536
	9,500	5,835

9. OPERATING EXPENSES

	The Group		The Association	
	2026	**2025**	**2026**	**2025**
	$'000	**$'000**	**$'000**	**$'000**
Staff remuneration and statutory contributions	288,715	285,270	272,120	262,735
Retirement benefits	-	1,677	-	1,677
Staff welfare and benefits	28,443	7,110	27,470	7,110
Insurance	183	207	183	207
Repairs and maintenance	6,674	8,271	6,835	8,212
Utilities	22,252	31,861	20,724	30,395
Postage and telegraphs	93	11	93	11
Printing and stationery	6,385	5,716	6,385	5,553
Regional expenses	17,630	10,976	17,630	10,976
Legal and other professional fees	24,899	11,637	24,899	11,637
Audit and accounting fees	3,976	3,545	3,021	2,496
Motor vehicle expenses	1,467	880	1,467	880
Loan finance charge	793	1,430	793	1,430
Interest and bank charges	1,880	627	1,880	627
Office expenses	13,073	15,320	5,392	8,634
Representation and operations expenses (note 28)	217,059	253,647	217,087	253,647
Development programme expenses (note 29)	62,266	64,925	65,266	64,925
Royalty	4,316	4,036	-	-
Loss allowance on trade receivables	-	3	-	3
Information Technology	986	363	986	363
Sponsorship and donations	5,271	8,922	5,271	8,922
Other administrative and selling expenses	19,013	264	15,846	264
Depreciation - administrative	4,019	20,261	3,672	20,079
	729,393	736,959	697,020	700,783

10. STAFF COSTS

	2026	**2025**
	$'000	**$'000**
Salaries, wages and related charges	288,715	285,270
Staff welfare and retirement benefits	28,443	8,787
	317,158	294,057

The number of employees at year end in the Group was 50 (2025: 54); Association 47 (2025: 50).

11. TAXATION EXPENSE

(a) Taxation is computed on the profit for the year of the subsidiary, property and other operating accounts of the Association, as adjusted for taxation purposes and comprises income tax at 25%.

	The Group		The Association	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Current taxation	-	-	-	-
Deferred tax adjustment (note 16)	2,728	1,437	-	-
	2,728	1,437	-	-

(b) Subject to the agreement of the Commissioner of Tax Administration Jamaica, at the end of the reporting period the Association had tax losses of $412.6 million (2025: $442.3 million), available for set-off against future taxable surpluses. A deferred tax asset of $13.401 million (2025: $13.401 million) has been recognized in respect of $53.2 million (2025: $53.2 million) of these losses. No deferred tax asset has been recognised in respect of the remaining losses due to the uncertainty of the timing of surpluses to utilise these losses.

The Group had tax losses of $432.6 million (2025: $468.8 million) available for set-off against future taxable surpluses. No further deferred tax asset was recognised on the additional losses.

(c) The tax charge/(credit) for the period differs from the theoretical amount that would arise using the applicable tax rate of 25%, as follows:

	The Group		The Association	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Net deficit of subsidiary and property operating account before taxation	(43,883)	(36,028)	(41,022)	(36,409)
Tax calculated at applicable tax rates – 25%	10,971	9,007	10,256	9,102
Adjusted for the effects of:				
Expenses/income not deductible/ (chargeable) for tax purposes	(111)	(123)	-	-
Tax effect of unused losses not recognised	(7,912)	(7,360)	(10,256)	(9,102)
Net effect of other charges and allowances	(220)	(87)	-	-
Tax credit	2,728	1,437	-	-

12. PROPERTY, PLANT AND EQUIPMENT

The Group	**Freehold Land $'000**	**Freehold Buildings $'000**	**Furniture, Fixtures and Equipment $'000**	**Water Tanks $'000**	**Motor Vehicle $'000**	**Total $'000**
At cost or deemed cost						
1 April 2024	99,498	261,338	155,370	753	14,470	531,429
Additions	-	-	7,240	-	-	7,240
Eliminated on disposal	-	-	(347)	-	-	(347)
31 March 2025	99,498	261,338	162,263	753	14,470	538,322
Transfer	157,127	62,873	-	-	-	220,000
Additions	-	-	8,807	(333)	-	8,474
31 March 2026	256,625	324,211	171,070	420	14,470	766,796
Accumulated Depreciation						
1 April 2024	-	61,293	124,877	605	4,233	191,008
Adjustment	-	-	-	-	-	-
Eliminated on disposal	-	-	(348)	-	-	(348)
Depreciation charge	-	6,533	10,831	3	2,894	20,261
31 March 2025	-	67,826	135,360	608	7,127	210,921
Eliminated on disposal	-	-	-	(188)	-	(188)
Depreciation charge	-	6,534	5,630	-	4,449	16,613
31 March 2026	-	74,360	140,990	420	11,576	227,346
Carrying amounts						
31 March 2026	256,625	249,851	30,080	-	2,894	539,450
31 March 2025	99,498	196,908	26,581	145	7,343	330,797

