




1985 - 2021  
**36**  
CELEBRATING 36 YEARS

# ANNUAL REPORT 2020



# GROWING TOGETHER



The year 2020 taught the world that continued growth is possible when we take a moment to assess what is truly important for such growth and development. No doubt, the year had its challenges, yet, focusing on the wins pushed us to keep growing together with our stakeholders and partners.

“Don’t go through life, grow through life.”  
- **Eric Butterworth**

# Our Vision

Transforming lives positively through lasting relationships.

# Our Mission

At Mayberry, we create opportunities for customers to realise their financial objectives locally and internationally, through our team of highly trained and dedicated professionals adding value for all.

# Our Core Values

- Integrity
- Accountability
- Creating value through knowledge
- Attention to detail - getting it right the first time
- We care about our family of customers, employees, shareholders and the community at large

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# WHAT OUR CLIENTS SAY ABOUT US.



**ADAM STEWART C.D.**  
EXECUTIVE CHAIRMAN,  
SANDALS RESORTS  
INTERNATIONAL



Mayberry Investments Limited continues to position itself as a leading force in the full-service financial advisory sector. Over the years, through ongoing engagements, they have cemented the impression of an organisation that continues to exhibit a strong track record and agility in navigating the dynamism of the local and international financial market.



**IAN DEAR J.P.**  
CHAIRMAN, CEO,  
EXPRESS CATERING LIMITED  
(ECL)

Mayberry Investments has been an exceptional organisation to work with. Chris, Gary and Dan have provided our companies with many years of sound, solid financial advice. They are innovative, accessible and solution-oriented. Their reliable financial advice allows us to grow our business responsibly and strategically.



**MARK HART J.P.**  
EXECUTIVE CHAIRMAN,  
CARIBBEAN PRODUCERS  
JAMAICA LIMITED



When you think of financial advisors in Jamaica, Mayberry is the clear leader. The number of Companies that Mayberry has listed on the JSE in recent times confirms the confidence that business leaders have when financial advice is needed most. Mayberry has the experience to guide and support your business at all stages of your journey.





**DR. DHIRU TANNA, PHD,  
MA**  
CHAIRMAN,  
BLUE POWER GROUP  
LIMITED



Blue Power Group Ltd. was the second Company to be listed on the Junior Market of the Jamaica Stock Exchange in April 2010, accomplished with the help of Chris Berry, Gary Peart and Andrea Kinach.



**MAJOR NOEL DAWES**  
MANAGING DIRECTOR,  
LUMBER DEPOT LIMITED

We have come to appreciate Mayberry's competence in satisfying regulatory obligations, their ready access to market research and importantly, their attention to critical details. Lumber Depot's success in hardware sales is due in great part to our commitment to the interest of our customers' and stakeholders' welfare. In this regard, we have found throughout decade long association, Mayberry is an excellent fit.



**GORDON SWABY**  
CEO, CO-FOUNDER,  
EDUFOCAL LIMITED



Mayberry Investments Limited has historically played a key role in helping to propel small and medium sized businesses to higher heights. Over the last year, MIL has gone above and beyond as our Investment Bankers to help facilitate phenomenal growth in our Company and we're fortunate to have access to the level of expertise there. As our relationship continues to grow, we have no doubt that EduFocal will continue to benefit significantly.





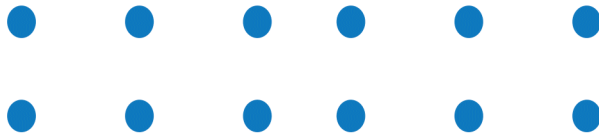
**CECIL FOSTER**  
MANAGING DIRECTOR,  
FOSRICH



The relationship with FosRich and Mayberry was formed a few years ago when we sat down with the Mayberry team and outlined the need for us to place a commercial bond on the market to access additional funds to drive our vision and dominate the Jamaican market with products that give great value to our customers.

The team at Mayberry met with us, explained the process and advised us all the way from start to finish. The placement was very successful and from this experience I know that the team has more than just a desire to do a transaction but to grow a relationship where they know their customers, understand their needs and assist them on the pathway to success.

I have seen the respect shown by them and know that the Mayberry team is truly professional and vision focused. I look forward to working with them at all levels in the future.



**JACINTH HALL-TRACEY**  
MANAGING DIRECTOR,  
LASCO FINANCIAL SERVICES  
LIMITED



Our partnership with Mayberry Investments Limited has been invaluable. They have, and continue to provide insightful financial advice and guidance that has had a significant impact on the Company's overall success. LASCO Financial Services Limited anticipates achieving further growth, together.



**SOLOMON SHARPE**  
CEO,  
MAIN EVENT  
ENTERTAINMENT GROUP



Main Event has benefited greatly from its collaboration with Mayberry Investments Limited dating back to its IPO in January 2017. Mayberry served as our lead broker and supported us in listing on the Junior Stock Exchange. This partnership has helped the Company grow exponentially by raising the capital needed to take advantage of the tremendous opportunities, which presented themselves in our ever-expanding event industry. Mayberry continues to be an invaluable advisor and mentor to the Main Event team.



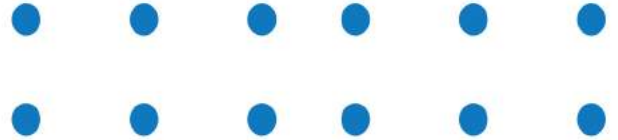




**PAULETTE HENRY**



I love the customer service at Mayberry. I have been engaging with them from the start and so I have developed an allegiance to their Company. I would recommend them to anyone because they care for their clients and our needs.



I appreciate how my advisor is always checking in on me to see how I'm doing and sharing insights with me. I remember when I decided to invest, I shopped around and found that Mayberry was a clear choice. I now have an advisor who has made the experience with them great. Mayberry provides a variety of investment options, which I appreciate. The team is well experienced and knowledgeable about the industry. Their guidance in the decision-making process is always helpful to me. At the end of the day, I feel like a treasured customer and not just a number.



**NARDIA WILLIAMS  
STAMPP**



**ABLE-DON FOOTE**

My mantra has always been, 'do something today that your future self will thank you for'. I made my greatest financial decision back in 2016 when I began participating in the Jamaican Stock Market. As a holder of multiple stock accounts with many institutions, I make bold to say that Mayberry has the foremost Investment Advisors in the marketplace. Get started today so you too can thank yourself down the road.

Mayberry provides a variety of investment options, which I appreciate. The team is well experienced and knowledgeable about the industry. Their guidance in the decision-making process is always helpful to me. At the end of the day, I feel like a treasured customer and not just a number.



**ANDREA RIED**



# 10-Year Financial Highlights 2011 - 2020

## Profit and Loss

	2011	2012	2013	2014	2015	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating Revenue</b>	978,397	1,132,263	894,199	1,528,692	998,618	1,207,296
<b>Interest Income</b>	1,332,550	1,285,601	1,021,716	1,051,676	890,263	733,835
<b>Net Interest Income</b>	474,171	525,817	413,643	240,452	345,866	133,961
<b>Net Other Income</b>	504,226	606,446	480,556	1,288,240	652,752	1,073,335
<b>Operating Expenses</b>	694,362	758,106	681,330	970,360	981,602	1,079,083
<b>Profit Before Taxation</b>	347,242	474,103	(21,992)	679,639	58,104	194,011
<b>Net Profit</b>	282,122	439,354	102,343	726,080	145,460	172,115
<b>Net Profit Attributable to Shareholders</b>	282,122	439,354	102,343	726,080	145,460	172,115
<b>Total Comprehensive Income</b>	728,193	220,398	99,399	557,918	2,301,717	1,262,439

## Balance Sheet

	2011	2012	2013	2014	2015	2016
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
<b>Total Assets</b>	24,204,564	20,777,983	22,078,825	21,983,602	20,735,714	21,838,705
<b>Total Liabilities</b>	20,501,901	17,107,163	18,308,606	17,799,603	14,490,228	14,595,033
<b>Stockholder's Equity</b>	3,702,663	3,670,820	3,770,219	4,183,999	6,245,486	7,243,672
<b>Number of Issued Shares (units)</b>	1,201,149	1,201,149	1,201,149	1,201,149	1,201,149	1,201,149

## Key Financial Ratios

	2011	2012	2013	2014	2015	2016
<b>Earnings per stock unit</b>	\$ 0.23	\$ 0.37	\$ 0.09	\$ 0.60	\$ 0.12	\$ 0.14
<b>Book Value Per share</b>	3.08	3.06	3.14	3.48	5.20	6.03
<b>Return on Equity</b>	8%	12%	3%	17%	2%	2%
<b>Return on Average Assets</b>	1%	2%	0.46%	3%	1%	1%
<b>Asset Growth(%)</b>	18%	-14%	6%	-0.4%	-6%	5%
<b>Net Profit Growth (%)</b>	62%	56%	-77%	609%	-80%	18%



