

# MAYBERRY JAMAICAN EQUITIES

## Q3 2019

### UNAUDITED FINANCIAL RESULTS



# CHAIRMAN'S COMMENTARY ON FINANCIAL RESULTS

FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2019.  
(represented in J\$)

## 2019 PERFORMANCE HIGHLIGHTS

**J\$4.8 B**

**YTD TOTAL COMPREHENSIVE INCOME  
ATTRIBUTABLE TO SHAREHOLDERS**

**J\$0.39**

Q3 2019 EARNINGS PER SHARE



**10%**

INCREASE IN  
NET ASSET VALUE (N.A.V.)  
(QUARTER OVER QUARTER)



**54%**

INCREASE IN  
DIVIDEND INCOME  
(QUARTER OVER QUARTER)



**86%**

INCREASE IN EARNINGS PER SHARE  
QUARTER OVER QUARTER



The Board of Directors of the company is pleased to share its Unaudited 3rd Quarter 2019 financial results for the months July – September 2019.

### **NET ASSET VALUE (NAV)**

Net Book Value per share moved to J\$14.34, a 10.2% increase over the corresponding period in 2018, due to an increase in Equity Investments of J\$1.7B. This represents a balance of J\$18.7B as at September 30, 2019, compared to the value of J\$17B at the end of the September 2018. Additionally, the NAV increased by 32% when compared to December 2018.

### **Portfolio Information**

#### **TEN LARGEST HOLDINGS (VALUE OF SHARES)**

<b>STOCK</b>	<b>Percent of Total Value of Investments</b>
SUPREME VENTURES LIMITED	53.55%
LASCO FINANCIAL SERVICES LIMITED	6.31%
CARIBBEAN CEMENT COMPANY LTD	5.96%
CARIBBEAN PRODUCERS JAMAICA LIMITED	5.30%
BLUE POWER GROUP LIMITED	5.22%
DERRIMON TRADING COMPANY LIMITED	5.16%
JAMAICA BROILERS GROUP LIMITED	3.84%
JMMB GROUP LIMITED	2.08%
WIGTON WIND FARM	2.03%
LASCO DISTRIBUTORS LIMITED	1.46%



## PORTFOLIO HIGHLIGHTS

Mayberry Jamaican Equities Limited (MJE) continues to invest in key Jamaican stocks. During this quarter, MJE purchased shares in Derrimon Trading Company Limited resulting in the company being the second largest shareholder, with approximately 410M shares in hand. In addition, MJE acquired 348M shares in Wigton Windfarm in Q3 2019, which led to this stock being the ninth top shareholding in our portfolio.

Total purchases for the quarter under review amounted to J\$1.474 billion whereas Total Sales were valued at J\$1.469 billion, making MJE a net purchaser of stocks for this period.

The other stocks which were the top contributors to our portfolio value for the reporting period, were Blue Power Limited, Wigton Windfarm Limited and Fontana Limited, whose stock prices rose by 80%, 10% and 76%, respectively. The company currently holds stock in 30 companies listed on the Main and Junior Markets of the JSE.

## DIVIDEND INCOME

For the quarter ended September 30, 2019, MJE reported Dividend Income of J\$107M, representing a significant increase of 54% over the corresponding quarter in 2018. The most solid contributor to the portfolio's dividend revenue line was Supreme Ventures Limited with dividends of J\$88M.

## INVESTMENT ENVIRONMENT

Jamaica's fiscal performance was supported by the continuance of low market interest rates with the Bank of Jamaica's policy interest rate at 0.50% at the end of Q3 2019. Net International Reserves were at US\$3.1B at the end of September 2019 and the latest unemployment rate reported was 7.8%. Jamaica's annual point-to-point inflation was 3.4% compared to 4.3% for Q3 2018.

The Jamaica Stock Exchange (JSE) Main Market Index at the end of September 2019 grew by 157,722 points or 44% up from 358,320 points, when compared to September 2018. The JSE Junior Market also grew by 138 points or 4% year-over-year to 3,533 points. Both markets continue to reflect increased activity.