12. **PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

The Association

	Freehold Land $'000	Freehold Buildings $'000	Furniture, Fixtures and Equipment $'000	Water Tanks $'000	Motor Vehicle $'000	Total $'000
At cost or deemed cost						
1 April 2024	99,498	261,338	154,475	753	14,470	530,534
Adjustment						
Additions	-	-	6,737	-	-	6,737
Disposals	-	-	-	-	-	-
31 March 2025	99,498	261,338	161,212	753	14,470	537,271
Adjustment						
Transfer	157,127	62,873	-	-	-	220,000
Additions	-	-	5,367	-	-	5,367
Disposals	-	-	-	(333)	-	(333)
31 March 2026	256,625	324,211	166,579	420	14,470	762,305
Accumulated Depreciation						
1 April 2024	-	57,897	124,252	605	4,233	186,987
Depreciation charge	-	6,533	10,649	3	2,894	20,079
31 March 2025	-	64,430	134,901	608	7,127	207,066
Depreciation charge	-	6,534	5,471	(188)	4,449	16,266
31 March 2026	-	70,964	140,372	420	11,576	223,332
Carrying amounts						
31 March 2026	256,625	253,247	26,207	-	2,894	538,973
31 March 2025	99,498	196,908	26,311	145	7,343	330,205

At adoption of IFRS the carrying values comprised a combination of costs and market values. These values have been deemed to be cost as allowed by IFRS. In November 2009, several of the properties were appraised by independent valuators, Total Property Valuation Surveyors. The surplus on revaluation was credited to capital reserve.

13. INVESTMENT PROPERTIES

	Freehold Land $'000	Freehold Buildings $'000	Total $'000
At cost or deemed cost			
31 March 2025	26,500	440,356	466,856
Addition	-	9,156	9,156
Transfer	250,000	(250,000)	-
31 March 2026	276,500	199,512	476,012
Accumulated depreciation -			
1 April 2024	-	61,881	61,881
Depreciation on disposal	-	(612)	(612)
Depreciation charge	-	11,000	11,000
31 March 2025	-	72,269	72,269
Depreciation on disposal			
Adjustment	-	(23,594)	(23,594)
Depreciation charge	-	11,000	11,000
31 March 2026	-	59,675	59,675
Carrying amount			
31 March 2026	276,500	139,837	416,337
31 March 2025	26,500	368,087	394,587

The Group and the Association's investment properties were last valued during March 2022 by Allison Pitter & Company, Valuation Surveyors. The fair value was arrived at based on valuations carried out by Allison Pitter & Company, external valuation surveyors, not related to the Group, with membership in the Association of Land Economy and Valuation Surveyors. The valuations were arrived at by reference to location, physical features, marketability and long-term prospects for the properties and neighborhood.

The surplus on revaluation was credited to capital reserve. The revalued amount was thereafter carried as deemed cost for the affected properties.

The fair value of the investment properties amounts to $416.337 million (2025: $394.587 million). The valuations are considered at Level 3 of the fair value hierarchy.

Apart from properties noted in Note 24 below, no other investment property of the Group and the Association are subject to any liens or mortgages and the Group has no curtailments with regard to the transfer, resale or other use of its investment properties. The Group is not under any contractual obligation regarding significant development, enhancement, repair or maintenance of any investment property.

The income earned by the Group and the Association from its investment properties, all of which are leased under operating leases, amounted to $26.160 million (2025: $33.029 million) and $28.053 million (2025: $32.647 million) respectively. Direct operating expenses incurred were $84.311 million (2025: $85.863 million).

14. **SUBSIDIARY COMPANY**

This represents ordinary shares held in Jamaica Publishing House Limited at cost.