## Profit and Loss

2017	2018	2019	2020
\$'000	\$'000	\$'000	\$'000
2,200,004	1,840,882	2,542,033	<b>683,086</b>
722,007	729,047	790,788	<b>679,932</b>
151,318	175,114	169,605	<b>194,942</b>
2,048,686	1,665,768	2,372,428	<b>488,144</b>
1,926,063	1,684,415	1,894,910	<b>1,463,929</b>
478,433	156,467	647,123	<b>(780,843)</b>
425,173	105,794	645,864	<b>(698,763)</b>
425,173	160,398	709,584	<b>(352,909)</b>
2,389,828	3,461,289	4,733,691	<b>(3,398,080)</b>

## Balance Sheet

2017	2018	2019	2020
,\$000	,\$000	,\$000	,\$000
24,366,725	30,371,608	36,921,728	<b>32,213,146</b>
15,009,489	16,396,802	16,692,980	<b>16,804,551</b>
9,357,236	10,854,841	15,448,071	<b>11,606,892</b>
1,201,149	1,201,149	1,201,149	<b>1,201,149</b>

## Key Financial Ratios

2017	2018	2019	2020
\$ 0.35	\$ 0.13	\$ 0.59	<b>\$ (0.29)</b>
7.79	9.04	12.86	<b>9.66</b>
5%	1%	5%	<b>-3%</b>
2%	0.3%	1.7%	<b>-2.2%</b>
12%	25%	22%	<b>-13%</b>
147%	-62%	342%	<b>-150%</b>

# DIRECTORS' REPORT

The Directors submit herewith the Consolidated Profit or Loss of Mayberry Investments Limited for the year ended December 31, 2020, together with the Consolidated Statement of Financial Position as at the same date. The Consolidated Statement of Profit or Loss and Comprehensive Income shows the following:

FINANCIAL RESULTS	\$'000
Operating revenue	683,086
Loss before taxation	(780,843)
Taxation charge	82,080
Net loss	(698,763)
Net loss attributable to Stockholders	(352,909)
Net Unrealized losses on financial instruments (FVOCI)	(4,283,711)
Total Comprehensive Loss for the Year attributable to Stockholders	(4,982,474)

## DIRECTORS

The Directors as at December 31, 2020 are Messrs. Christopher Berry, Konrad Berry, Gary Peart, Erwin Angus, Gladstone Lewars, Walter Scott and Alok Jain.

The Directors to retire by rotation in accordance with Article 91 of the Articles of Association are Messrs. Konrad Berry, Gladstone Lewars and Erwin Angus but being eligible, offer themselves for re-election.

## EXTERNAL AUDITORS

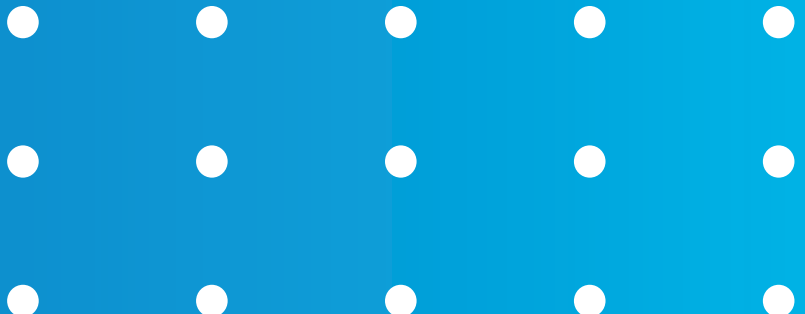
The Auditors, BDO, Chartered Accountants of 26 Beechwood Avenue, Kingston 5, have expressed their willingness to continue in office in accordance with Section 154 of the Companies Act.

The Directors wish to thank the Management and Staff for their commitment and hard work during the year.

On behalf of the Board of Directors



**Christopher Berry**  
Executive Chairman



# Grand Masters

**Christopher Berry**  
B.Sc.(Hons.), Executive  
Chairman



**Konrad Mark Berry**  
B.Sc. (Hons.),  
Executive Vice  
Chairman, Company  
Secretary



**Gary Peart**  
B.Sc. (Hons.), M.B.A.,  
Chief Executive  
Officer



**Erwin Angus**  
C.D., J.P., B.A. (Hons.)  
Managing Director



**Walter Scott**  
Q.C., Independent  
Director



**Alok Jain**  
M.Sc., FCA, FCCA,  
CGMA, CISA, CFA,  
Independent  
Director



**Gladstone Lewars**  
B.Sc. (Econ) Hons,  
M.Sc. (Econ), M.Sc.  
(Accounting), FCA.,  
Lead Independent  
Director





# Directors' Profiles





## **Christopher Berry, B.Sc. (Hons.), Executive Chairman**

Mr. Christopher Berry joined Mayberry Investments Limited in 1987 and has been the Executive Chairman since 1993, following his graduation from Georgia Institute of Technology in Atlanta, Georgia, USA, where he acquired his Bachelor of Industrial Engineering (Hons).

Prior he attended The University of Florida Gainesville, Florida, USA, where he acquired his Bachelor of Industrial Engineering (1979-1981) following his matriculation from St. George's College Winchester Park, Kingston, Jamaica (1971-1977). He currently sits on the Board of Directors of several Jamaican companies, namely, Supreme Ventures Limited, Apex Health Care Associates Limited, Apex Pharmacy Limited, Caribbean Producers Jamaica Limited and IronRock Insurance Company Limited. He has over thirty years' experience in the Securities industry.

## **Konrad Mark Berry, B.Sc. (Hons.), Executive Vice Chairman, Company Secretary**

Mr. Konrad Berry is one of the founding Directors of Mayberry Investments Limited. He has served as the Company Secretary since 1985 and as Finance Director from 1992 - 1995 following his graduation from University of the West Indies, Mona Campus, Jamaica W.I. where he acquired his Bachelor of Science Economics and Management, Second Class Honors (Upper Division). He also completed his Canadian Securities Course in 1993 at The Canadian Institute, 121 King Street West, Suites 1550, P.O. Box 113, Toronto, Ontario, M5H 3T9. In 1995, he assumed his present position of Executive Vice Chairman. He currently serves on the Board of Directors of Caribbean Producers (Jamaica) Limited. Mr. Berry is Chairman of the Project Steering Committee and a member of the Remuneration, Assets and Liabilities and Audit Committees.