## FINANCIAL POSITION

SUMMARY OF CHANGES ON THE STATEMENT OF FINANCIAL POSITION				
Description	Quarter ended 30 September 2019 (J\$'000)	Quarter ended 30 September 2018 (J\$'000)	Change (J\$'000)	% Change
Total Assets	19,844,214	18,425,726	1,418,489	7.7%
Total Liabilities	2,624,235	2,798,057	173,822	6.2%
Stockholders' Equity	17,219,980	15,627,669	1,592,311	10.2%
Net Book Value Per Share	\$14.34	\$13.01	\$1.33	10.2%

Total assets grew to J\$19.8B for the 3rd quarter of 2019 compared to \$18.4B for the comparative quarter 2018. This represents a J\$1.4B or 7.7% increase in our asset base due mainly to increased value of quoted equities, particularly, Wigton Windfarm Limited, Derrimon Trading Company Limited, Lasco Financial Services Limited, Jamaica Broilers Group Limited, General Accident Insurance Company Jamaica Limited, Lasco Manufacturing Limited, Honey Bun Limited, Jamaica Teas Limited, Jamaica Money Market Brokers Limited and Supreme Ventures Limited.

For the 3rd quarter in 2019, Total Liabilities decreased by J\$173.8M or 6.2% to J\$2.6B. This resulted primarily from reductions in Interest Payable and Accounts Payables which was further offset by an increase in Deferred Tax.

## SHAREHOLDERS' EQUITY

Mayberry Jamaican Equities' capital base continues to appreciate and this is attributable to higher investment revaluation reserves, with Retained Earnings moving from J\$5.6B to J\$6.4B, year-over-year. Fair Value Reserves of J\$9.4B, moved up from J\$8.6B when compared to September 2018.

## OVERALL PERFORMANCE

With overall lower expenses, the company reported profits of J\$464.1M or 86% higher than Q3 2018 results. For the accumulated nine-month period ended September 30, 2019, MJE reported Net Profit of J\$424.7M. This resulted in Earnings per share (EPS) of J\$0.39 and represented an increase of J\$0.18 over the same period in 2018. This was mainly due to the revaluation of the equities classified as Fair Value through Profit or Loss (FVPL).



## TOTAL COMPREHENSIVE INCOME

SUMMARY OF CHANGES ON THE STATEMENT OF COMPREHENSIVE INCOME				
Description	Quarter ended 30 September 2019 (J\$'000)	Quarter ended 30 September 2018 (J\$'000)	Change (J\$'000)	% Change
Net Interest Income and Other Revenues	609,422	657,795	(48,373)	-7.4%
Operating Expenses	134,418	389,642	255,225	65.5%
Profit before Taxation	475,005	268,153	206,852	77.1%
Net Profit	464,113	249,505	214,607	86.0%
Other Comprehensive Income	-649,409	3,996,268	(4,645,678)	-116.3%
Total Comprehensive Income	-185,297	4,245,774	(4,431,071)	-104.4%
Earnings Per Share	0.39	0.21	0.18	86.0%

For Q3 2019, total comprehensive income amounted to (J\$185.2M), compared to J\$4.2B for the corresponding quarter of 2018; a decline of J\$4.4B or 104.4%. This was due to a decrease in the Equity Reserve, resulting from price movements for stocks held in the current portfolio, in particular, Supreme Ventures Ltd.

## OPERATING EXPENSES

Total Operating expenses decreased by J\$255.2M or 65.5% when compared to the corresponding quarter in 2018 due to lower administrative expenses and reduced incentive and management fees for Investment management services.

Mayberry Jamaican Equities Limited takes this opportunity to thank all our shareholders and Board of Directors for your trust and support.