15. **INVESTMENTS**

	2026 $'000	2025 $'000
Fair value through Profit or Loss		
Quoted equities	37,624	39,754
Unitised investment funds	23,274	31,076
Money market instruments	-	3,247
Investment bonds (Note 15(a))	62,649	38,132
	123,847	112,209

(a) Investment Bonds
Investment bonds include United States dollar denominated instrument of US$407,420 (2025:US$747,332) with interest rate of 5.875% and 11.0% (2025: between 6.25% and 11.4%).

Bond Instruments totaling $20 million (2025: $20 million) are held in a managed portfolio with a financial institution. The underlying bond portfolio which is widely spread has maturities between December 2028 and December 2049 (2025: December 2028 and December 2049).

16. **DEFERRED TAX ASSETS**

Deferred tax assets are calculated on all temporary differences under the liability method using a principal tax rate of 25%.

The following is the analysis of the deferred tax balance:

	The Group		The Association	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Deferred tax assets	28,639	25,911	21,450	21,450
Deferred tax liabilities	(8,049)	(8,049)	(8,049)	(8,049)
Balance at end of year	20,590	17,862	13,401	13,401

16. DEFERRED TAX ASSETS (CONT'D)

The movement in deferred taxation is as follows:

	The Group		The Association	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Balance at start of year	17,862	16,425	13,401	13,401
(Charge)/Credit for the year (note 11)	2,728	1,437	-	-
Balance at end of year	20,590	17,862	13,401	13,401

Deferred taxation is due to the following temporary differences:

	The Group		The Association	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Accrued interest receivable	-	(122)	(122)	(122)
Unrealised foreign exchange gain	-	-	-	-
Accelerated capital allowance	(7,927)	(6,765)	(7,927)	(7,927)
Tax losses	28,517	24,749	21,450	21,450
	20,590	17,862	13,401	13,401

Deferred taxation credited (debited) to profit or loss comprises the following temporary difference:

	The Group		The Association	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Tax recoverable	2,728	1,437	-	-

17. INVENTORIES

This is comprised of school textbooks.

18. RECEIVABLES

	The Group		The Association	
	2026	**2025**	**2026**	**2025**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables	3,090	3,560	-	-
Loss allowance/ provision for doubtful debts	(1,530)	(1,530)	-	-
Net trade receivables	1,560	2,030	-	-
Members' loan balances	-	-	-	-
Staff loans	9,993	7,038	9,993	7,038
Computer loans	3,159	3,159	3,159	3,159
Conference & tour deferred expenses	16,353	9,530	16,353	9,530
Rental and janitorial	378	733	378	733
Revolving Loan	13,072	15,460	13,072	15,460
Prepayments	4,835	15,632	4,835	15,632
GCT recoverable, net	437	1,833	-	1,698
Other receivables	15,144	8,776	14,558	8,001
Loss allowance on receivables	(4,510)	(4,510)	(4,510)	(4,510)
	60,421	59,681	57,838	56,741

Movement in allowance for expected credit losses: nil

	The Group		The Association	
	2026	**2025**	**2026**	**2025**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables				
Opening balance	1,530	1,619	-	-
Change in loss allowance for year	-	(89)	-	-
Closing balance	1,530	1,530	-	-
Other receivables				
Opening balance	4,510	4,510	4,510	4,510
Reduction in loss allowance	-	-	-	-
Closing balance	4,510	4,510	4,510	4,510

The creation and release of expected credit losses have been included in expenses in profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. Loss estimates have been adjusted based on actual collection patterns.

19. CASH RESOURCES

(a) Cash, bank and short-term deposits

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand and short-term deposits as follows:

	The Group		The Association	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Cash at bank and in hand	73,104	107,049	72,507	94,964
Short-term deposits and repurchase agreements	24,274	30,612	-	-
Cash and short-term deposits	97,378	137,661	72,507	94,964
Bank overdraft	(17,988)	(2,836)	(17,988)	(2,836)
	79,390	134,825	54,519	92,128
Cash and cash equivalents	79,390	134,825	54,519	92,128

The Group's Cash, bank and short-term instruments include foreign currency denominated accounts amounting to $3.962 million (2025: $2.845 million) which includes interest bearing short-term deposits and repurchase agreements of $0.384 million with interest rate averaging 4.8% (2025: $0.384 million with interest rate averaging 4.8%). The weighted average interest rate on short term deposits approximated 3.43% (2025: 3.43%).