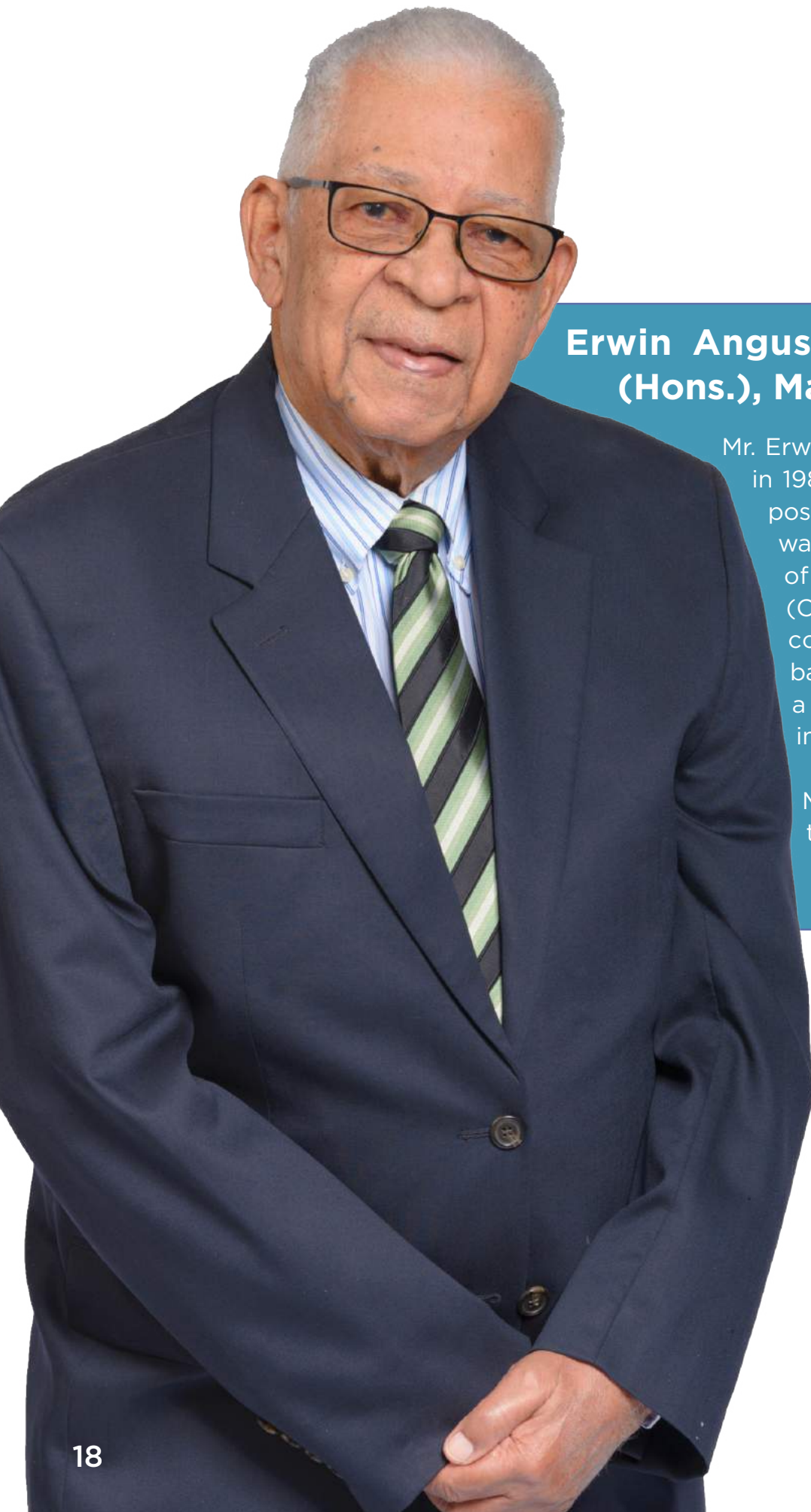




## **Gary Peart, B.Sc. (Hons.), M.B.A., Executive Director, Chief Executive Officer**

Mr. Gary Peart joined Mayberry Investments Limited as the Chief Executive Officer in May 2005 and was appointed to the Board of Directors in April 2006. He has over twenty years' experience in Corporate Finance, having worked in senior positions at leading financial institutions in Jamaica's financial industry. Mr. Peart currently serves as the Executive Chairman on the Board of Supreme Ventures Limited and is also a Director on several other Boards, namely, Lasco Distributors Limited and IronRock Insurance Company Limited. Mr. Peart has been honoured by several organisations and, in 2015, was named Top CEO in Jamaica.

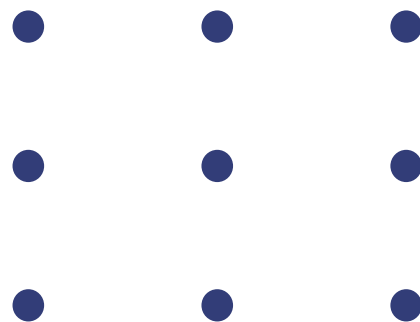




## **Erwin Angus, C.D., J.P., B.A. (Hons.), Managing Director**

Mr. Erwin Angus joined Mayberry in 1986 and has since held the post of Managing Director. He was awarded the Commander of the Order of Distinction (CD) in October 1976 for contribution to Jamaica's bauxite industry and became a Justice of the Peace (J.P.) in 1977.

Mr. Angus is a member of the Company's Assets and Liabilities Committee and Audit Committee.



## Walter Scott, Q.C., Independent Director

Former Senior Partner at Rattray Patterson Rattray, Mr. Walter Scott QC has been a practicing Attorney-At-Law in Jamaica for more than thirty years. Mr. Scott is prestigiously recognised as a Queen's Counsel and is also admitted to practice law in Barbados. He has offered his services to a myriad of entities, including the Office of Director of Public Prosecutions; Grant Stewart Phillips and Co, Attorneys-at-law; Chancellor and Co, Attorneys-at-Law; and Rattray Patterson Rattray, Attorneys-at-Law.

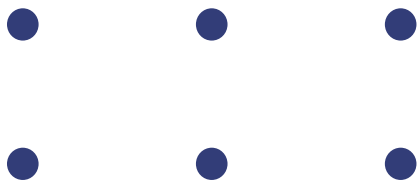
In 2019, he formed his own practice as Counsel. His areas of practice include Commercial, Civil and White-Collar Criminal Litigation, Gaming, Regulatory, Labour, Mining, and Libel Law. Mr. Scott is the former Chairman of Sygnus Capital Limited, Sygnus Capital Management Limited, Betting Gaming and Lotteries Commission, Casino Gaming Commission and The Private Security Regulations Authority. He currently serves as the Chairman of Supreme Ventures Guyana Holdings Inc. He is also a Director of Prime Sports (Jamaica) Limited and Supreme Ventures Services Limited and is a Director of several other private companies. Mr. Scott is Chairman of the Compliance and Remuneration Committees and sits on the Audit Committee as an Independent Director.

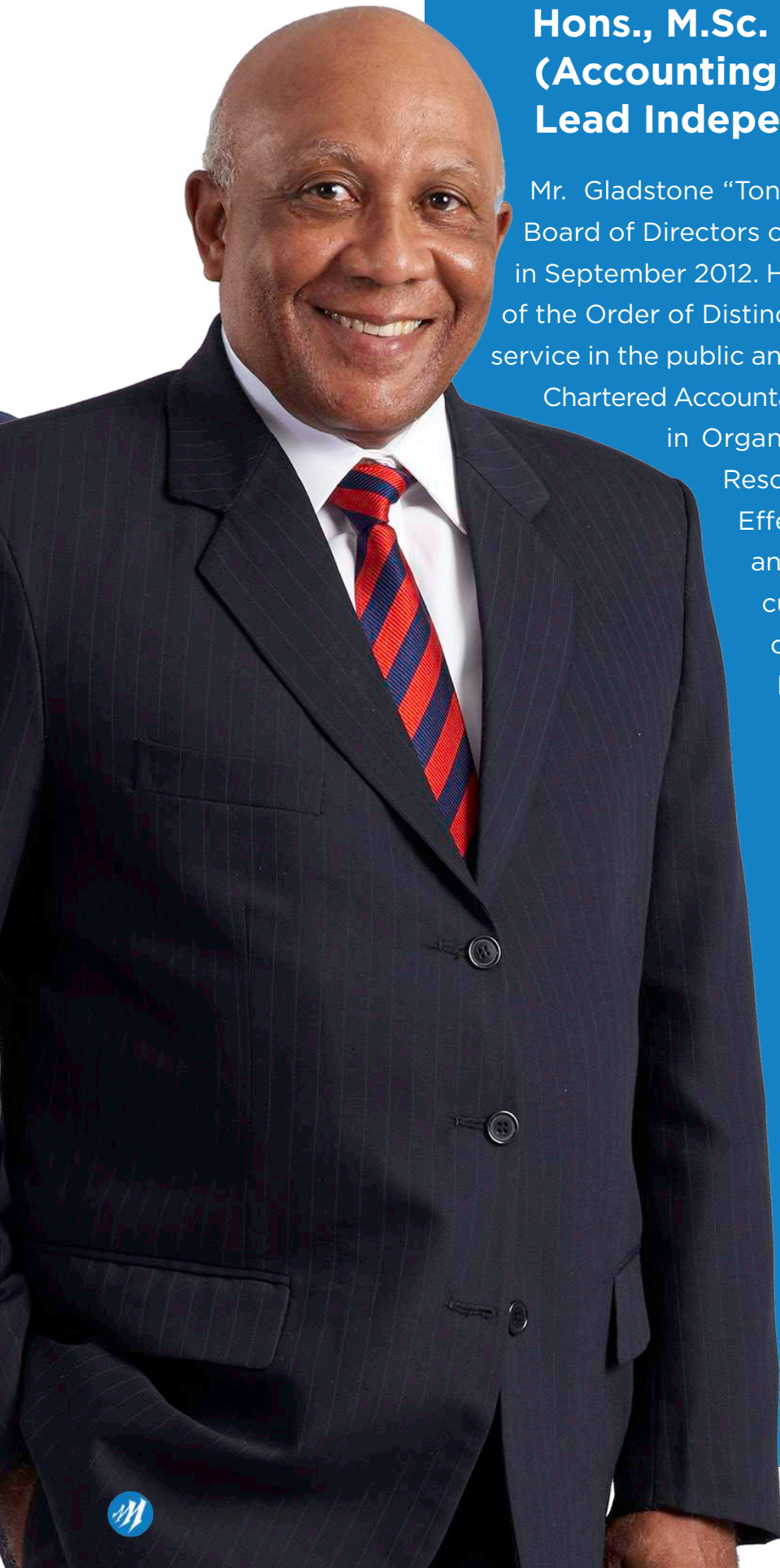


## **Alok Jain, M.Sc.,FCA, FCCA, CGMA,CISA, CFA, Independent Director**

Mr. Alok Jain is a former partner of PricewaterhouseCoopers (PwC) where he held a number of leadership roles, most recently as leader of PwC's Advisory practice in the Caribbean. He previously served as leader of PwC's Assurance practice in Jamaica. Mr. Jain currently serves as a Consultant at the Office of the Prime Minister and is an Adjunct Lecturer at the Mona School of Business and Management at the University of the West Indies. He is also Chairman of the Port Authority of Jamaica and director of TransJamaican Highway Limited. Mr. Jain is a Chartered Accountant, Certified Information Systems Auditor as well as a CFA Charter holder. He has extensive experience in accounting and auditing as well as in corporate finance, valuations of companies, due diligence investigations, stock exchange listings, capital restructuring and acquisitions and mergers.

He is the Chairman of the Audit Committee and sits on the Nominations and Corporate Governance Committee.