Christopher Berry  
Chairman



**STATEMENT OF PROFIT OR LOSS**
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

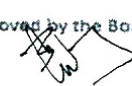
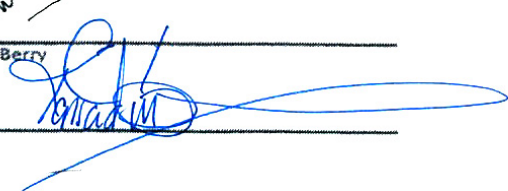
	UNAUDITED 3 Months ended 30 September 2019 J\$'000	UNAUDITED 3 Months ended 30 September 2018 J\$'000	UNAUDITED 9 Months ended 30 September 2019 J\$'000	UNAUDITED 9 Months ended 30 September 2018 J\$'000	AUDITED 12 Months ended 31 DECEMBER 2018 J\$'000
<b>Net Interest Income and Other Revenues</b>					
Interest income	3,031	575	18,062	1,525	(9,406)
Interest expense	(40,166)	(21,232)	(128,096)	(62,857)	(92,259)
<b>Net Interest income</b>	<b>(37,135)</b>	<b>(20,657)</b>	<b>(110,034)</b>	<b>(61,331)</b>	<b>(101,665)</b>
Dividend Income	107,072	69,472	281,576	295,775	349,289
Net Trading Gains/(Losses)	23,451	(2,706)	54,131	(2,840)	(10,220)
Realised Gain on disposal of Associates	-	-	-	-	(2,920)
Unrealised (loss)/gain on investment revaluation	488,211	615,735	542,114	1,033,854	369,064
Net Foreign Exchange Gain / (Loss)	27,823	(4,050)	68,107	(5,836)	(57,468)
	<b>609,422</b>	<b>657,795</b>	<b>835,894</b>	<b>1,259,622</b>	<b>546,080</b>
<b>Operating Expenses:</b>					
Other operating expenses	134,418	389,642	404,319	547,528	449,972
	<b>134,418</b>	<b>389,642</b>	<b>404,319</b>	<b>547,528</b>	<b>449,972</b>
Share of Profits in Associate	-	-	-	-	-
<b>Operating profit/(loss) before Asset tax</b>	<b>475,005</b>	<b>268,153</b>	<b>431,575</b>	<b>712,094</b>	<b>(5,557)</b>
<b>Asset Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit/(Loss) before Taxation</b>	<b>475,005</b>	<b>268,153</b>	<b>431,575</b>	<b>712,094</b>	<b>96,108</b>
Taxation (charge) / credit	(10,892)	(18,648)	(6,885)	(21,901)	7,406
<b>NET PROFIT</b>	<b>464,113</b>	<b>249,505</b>	<b>424,690</b>	<b>690,192</b>	<b>103,514</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Financial Reserve	(649,409)	3,996,268	4,392,284	6,068,569	3,507,666
<b>Other Comprehensive Income, Net of Tax</b>	<b>(649,409)</b>	<b>3,996,268</b>	<b>4,392,284</b>	<b>6,068,569</b>	<b>3,507,666</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(185,297)</b>	<b>4,245,774</b>	<b>4,816,974</b>	<b>6,758,762</b>	<b>3,611,180</b>
<b>Number of Shares in issue</b>	<b>1,201,149</b>	<b>1,201,149</b>	<b>1,201,149</b>	<b>1,201,149</b>	<b>1,145,269</b>
<b>Earnings per share</b>	<b>0.39</b>	<b>0.21</b>	<b>0.35</b>	<b>0.57</b>	<b>0.09</b>

**BASIS OF PREPARATION**

These consolidated financial statements have been prepared in accordance with the accounting policies as set out in note 2 of the audited financial statements for the year ended 31 December 2018.

# STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

	UNAUDITED SEPTEMBER 30, 2019	UNAUDITED SEPTEMBER 30, 2018	AUDITED DECEMBER 31, 2018
	J\$'000	J\$'000	J\$'000
<b>ASSETS</b>			
CASH AND CASH EQUIVALENTS	257,713	1,370,081	238,685
INVESTMENTS	18,675,493	16,951,127	13,952,337
PREPAYMENT	22,741	-	-
TAXATION RECOVERABLE	(3,905)	-	2,507
DUE FROM PARENT COMPANY	796,864	391	725,027
INTANGIBLE ASSET	57,915	-	34,744
OTHER RECEIVABLES	37,393	104,127	94,349
<b>TOTAL ASSETS</b>	<b>19,844,214</b>	<b>18,425,726</b>	<b>15,047,648</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
DUE TO PARENT COMPANY	-	-	-
DEFERRED TAX	97,326	96,469	62,298
INTEREST PAYABLE	2,414	6,472	4,091
LOANS	-	-	-
ACCOUNTS PAYABLES	341,486	476,042	318,255
DEBT SECURITY IN ISSUE	2,183,009	2,200,000	2,183,009
TAXATION PAYABLE	-	19,074	-
<b>TOTAL LIABILITIES</b>	<b>2,624,235</b>	<b>2,798,057</b>	<b>2,567,652</b>
<b>STOCKHOLDERS' EQUITY</b>			
SHARE CAPITAL	1,468,027	1,468,027	1,468,027
PREFERENCE SHARES	135	135	135
FAIR VALUE RESERVE	9,376,452	8,573,539	5,955,575
RETAINED EARNINGS	6,375,366	5,585,968	5,056,259
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS	17,219,980	15,627,669	12,479,996
NON-CONTROLLING INTERESTS - 10%	-	-	-
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>17,219,980</b>	<b>15,627,669</b>	<b>12,479,996</b>
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<b>19,844,215</b>	<b>18,425,726</b>	<b>15,047,648</b>
<b>Net book Value per Stock Unit</b>	<b>\$14.34</b>	<b>\$13.01</b>	<b>\$10.90</b>
Approved by the Board of Directors for issue on 17th October, 2019 and signed on its behalf by:			
			