(b) Short-term investments

	The Group		The Association	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Investment deposit (US$)	18,900	179,155	18,900	179,155
Deposit account (J$)	381,337	115,957	381,337	115,957
	400,237	295,112	400,237	295,112

At the end of the reporting period the weighted average interest rate of the Group's short-term investments was 7.2% (2025: 7.2%) and 4.7% (2025: 4.7%) for the Association. The foreign currency amounts of the investment deposit denominated in United States dollars were US$118,868 (2025: US$735,898).

(c) Bank overdraft represents unpresented cheques at year-end. The Group does not maintain overdraft facilities with its bankers.

20. CAPITAL RESERVE

	2026 $'000	2025 $'000
Unrealised -		
Surplus on revaluation of property	557,635	256,955
Realised -		
Government computer grant	2,300	2,300
Debt of subsidiary assigned by lender to the Association	69	69
Gain on disposal of RJR shares	19,390	19,390
Gain on disposal of land and building	3,021	3,021
Gain on disposal of fixed assets	4,084	4,084
Capital distribution received - net	67	67
	28,931	28,931
	586,566	285,886

21. RESERVE FUND

This represents 2.5% of membership subscriptions as stipulated in the Articles of Association of the Jamaica Teachers' Association.

22. SPECIAL FUNDS

This represents a revolving fund that was received from the Government to assist teachers with purchasing computer equipment.

23. MEMBERS' ADVANCES

This represents members' advances received and deposited to the JTA Development Loan scheme. The balance on this account represents the residual accounts remaining in the scheme.

24. LONG-TERM LOAN

Bank of Nova Scotia Jamaica Limited

These loans are repayable as follows:

	The Group and the Association	
	2026	**2025**
	$'000	**$'000**
BNS demand loan (Note 24 (a))	-	2,497
BNS Motor vehicle loan (Note 24 (b))	8,299	10,155
	8,299	12,651
Due within one year	1,337	7,556
Due in the second to fifth year inclusive	6,962	5,095
	8,299	12,651
Included in the statement of financial position as:		
Current liabilities	1,337	7,556
Long-term liabilities	6,962	5,095

(a) The non-revolving demand J$ loan obtained from the Bank of Nova Scotia Jamaica Limited (BNS) is repayable in monthly instalments over a period of five years with an option to amortise the remaining balance of the loan of $13.6 million over another 40 months at 8% p.a. The interest on the loan is fixed at 8% p.a. on the reducing balance. The loan was disbursed in November 2015 for a sum of $57.0 million and has a monthly payment of $475,000.

The loan facility is secured by 1st legal mortgage over real estate owned by the Association located at lot 5 Golf View Drive, Mandeville, Manchester and Strata Lots 6 and 7, part of Bogue Estate, St. James (see Note 12).

The fair value of the loan at March 31, 2026 approximates it's carrying amount.

(b) The loan which was disbursed in November 2022 is for a principal amount of $14.847 million. The loan is repayable in monthly instalments over 96 months at a fixed monthly repayment of $154,664. Interest on the loan is fixed at 6.75%.

The loan is secured by a bill of sale over the motor vehicle stamped to cover $14.847 million and assignment of comprehensive motor insurance for the full value of the vehicle to the bank.

The fair value of the loan on March 31, 2026, approximates it's carrying amount.

25. PAYABLES

	The Group		The Association	
	2026	**2025**	**2026**	**2025**
	$'000	**$'000**	**$'000**	**$'000**
Trade	1,019	1,019	1,019	1,019
Royalties	5,303	4,036	-	-
Pension	176	2,911	176	2,911
Tour and conference deposits	8,970	12,643	8,970	12,643
Stale-dated cheques	294	294	294	294
Audit fees	2,218	1,884	2,218	1,884
Statutory payroll taxes	7,701	7,573	7,701	7,573
Non-statutory deductions	645	3,244	645	3,244
Accrued vacation	6,732	5,200	6,732	5,200
Employee revolving loan contribution	6,157	5,594	6,157	5,594
Other payables	61,875	75,492	59,887	72,826
Other accrued expenses	74,375	48,948	73,765	48,368
	175,465	168,838	167,564	161,556