**Gladstone Lewars, B.Sc. (Econ.)  
Hons., M.Sc. (Econ.), M.Sc.  
(Accounting), FCA.,  
Lead Independent Director**

Mr. Gladstone “Tony” Lewars was appointed to the Board of Directors of Mayberry Investments Limited in September 2012. He was awarded the Commander of the Order of Distinction (CD) in 2015 for exemplary service in the public and private sectors. Mr. Lewars is a Chartered Accountant and has consulted extensively in Organisational Development, Human Resource Management and Financial Effectiveness Reviews in Jamaica and other Caribbean territories. He currently serves as the Chairman of JN Cayman, JN Cayman Money Services and Guardian Foundation. He also serves as Director of the National Insurance Fund. He is a former Chairman of the Students’ Loan Bureau and a former partner of PricewaterhouseCoopers, where he was the Leader of the Advisory division of the firm. He is also the Secretary/ Treasurer of the Jamaica College Trust. Mr. Lewars is the Chairman of the Assets and Liabilities and Nominations and Governance Committees and a member of the Company’s Audit Committee.



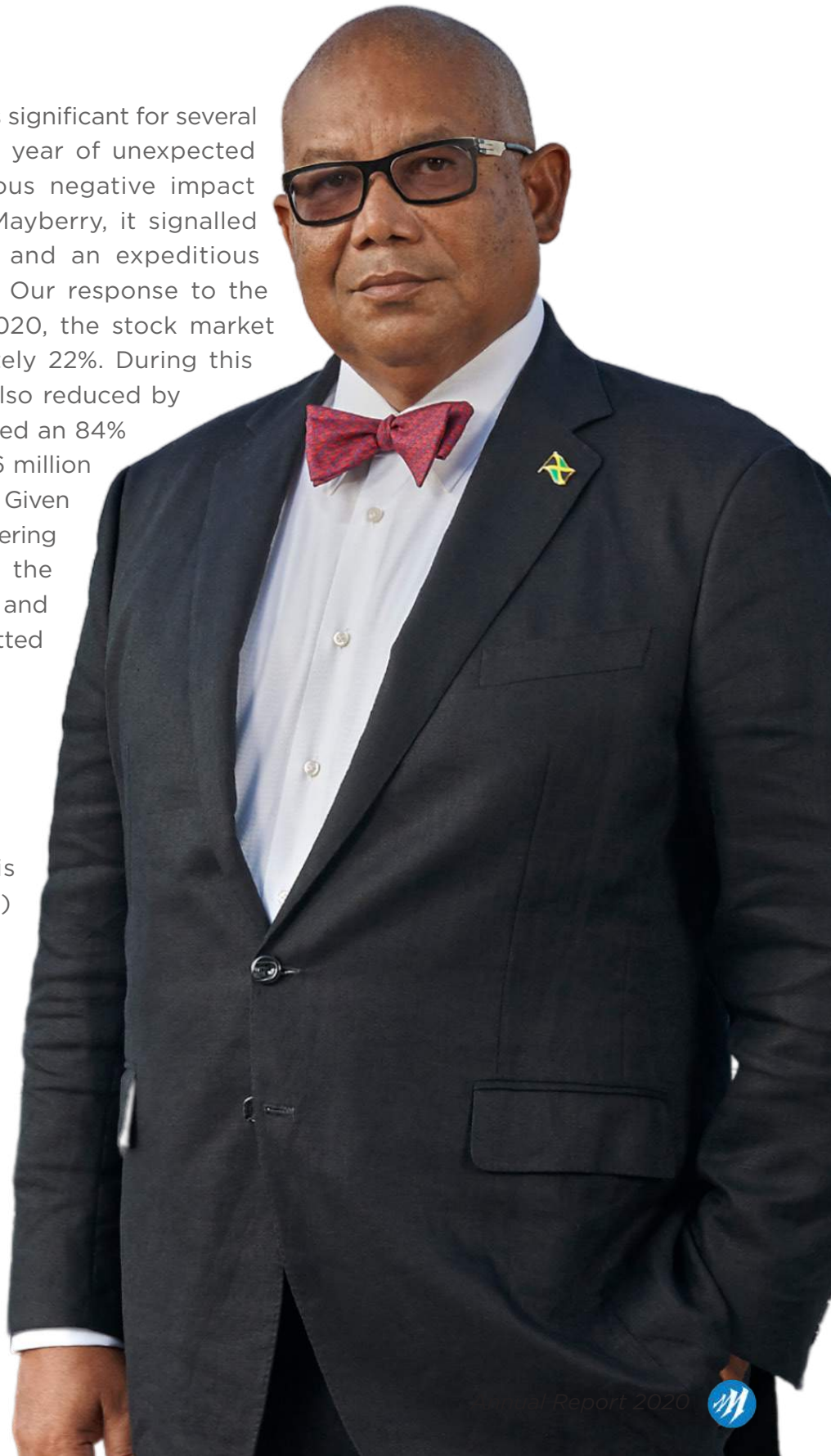
# EXECUTIVE CHAIRMAN'S REVIEW

Across the globe, the year 2020 was significant for several reasons. It was an unprecedented year of unexpected changes, reflected in the enormous negative impact on markets and economies. For Mayberry, it signalled the Company's 35th anniversary and an expeditious implementation to virtualise fully. Our response to the pandemic has been notable. In 2020, the stock market decreased in value by approximately 22%. During this same period, our net book value also reduced by 25%. However, the Company reported an 84% improvement in net profit of \$499.6 million compared to \$271.9 reported in 2019. Given the circumstances caused by the lingering uncertainty due to the pandemic, the year ended on a relatively high note, and the Mayberry Group remains committed and optimistic for 2021.

## Mayberry Investments and Its Business

Mayberry's revenue, thus far, is concentrated across three (3) segments:

1. Revenue generated by own capital, i.e., Treasury operations and long-term investments;
2. Asset Management; and
3. Investment Banking.



## Treasury and Trading Business

The trading arm produced substantial revenues of \$421.3 million during the year versus \$395.4 million for 2019. The Unit maintained strong liquidity during the pandemic period, which resulted in improved cash resources for the Company moving from \$1.1 billion to \$1.3 billion. With continued thrust to grow the Cambio business in a competitive market, the initiatives proved successful, with the business growing by 12.6% over the prior year. Shareholder value for the Company increased by approximately \$498.2 million following dividend payments of \$170 million or 12.5 cents per share. The Group's Closing Book value per share was \$9.66 as at December 31, 2020, compared to \$12.86 as at December 31, 2019.

## Asset Management

The income produced by asset management amounted to \$40.7 million. Although there was uncertainty in the local financial market, our funds under management grew to a record \$20.5 billion. The main business lines within our Asset Management provided the following returns:

- Pension Fund Portfolio - growth at 18.4%
- Investment Grade Bonds - a return of 5.4%
- Mayberry Platinum Portfolio - growth at 6.3%

## Investment Banking

On the eve of the World Health Organisation declaring COVID-19 a global pandemic, the Investment Banking team assisted Caribbean Assurance Brokers Limited with its listing on the Junior Market of the Jamaica Stock Exchange on March 9, 2020, which increased its shareholders to 3,245. As the team adapted to the new norm in 2020, it aggressively worked on opportunities in

the debt market with a debt raise of \$4.5 billion, in addition to satisfying clients with private equity solutions. The Unit will continue to be a key player in the capital markets while providing tailor-made solutions for new and existing clients.

## Looking Forward to 2021

For 2021, we will continue to build on our resilience while enhancing our network of Investment Advisors to ensure that they are prepared to provide our clients with the expert advice they have come to expect from us. Each Mayberry client has an assigned Investment Advisor, and we were notably the first to adopt this level of customer service in the Jamaican financial industry.

We will continue to expand our digital platform to provide more convenient and efficient service. Digitisation has had a tremendous impact on our clients and how they can transact business. Our focus will be the improvement of our service delivery by simplifying the money management process for clients. Clients can also rest assured that they will still have access to their Investment Advisor, who will help to guide their financial decisions.

We extend our gratitude to all our clients, shareholders, team members and well-wishers for their support during our 35 years of operations. We remain committed to serving you.



**Christopher Berry**  
Executive Chairman



# CEO'S STATEMENT

Jamaica created history by having one of the fastest-growing stock markets globally, a feat which was achievable through hard work, expert administration and prudent financial plans. Its growth and success were being enjoyed for well over a year when the novel Coronavirus (COVID-19) hit our shores. It sent shockwaves through our economy, negatively impacting business and lifestyle. The JSE Main Market ended the year 2020 at 395,614.93, a significant decrease of 22.42% over 2019. Likewise, the JSE Junior Market decreased by 21.07% to end the year at 2,643.38 points.

The global financial markets were also affected by the Coronavirus and measures undertaken to limit its spread. However, the current distribution of the approved vaccines will hopefully lead to a loosening of lockdown and physical distancing measures, thus increasing business activities and market sentiments.





# Financial Performance

Our Group recorded a comprehensive loss of \$4.9 billion, compared to the comprehensive income of \$5.8 billion recorded the previous year. Net book value per share fell to \$9.66, a decline of 25% relative to \$12.86 at the end of 2019. Total revenues for the Group were \$683.1 million. However, the Group experienced a net loss of \$352.9 million against the backdrop of a net profit of \$709.6 million for 2019. This loss resulted in a \$0.29 loss per share instead of a \$0.59 profit per share for the 2019 fiscal period.