Christopher Berry	_____		
Chairman			
Mark Berry	_____		
Director	_____		



## STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED SEPTEMBER 30, 2019

	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
	3 Months ended 30 September 2019 J\$'000	3 Months ended 30 September 2018 J\$'000	9 Months ended 30 September 2019 J\$'000	9 Months ended 30 September 2018 J\$'000	12 Months ended 31 DECEMBER 2018 J\$'000
Profit/Loss for the period	464,113	249,505	424,690	690,192	103,514
<b>Other Comprehensive Income for the period net of tax:</b>					
Items that will or maybe classified to statement of income					
Unrealised gains/ (losses) on financial instruments	(649,409)	3,996,268	4,392,284	6,068,569	3,507,666
<b>Total Comprehensive income attributable to stockholders</b>	<b>(185,297)</b>	<b>4,245,774</b>	<b>4,816,974</b>	<b>6,758,762</b>	<b>3,611,180</b>



**STATEMENT OF CHANGES IN EQUITY**
**AS AT SEPTEMBER 30, 2019**

	SHARE CAPITAL	FAIR VALUE RESERVES	RETAINED EARNINGS	NON-CONTROLLING INTERESTS	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at January 1, 2018</b>	<b>1,468,027</b>	<b>2,929,230</b>	<b>4,471,515</b>	<b>-</b>	<b>8,868,772</b>
Realised gains / (losses) on fair value instruments transferred to retained earnings	-	(424,260)	424,260	-	-
Preference Shares	135	-	-	-	135
Ordinary dividends paid - in specie	-	-	-	-	-
Net Profit	-	-	690,192	-	690,192
Total comprehensive income	-	6,068,569	-	-	6,068,569
Translation adjustment	-	-	0	-	0
<b>Balance at September 30, 2018</b>	<b>1,468,162</b>	<b>8,573,539</b>	<b>5,585,968</b>	<b>-</b>	<b>15,627,669</b>
<b>Balance at January 1, 2019</b>	<b>1,468,162</b>	<b>5,955,575</b>	<b>5,056,259</b>	<b>-</b>	<b>12,479,996</b>
Realised gains / (losses) on fair value instruments transferred to retained earnings	-	(971,407)	971,407	-	-
Ordinary dividends paid	-	-	(76,990)	-	(76,990)
Preference Shares	-	-	-	-	-
Net Profit	-	-	424,690	-	424,690
Total comprehensive income	-	4,392,284	-	-	4,392,284
Translation adjustment	-	-	-	-	-
<b>Balance at September 30, 2019</b>	<b>1,468,163</b>	<b>9,376,452</b>	<b>6,375,366</b>	<b>-</b>	<b>17,219,981</b>