26. RELATED PARTY BALANCES AND TRANSACTIONS

The following transactions were carried out with related parties –

		2026	**2025**
		$'000	**$'000**
	The Group and the Association		
(a)	Transactions with related party:		
	JTA Co-op Credit Union Limited		
	Rental income	18,378	17,235
	Janitorial income	14,108	11,685
(b)	Key management compensation:		
	Salaries and other short-term benefits	35,363	32,302
	Statutory contributions and pensions	6,909	5,207
		42,272	37,509
	The Association		
(c)	Jamaica Publishing House		
	Rental income	1,893	1,677
	Security and janitorial income	968	807
		2,861	2,484

(d) Balances with related parties are included as follows

	2026	**2025**
	$'000	**$'000**
Included in receivables (The Association)		
Due from Jamaica Publishing House Limited	126	126

27. PENSION SCHEME

The Group is a participatory employer in a money purchase pension scheme administered by Guardian Life Insurance Company. The scheme is open to all employees who satisfy eligibility requirements. Contributions are determined by reference to emoluments with minimum contributions of 5% for employees and a contribution of 7.5% by the Association and its subsidiary for each employee contributing to the scheme. Employer's contributions to the pension scheme are expensed annually. Contributions for the year amounted to $14.442 million (2025: $12.997 million).

28. REPRESENTATION AND OPERATIONS

	2026 $'000	2025 $'000
Presidents' expenses	24,596	24,238
President elect elections	4,513	5,670
Staff travel	23,943	24,808
Committees' travel expenses	9,383	13,163
Teachers' welfare	9,214	7,838
Membership drive and tokens	23,860	25,085
Advertising and public relations	2,897	1,364
Subsidy to District and Parish Associations	12,894	14,166
Awards function	5,140	8,434
Subscription to Journal	333	385
Affiliation fees	1,800	1,767
Publications	1,860	1,443
Meeting expenses	12,154	12,532
Overseas representations -EI & CUT	5,951	10,891
Diaspora Conferences	2,258	78
Membership card	499	(14)
Scholarship fund	5,924	5,600
Wine & cheese contribution	1,765	7,906
Anniversary activities	360	23,842
Education conference	12,049	14,499
JDTAN Expense	9,186	13,415
Exceed conference	316	-
Subsidy DA	720	-
Melissa aid, net	19,793	-
Annual Conference	25,651	36,537
Operating expenses (Note 9)	217,059	253,647

29. DEVELOPMENT PROGRAMME

	2026 $'000	2025 $'000
Teachers' and National Sports	29,361	24,329
Study circle training	5,652	3,651
Bursars conference	-	5
New Teachers seminar	2,848	2,981
Women's conference	928	-
Early childhood conference	454	180
Contact Teachers seminar	120	4,311
Critical illness fund	6,621	6,336
Radio programme	2,175	3,279
Professional development day	5,285	7,182
Education week	1,130	888
Labour day project	1,263	2,247
Education Symposium	-	2,311
Pre-retirement seminar	4,145	-
Go Public Fund Education	65	2,257
Other development programmes	2,219	4,968
Operating expenses (Note 9)	62,266	64,925

30. OTHER OPERATING ACCOUNTS

	The Group		The Association	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Foreign exchange gain, net	138	3,276	138	2,784
Interest income	-	1,282	-	-
	138	4,558	138	2,784
Net loss - Property account (note 31)	(43,883)	(36,028)	(41,022)	(36,409)
Loss on tour operations	(2,756)	(536)	(2,756)	(536)
Depreciation on buildings	12,250	(11,000)	12,250	(11,000)
NET LOSS	(34,251)	(43,006)	(31,390)	(45,161)

31. PROPERTY ACCOUNT

	The Group		The Association	
	2026	**2025**	**2026**	**2025**
	$'000	**$'000**	**$'000**	**$'000**
INCOME:				
Rental	26,160	33,029	28,053	32,647
Janitorial and security recoveries	14,268	16,806	15,236	16,806
	40,428	49,835	43,289	49,453
EXPENDITURE:				
Salaries, wages and related charges	69,887	69,526	69,887	69,526
Repairs and maintenance	5,966	8,082	5,966	8,082
Property taxes	1,361	1,395	1,361	1,395
Other expenses	27	63	27	62
Insurance	7,070	6,797	7,070	6,797
	84,311	85,863	84,311	85,862
NET LOSS	(43,883)	(36,028)	(41,022)	(36,409)

32. CAPITAL COMMITMENTS

There was no capital commitment at year end.