Total assets for the Group declined by 13% to \$32.2 billion over the prior year's total of \$36.9 billion, driven by a decrease in the value of investment securities by \$6.4 billion and a reduction in reverse repurchase agreements by \$958 million. Our funds under management amounted to \$20.5 billion for the year ended December 2020, reflecting a solid growth of \$1.8 billion.

Liabilities remained relatively flat at \$16.8 billion (2019: \$16.7 billion), while our capital base remained strong with shareholders' equity, albeit a marginal decrease of 25% to \$11.6 billion compared to \$15.4 billion at the end of 2019. The decline in the capital base was due to retained earnings decreasing by 6% from \$6.4 billion the prior year, to \$6.0 billion and reducing our fair value reserves of \$3.9 billion, down 47% from \$7.4 billion. Conversely, the Company continued

to display its resilience in 2020, which resulted in a 7% growth in net operating income to \$1.8 billion compared to \$1.6 billion in 2019, while profitability increased by 84% or \$227.7 million to \$499.6 million (2019: \$271.9 million). However, this achievement was masked by the performance of MJE in the Group's results. We also worked hard to manage our expenses during the year, which yielded a 5.1% decline in operating expenses year over year. Notably, this year we returned to shareholders a dividend of \$0.125 per ordinary share, which amounted to \$169.97 million.

## Digitisation

Before the onset of the COVID-19 pandemic, we were rolling out our digitisation process. We have now fast-tracked this strategy to serve clients better. As we continue our journey towards complete digitisation, this will help differentiate us from competitors while positively impacting our clients and communities.

Over the years, we have provided clients with brilliant ideas and excellent services through social media platforms and other forms of technology. By targeting these platforms, we are not only better positioned to appeal to different demographics, but we are becoming better equipped to arm them with

the knowledge needed to secure their financial futures. We have also seen momentum in our operational efficiencies thanks to digitisation.

## Looking Ahead

Mayberry is aware that we operate in an incredibly competitive environment. Our ability to strengthen our core competencies and generate operational efficiency will optimise our service delivery. This remains a vital element in driving customer loyalty and growth.

We are committed to continuing our focus on relationship building, which has remained the cornerstone of our operations for the past 35 years. Mayberry will continue to grow our core and strategic capabilities and create value for you, our valued shareholders. This will be accomplished by generating attractive, sustainable, and distributable returns to our clients and we are devoted to achieving this for you.

The Mayberry family has always believed in Jamaica. Over the years, we have exercised this belief by supporting local businesses. We are optimistic that Jamaica will weather the storm and emerge much more robust.

We extend thanks and gratitude to our clients, who continue to choose us as their financial partner, our Board of Directors for always guiding us, our staff for sharing and supporting our ideas, and you, our valued shareholders, for

believing in this Company. We urge you to keep safe and recommend that you follow the guidelines stipulated by our health officials. We stand ready to work together to restore normalcy in our lives and our economy.



**Gary Peart**

Chief Executive Officer



It's time  
to invest  
in a higher  
standard.

**MAYBERRY**  
**GOLD**

For more information, contact your  
Investment Advisor today.\*

\*Conditions apply.



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“Without continual growth and progress, such words as improvement, achievement, and success have no meaning.”

—Benjamin Franklin





# OUR MANAGEMENT TEAM





**Andrea Ho-Sang**  
**Senior VP - Operations**

Andrea joined Mayberry in August 1990 as a Junior Equity Trader. She has been promoted through the years and currently has strategic oversight of the processing, securities and settlement units of the Operations Department.

**Karen Mitchell**  
**Senior VP - Treasury and Trading**

Karen joined the Mayberry Team in 2014. She is responsible for the effective management of the Company's treasury and trading functions, as well as, the development and implementation of strategies for the growth of the Company's investment portfolios.



**Krishna Singh**  
**Chief Information Officer**

Krishna joined Mayberry Investments in 2016 and leads the Company's Information Technology (IT) department. His main area of responsibility is the creation of the IT strategic plan and ensuring that the agreed initiatives are executed while remaining aligned with the Company's overall strategy. Krishna is also responsible for the conceptualisation and execution of the Company's overall digital transformation strategy.





**Andrea Whittaker**  
**Chief Operating Officer**

Andrea joined Mayberry Investments in 2020 as Chief Operating Officer. She oversees the Operations, Information Technology, and Finance and Accounting functions of the Company, with special emphasis on business process alignment, total quality management, and digital transformation.



**Damian Whyllie**  
**General Manager - Asset Management**

Damian joined the Mayberry team in 2016 and has direct oversight of Mayberry's Asset Management portfolio, which includes managed portfolios of equities and bonds. He is also responsible for pension funds' management and the Company's Mobile app and online strategy.



**Kristen Raymore Reynolds**  
**VP - Human Resources**

Kristen joined the Mayberry team in June 2015. She is responsible for formulating and implementing human resource policies and best practices that provide an employee-oriented, high-performance culture, fostering staff engagement, productivity, retention, and the ongoing development of a world-class workforce.



**Dan Theoc**  
**SVP - Investment Banking**

Dan joined Mayberry in January 2018 as part of the Investment Banking team, initially with a special focus on energy and infrastructure projects. He was promoted in September 2020 to lead the investment banking team, which is responsible for providing corporate solutions such as Financial Advisory Services, arranging, structuring debt and equity transactions.

**Rachel Kirlew**  
**Assistant VP – Investment Banking**

Rachel joined the Mayberry Team in 2018. She is currently a vital member of the Investment Banking Team, which provides Financial Advisory Services, arranging and structuring of debt and equity transactions. She also plays a crucial role in managing other products and services offered by the department.



**Okelia Parredon**  
**Manager - Sales and Client Services**

Okelia joined the MIL team as a Client Relations Officer in January of 2007 and was subsequently promoted to Investment Advisor and then to Executive Investment Advisor. She has been the head of Sales and Client Services for the past year. She is responsible for leading Mayberry’s sales team, setting, monitoring and evaluating sales targets against goals and ensuring compliance with regulatory and Company policy. She is also responsible for overseeing Mayberry’s client service function, implementing systems and procedures to facilitate transaction compliance with industry regulations and guaranteed standards of client relations service from the Mayberry Group.







**Dionne-Marie Harrison**  
**Senior Marketing Manager**

Dionne-Marie began her tenure at Mayberry Investments in May 2015 as a Marketing Officer. Through her diligent efforts and her attainment of key performance objectives, she was promoted to Digital Marketing Manager and further to her current role as Head of Marketing. Her areas of responsibility consist of leading the marketing functions for Mayberry Investments Limited, including brand recognition, digital marketing for all social media channels, advertising, public and media relations, events, and sponsorships.

**Jason Martinez**  
**Senior Manager – Research**

Jason joined the Mayberry Team in 2014. His primary responsibilities include providing financial and economic information and recommendations on financial assets to Mayberry’s internal and external clients. He also provides financial analysis, which aids the investment process.



**Rene Mitchell**  
**Assistant VP - Compliance**

Rene joined Mayberry Investments in September 2018. In her capacity as Assistant Vice President – Compliance, she is tasked with ensuring that MIL operates in accordance with legal and regulatory guidelines, protecting the Company, its employees, clients, assets, and the interests of stakeholders. She has almost 20 years’ experience in the financial industry, 15 years of which have been spent as a Compliance professional. Rene is a Certified Anti-Money Laundering Specialist (CAMS).





**Damali Morgan**  
**Senior Manager - Risk and Portfolio Strategy**

Damali joined the Mayberry Team in 2017 as a Research Analyst and has served Mayberry in various roles. He was the Head of the Risk team, which provides hands-on development of risk models involving financial, strategic, and operational risk. He assured controls are operating effectively, in addition to providing research and analytical support. Damali also aided various divisions in their portfolio strategy and helped to improve the Company's portfolio development capabilities.

**Vaughn Cunningham**  
**Senior Manager - FX Trading**

Vaughn joined the Markets and Trading department of Mayberry Investments in 2017. His core function is to lead the Foreign Exchange Trading Unit whilst operating in the regulatory Cambio environment. Vaughn has more than 20 years' experience in the financial industry.



**Leisa Turner**  
**Business Solutions Manager - Information Technology**

Leisa Turner joined Mayberry Investments Limited in the Information Technology Department in June 2019. She leads the team responsible for the implementation and support of software applications used in the Company's day-to-day operations.





**Venise Thompson**  
**Manager - Operations and Processing**

Venise joined the Company on June 1, 1994 as a Registration Officer in Operations. She worked in various roles over this period and currently has oversight of the processing of all operational transactions. Venise has the key responsibility of ensuring that all transactions are processed in a timely manner.

**Miguel Christie**  
**Compliance Manager**

Miguel joined Mayberry Investments in 2012. He is responsible for ensuring that all departments of Mayberry Investments Limited (MIL) observe and operate in accordance with regulatory guidelines, managing the regulatory risk to the Company, its employees, customers' reputation, assets, and interests of stakeholders.



**Kayree Berry-Teape**  
**Chief Executive Officer - Mayberry Foundation**

Kayree joined the Mayberry team in 2002 and began overseeing the Mayberry Foundation in 2008. Since then she has played a crucial role in aiding the Foundation to meet its objective of building capacity in the key areas of health, youth and community development, education, and the environment. She continues to spearhead MIL's drive to support community and nation-building through its philanthropic arm.