**STATEMENT OF CASH FLOW**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

	UNAUDITED 9 Months ended 30 September 2019 J\$'000	UNAUDITED 9 Months ended 30 September 2018 J\$'000	AUDITED 12 Months ended 31 December 2018 J\$'000
<b>Cash Flows from Operating Activities</b>			
Profit before taxation	431,575	712,094	96,108
<b>Adjustments to reconcile profit to net cash used in operating activities:</b>			
Interest Income	(18,062)	2,079	(2,765)
Interest Expense	128,096	47,081	92,259
Realized Fair Value gains transferred to Retained Earnings	971,407	424,260	481,230
Unrealized fair value (gain)/loss on financial instruments - FVPL	-	-	(369,064)
Unrealized Foreign Exchange Gains	(66,253)	5,836	113,136
<b>Adjusted Profit / (Loss)</b>	<b>1,446,763</b>	<b>1,191,350</b>	<b>410,904</b>
<b>Changes in operating assets and liabilities:</b>			
Decrease / (increase) in Investment securities	(1,302,279)	(7,680,554)	(1,296,843)
Unrealized Foreign Exchange Gains	66,253	-	-
Decrease / (increase) in Investment Revaluation	-	5,644,309	-
Adjustment for Unrealized F/X	-	(5,836)	-
Decrease / (increase) in Other Receivables	63,367	81,797	77,148
Decrease / (increase) in Accounts Payables & Other Liabilities	58,259	304,434	63,624
Loans	-	2,200,000	-
Prepayments	(22,741)	-	-
Decrease / (increase) in Related companies	(71,837)	(498,228)	(1,231,585)
	237,785	1,237,272	(1,976,753)
Interest received	18,062	1,536	4,346
Interest Paid	(129,773)	(41,419)	(88,992)
Taxation paid	(6,885)	(21,901)	-
<b>Cash (used in)/generated from Operating Activities</b>	<b>119,189</b>	<b>1,175,488</b>	<b>(2,061,398)</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of intangible asset	(23,171)	-	(34,744)
Dividend received from Associate	-	-	-
<b>Cash (used in)/generated from Investing Activities</b>	<b>(23,171)</b>	<b>-</b>	<b>(34,744)</b>
<b>Cash Flows from Financing Activities</b>			
Preference share capital issued	-	-	127
Proceeds from issue of debt security	-	-	2,136,092
Dividends Paid	(76,990)	-	-
Share capital -redeemable preference shares	-	135	-
<b>Cash generated from/(used in) Financing Activities</b>	<b>(76,990)</b>	<b>135</b>	<b>2,136,219</b>
<b>Increase in Cash and Cash Equivalents</b>	<b>19,028</b>	<b>1,175,623</b>	<b>40,077</b>
Exchange gain/(loss) on foreign Cash & Cash Equivalents			891
<b>Cash &amp; Cash Equivalents - Beginning of the year</b>	<b>238,685</b>	<b>194,458</b>	<b>197,717</b>
<b>Cash &amp; Cash Equivalents - End of the year</b>	<b>257,713</b>	<b>1,370,081</b>	<b>238,685</b>

**MAYBERRY JAMAICAN EQUITIES LTD.  
TOP TEN SHAREHOLDERS  
AS AT SEPTEMBER 30, 2019**

<b>Names</b>	<b>Shareholdings</b>
MAYBERRY INVESTMENTS LIMITED	<b>858,445,774</b>
PWL BAMBOO HOLDINGS LIMITED	<b>66,758,290</b>
MAYBERRY ASSET MANAGERS LIMITED	<b>57,622,865</b>
K. MARK BERRY	<b>47,375,594</b>
MANWEI INTERNATIONAL LIMITED	<b>40,251,196</b>
VICTORY ISLAND LIMITED	<b>10,000,000</b>
SAGICOR SELECT FUNDS LIMITED - CLASS B - FINANCIAL	<b>6,482,385</b>
KONRAD LIMITED	<b>6,432,031</b>
MAYBERRY INVESTMENTS LTD. PENSION SCHEME	<b>5,041,490</b>
APEX PHARMACY	<b>4,817,068</b>

**CONNECTED PARTIES**

A+ MEDICAL CENTRE	<b>641,141</b>
MAYBERRY FOUNDATION	<b>2,254,868</b>



**MAYBERRY JAMAICAN EQUITIES LTD.  
Shareholdings of Directors and Senior Management  
AS AT SEPTEMBER 30, 2019**

<b><u>Directors</u></b>	<b><u>Shareholdings</u></b>	<b><u>Connected Persons</u></b>
Christopher Berry	-	75,948,157
Konrad Berry	47,375,594	7,351,589
Natalie Augustin	253,300	-