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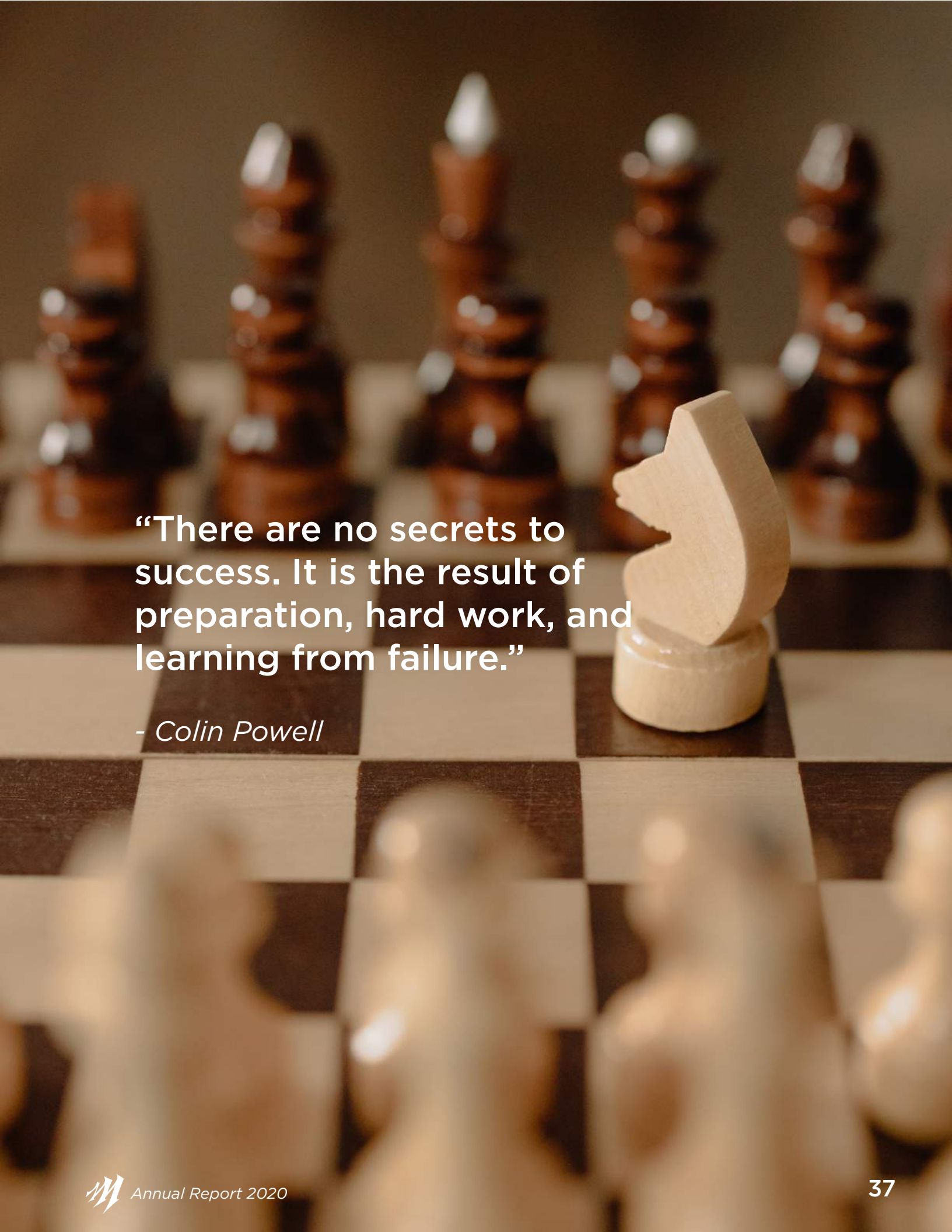
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**“There are no secrets to success. It is the result of preparation, hard work, and learning from failure.”**

*- Colin Powell*



# CORPORATE GOVERNANCE



**Mayberry Investments Limited (“Mayberry”) remains committed to high standards of corporate governance to ensure it meets its obligations and responsibilities to the Company, its shareholders, and stakeholders. We believe that corporate governance contributes significantly to value creation through enhanced accountability, more effective risk management, clear performance management, greater transparency and effective leadership.**

*The Board of Directors of Mayberry has adopted and approved a Corporate Governance Policy, which complies with the applicable laws, regulations, and locally and internationally accepted best practices, consistent with the provisions of the PSOJ Corporate Governance Code 2016 and Rules of the Jamaica Stock Exchange. The Corporate Governance Policy was last updated in November 2020. The Mayberry Corporate Governance Policy is available on our website at [www.mayberryinv.com](http://www.mayberryinv.com).*

## Board Role and Function

The Board is ultimately responsible for overseeing the direction and management of the Company in accordance with the law, supporting regulations and the constitution of the company as outlined in the Articles of Association of Mayberry. The primary responsibility of the Board is to create sustainable value, which is in the interest of the company, its shareholders, customers, staff, suppliers, regulators and community at large.

In line with the Board’s general oversight function, they take the lead on all central policies, risk appetite, corporate culture, defining the Company’s structure and fostering the appropriate policies in matters relating to corporate social responsibility. In carrying out their obligations, the Directors are expected to exercise independent judgement on all issues facing the Company. In discharging this obligation, the Directors rely on the honesty and integrity of the Company’s management and its external advisors and auditors. The Board monitors and holds the management accountable for the Company’s operational, strategic and financial performance. Consequently, management is open and transparent with the Board, bringing all significant issues to its attention.

## Board Response to COVID-19

In the context of the global environmental crisis resulting from the COVID-19 pandemic, corporate governance at Mayberry has played an even more important role. It ensures that the right risks are identified and that there is an appropriate response to the management of these risks. During this global crisis, the Board has ensured that management had the necessary resources to respond quickly and prioritise the safety and well-being of our staff members and our clients. Additionally, the Board remained agile in balancing the indebtedness of the Company with the need for immediate liquidity and ensuring the sustained financial health of Mayberry.

The Board has taken the following corporate governance actions in response to the pandemic:



Established the “tone from the top” to demonstrate leadership and commitment to managing the crisis;



Weekly meetings with members of the Board, the CEO and Senior Management to keep abreast of any internal developments and proactively assess the impact of Covid-19 on the Company;



Created a Covid-19 response committee, which was tasked with developing all the protocols necessary to guarantee a seamless transition to “work from home” while not disrupting the provision of quality service to our clients;

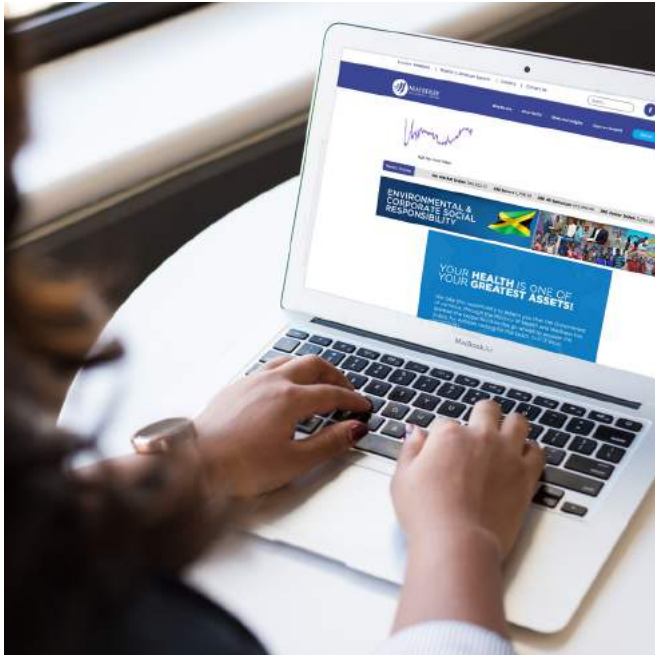


Undertook a complete overhaul of our Business Continuity and Disaster Recovery Plan to include pandemics;



Adopted virtual meetings, not only for the Board and its sub-committees, but across the organization to minimize the risk of exposure from in person meetings.

Despite the challenges faced by the Company due to the deterioration of market conditions, the Board and management remain confident that the Company is well poised for recovery and growth in the medium to long-term.



## Board Composition and Structure

In September 2020, Mrs. Tania Waldron-Gooden resigned from her role as Executive Director of Investment Banking at Mayberry Investments Limited.

As of December 31, 2020, the Board has seven (7) members and is chaired by Mr. Christopher Berry. Of the seven (7) members currently serving, three (3) Directors are Non-Executive Independent Directors, and four (4) are Executive Directors.

The Board is effective and considered to be an appropriate size for the Company. Their professional ability and integrity distinguish all members. The Directors should act with “independence” when making decisions on the Company’s behalf. The Company’s best interest should be its primary focus, and personal relationships, such as familial ties, friendships or contracts made with the Company, should not influence their decisions. A

Non-Executive Director is deemed independent if they meet the description above of independence and have not been employed by the Company within the last five years. All Non-Executive members of Mayberry’s Board are considered Independent Directors.

Collectively, the professional backgrounds of the Board members provide for a balanced mix of knowledge, competence and experience that enable the Board to fulfil its duties and responsibilities capably. The breadth of experience on the Board includes investment banking, legal, auditing, corporate governance, strategic management, information technology and overall business management. Also, Directors are provided with internal training to hone their skills and impart knowledge in other disciplines. Refresher training is also given to keep them abreast of changes in regulatory and statutory requirements.

The roles of the Executive Chairman, Chief Executive Officer and Managing Director are separate. Separating these roles facilitates an appropriate balance of power that leads to increased transparency, accountability and improved decision-making, independent of management. A clear division of these responsibilities at the Board level ensures that no one Director has unlimited powers in the decision-making.

Despite being the controlling shareholder of Mayberry, the Board has satisfied itself that neither the Chairman’s significant interest in the Company nor any of his positions held outside Mayberry interfere with his ability to execute and fulfil all of his obligations and responsibilities to the Board and Mayberry.

The Directors have free and open contact with management at all levels and full access to all relevant information. The Board’s constant interaction with management strengthens the Company’s decision-making and ensures an appropriate balance of power.



## Lead Independent Director

Mr. Gladstone Lewars continues to serve as the Lead Independent Director.

## Diversity

One of the board's primary responsibilities is identifying significant opportunities and risks whilst strategically leading the business through management oversight. This task requires a diverse and experienced cadre of people who operate in an open environment, where differing opinions are sought. Different career and educational backgrounds facilitate the fulfilment of duties and obligations per statutory requirements, the provisions of the Company's Articles of Association and rules of procedure. Without this capability and experience, it would be impossible to take appropriate account of cultural backgrounds within the Group. A balanced age structure

ensures regular regeneration and retention of knowledge and career and life experiences for as long as possible in the Company's interest.



## Mayberry's Board Committees



### Audit Committee

Oversees the independence, objectivity and effectiveness of the independent and regulatory audits of the Company.



### Remuneration Committee

Sets the overarching principles, parameters and governance framework of the Company's remuneration policy.



### Asset and Liabilities Committee

Directs and monitors the investment management of portfolio assets and liabilities based on the Company's appetite for risk.



### Nominations and Corporate Governance Committee

Recommends new candidates for the Board of Directors and oversees the effective functioning of the Board.



### Compliance and Data Protection Committee

Serves as an independent and objective party to monitor the effectiveness of the Company's Internal control system and compliance with applicable laws and regulations.



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## Board Committee Composition

Name	Positions	Audit	ALCO	Compliance and Data Protection	Nominations and Corporate Governance	Remuneration
<b>Christopher Berry</b>	Executive Chairman				M	M
<b>Konrad Berry</b>	Executive Vice Chairman/ Company Secretary	M	M			M
<b>Erwin Angus</b>	Managing Director	M	M			
<b>Gary Peart</b>	Executive Director/Chief Executive Officer		M	M		
<b>Tania Waldron-Gooden *</b>	Executive Director/Director - Investment Banking	M	M	M	M	
<b>Gladstone Lewars</b>	Lead Independent Director	M	C	M	C	
<b>Alok Jain</b>	Independent Director	C			M	
<b>Walter Scott</b>	Independent Director	M		C		C

LEGEND: M - MEMBER | C - CHAIRMAN

\*Resigned from the Board in September 2020.

Collectively, the professional backgrounds of the Board members provide for a balanced mix of knowledge, competence and experience that enable the Board to capably fulfill its duties and responsibilities.

## Directors' Attendance: Board and Committee Meetings

Names	Positions	Board	Audit	ALCO	Compliance and Data Protection
Number of Meetings		10	1	9	3
<b>Christopher Berry</b>	Executive Chairman	10	-	-	-
<b>Konrad Berry</b>	Executive Vice Chairman/ Company Secretary	10	1	9	-
<b>Erwin Angus</b>	Managing Director	10	1	9	-
<b>Gary Peart</b>	Executive Director/Chief Executive Officer	10	-	4	3
<b>Tania Waldron-Gooden *</b>	Executive Director/Director - Investment Banking	8	1	6	2
<b>Gladstone Lewars</b>	Lead Independent Director	10	1	9	1
<b>Alok Jain</b>	Independent Director	9	1	-	-
<b>Walter Scott</b>	Independent Director	9	-	-	3

\*Resigned from the Board in September 2020.

## Board Committees

The Board has established committees to improve its effectiveness and efficiency in the execution of its fiduciary duties and responsibilities. The Chairman of each Board Committee reports to the Board on the matters raised at the Committee meetings.

### Audit Committee

The Audit Committee has responsibility for matters relating to financial reporting and disclosure.

It is also responsible for monitoring the effectiveness of the Company's risk management system, particularly of the internal control system and the internal audit system.

The specific roles and responsibilities of the Audit Committee are documented in the Audit Committee Charter approved by the Board, which is on the Company website at [www.mayberryinv.com](http://www.mayberryinv.com).

The Audit Committee Charter acknowledges the principles set out in the JSE/PSOJ Corporate Governance Code, which provides that at least three Audit Committee members must be Independent Non-Executive members, one of whom is an Independent, Non-Executive Director.

The Audit Committee held one (1) meeting during the year to review and assess the results of the financial audit presented for 2019. An executive decision was made to suspend the internal audit services of PricewaterhouseCoopers (PWC), except for the execution of the annual AML/CFT audit. Several independent audits were conducted throughout the year and the findings shared with the Audit Committee members.

The Committee comprises five (5) Directors, three (3) of whom are Independent Non-Executive Directors.

### Internal Auditor

For 2020, the team engaged the services of PricewaterhouseCoopers to conduct the annual Anti-Money Laundering/Counter Financing of Terrorism audit. The audit's scope encompassed assessing the effectiveness of the Company's documented policies and procedures that govern AML/CFT. This ensures that they are in line with the requirements outlined in the regulatory guidelines

provided by the Financial Services Commission, the Bank of Jamaica, and any other relevant legislation or guidance notes.

Mayberry Investments employed the services of several independent auditors to help accomplish its objectives. They provided independent and objective assurance of the design and operating effectiveness of the Company's risk management framework, internal controls, and corporate governance process, with a primary focus on the areas of the highest risk.

### Nominations and Corporate Governance Committee

The Nominations and Corporate Governance Committee has responsibility for leading the Board appointment process and identifying and nominating potential candidates for appointment to the Board. This Committee also strives to achieve best-practice standards in Corporate Governance. The Committee currently comprises three Directors, one of whom is an Independent, Non-Executive Director.

### Assets and Liabilities Committee

The Assets and Liabilities Committee (ALCO) was established to oversee the Company's on- and off-balance sheet risks and monitor the Company's risk management framework. The primary responsibility of the Committee is to ensure that the activities undertaken by Mayberry align with its risk appetite and strategic objectives. ALCO also ensures that the Company has adequate liquidity and capital in line with regulatory standards. The Committee cultivates a disciplined and constructive control environment by placing limits on the level of exposure that can be taken and ensuring adherence to these limits. The Committee met nine (9) times for the year and currently comprises five Directors, one of whom (the Chairman) is an Independent, Non-Executive Director.

### Compliance and Data Protection Committee

In 2020, the Board of Directors decided to expand the role of the Compliance Committee to include Data Protection. The committee's primary responsibility is to monitor the effectiveness of the Company's internal control systems and compliance with applicable laws and regulations. Mayberry has retained the services of a data protection consultant to assist with the implementation of its data protection compliance program. The

Compliance and Data Protection Committee has the added responsibility of ensuring that the Company's Anti-Money Laundering (AML) and Counter-Financing of Terrorism (CFT) policies and procedures are adhered to and that recommendations resulting from statutory and regulatory audits are implemented and continually observed. The Committee met three (3) times in 2020 and currently comprises three (3) Directors, one of whom (the Chairman) is an Independent, Non-executive Director.

## Remuneration Committee

The Remuneration Committee supports the Board in the appropriate structuring of the compensation system for the Executive Directors and other senior management employees. The Committee also ensures the remuneration system aligns with the Company's strategy, which is focused on the Company's sustainable development. The Committee currently comprises three Directors, one of whom (the Chairman) is an Independent, Non-Executive Director.

## Directors' Remuneration

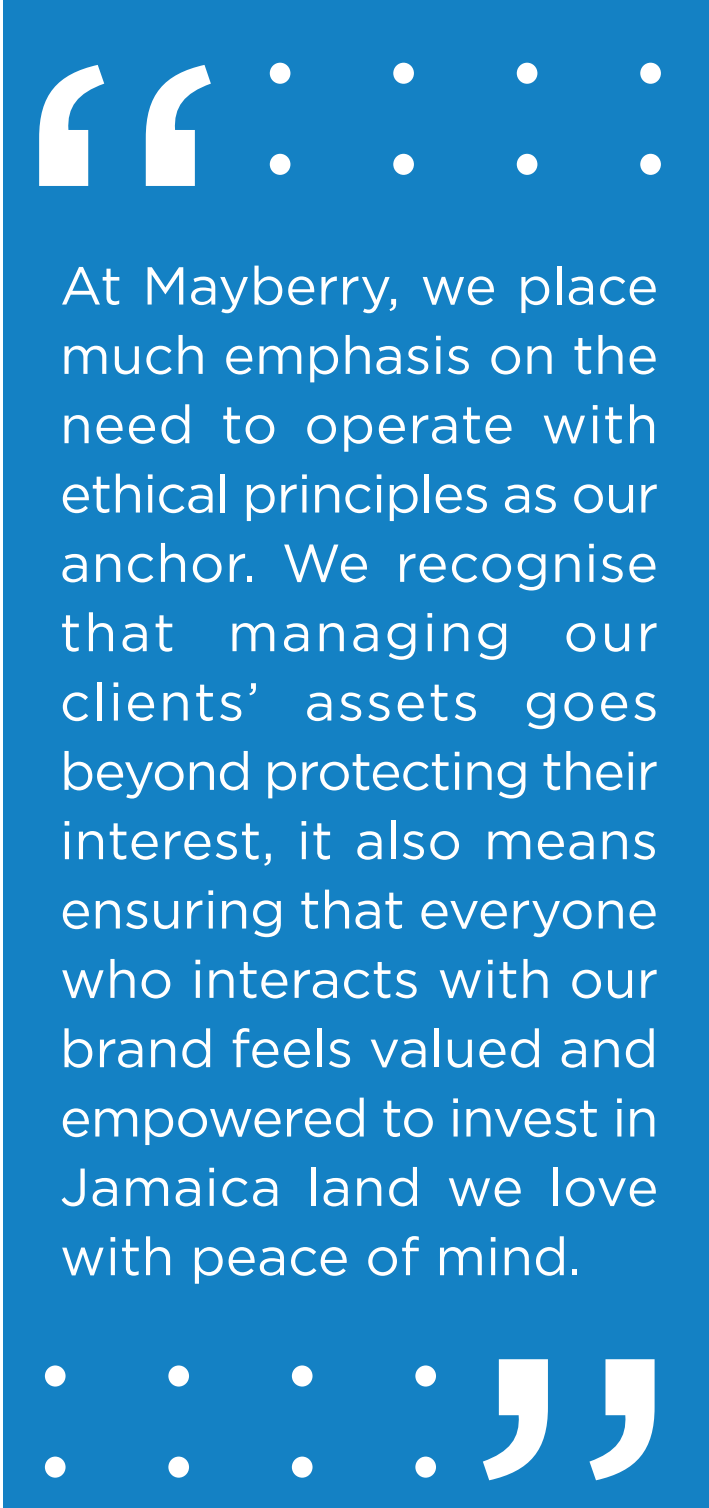
Mayberry compensates its Directors fairly and aligns remuneration with the Company's strategy. The compensation of Directors is made up solely of fees, which are determined by their membership on various committees and any other objective circumstances that the Board may consider. Directors do not receive any share-based compensation. However, they are encouraged to purchase shares on the open market.

## Board Evaluation and Self-Assessment

The Board is committed to a regular, independent evaluation of its effectiveness.

In December 2020, the Board conducted its annual self-assessment to gauge performance, conduct, leadership, and impact. The assessment was conducted by way of an anonymous online questionnaire comprising fifty-six (56) questions administered by an independent external application. The evaluation was broken down into five sections;

1. The Board's overall performance and effectiveness;



At Mayberry, we place much emphasis on the need to operate with ethical principles as our anchor. We recognise that managing our clients' assets goes beyond protecting their interest, it also means ensuring that everyone who interacts with our brand feels valued and empowered to invest in Jamaica land we love with peace of mind.

2. The performance of individual Board members;
3. The Board's conduct;
4. The quality of the relationship with staff and how well the Board is supported;
5. The Board's relationship with the CEO and Executive Chairman.

The results of the assessment are summarised as follows;

## BOARD EVALUATION

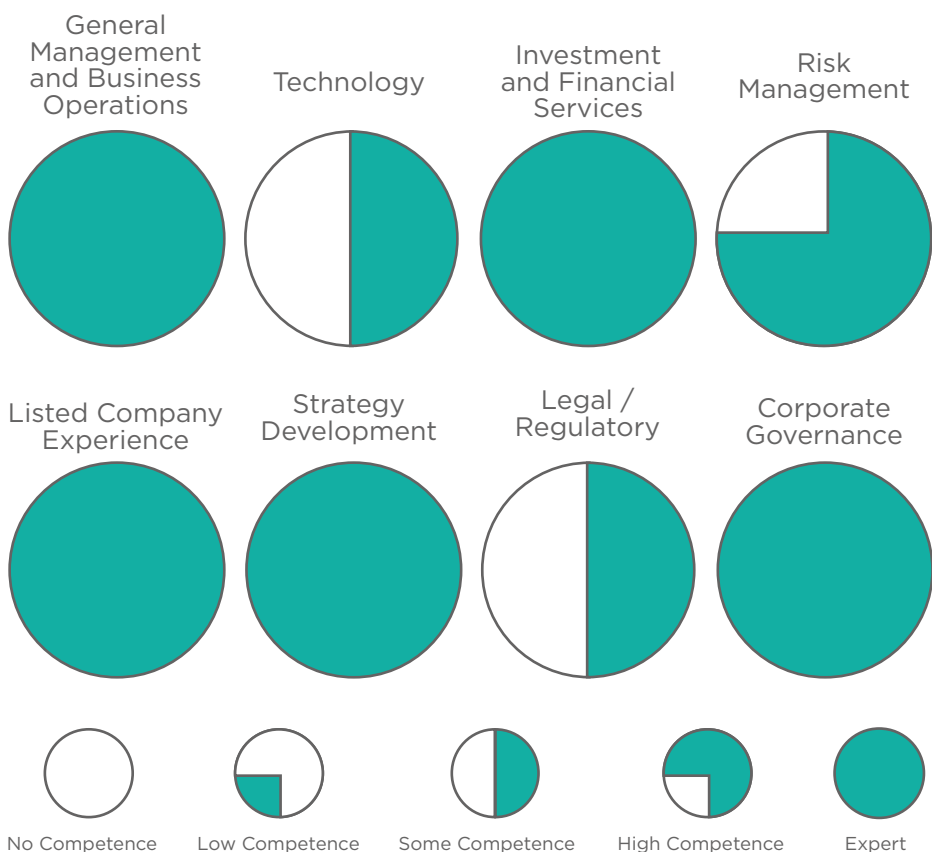
DIMENSION	SCORE (OUT OF 100)*
The Board's overall effectiveness	88
The performance of individual Board Members	94
The Board's Conduct	88
The quality of relationship with staff and how well the Board is supported	89
The Board's relationship with the CEO and Executive Chairman	94
<b>Average Score</b>	<b>90</b>

### Results

The Board uses the feedback to build development plans that will improve the Board's culture, communication, effectiveness and performance.

## BOARD SKILLS AND ENTERPRISE MATRIX

The matrix below represents some of the key skills that our Board has identified as valuable for effective oversight and execution of strategy.



## Board Training and Development

In December 2020, the Directors participated in the annual Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) training and Corporate Governance Training, both of which were delivered by a representative from the law firm, Patterson Mair Hamilton.

The Directors were made aware of recent developments, particularly those relating to the Bank of Jamaica, Financial Services Commission, the Jamaica Stock Exchange and Jamaica International Financial Services Authority. The training also addressed Corporate Governance best practices, particularly those that focus on coping during the pandemic.



## DIRECTOR'S TRAINING ATTENDANCE

NAME	POSITIONS	AML/CFT	CORPORATE GOVERNANCE
Christopher Berry	Executive Chairman	●	●
Konrad M. Berry	Executive Vice Chairman/ Company Secretary	●	●
Erwin Angus	Managing Director	●	●
Gary Peart	Executive Director/ Chief Executive Officer	●	●
Tania Waldron-Gooden*	Executive Director/ Director - Investment Banking	N/A	N/A
Gladstone Lewars	Lead Independent Director	●	●
Alok Jain	Independent Director	●	●
Walter Scott	Independent Director	●	●

\*Resigned from the Board in September 2020 (prior to the training sessions).

### Staff Training

Annually, all staff members are required to participate in a mandatory AML/CFT training. At the end of the training, a test is administered and the results recorded and noted on each team member's employee file. The training for 2020 was tailored to include the latest updates to legislation governing AML/CFT. There was a >90% participation rate.

### Business Conduct and Ethical Practices

The Company's Code of Conduct, supplemented by an Ethics Policy, and approved by the Board of Directors, maintains its commitment to the highest standards of ethical conduct.

The Code of Conduct applies to Mayberry's Directors, officers, and employees and outlines the Company's rules and expectations regarding proper business conduct and ethical behaviour, including:

- I. Adhering to the law wherever the Company does business;
- II. Avoiding conflicts of interest;
- III. Conducting themselves honestly and with integrity;

- IV. Respecting confidentiality and protecting the integrity and security of assets, communication, information and transactions and;
- V. Treating everyone fairly, equitably and professionally - whether clients, suppliers, service providers, employees or other stakeholders.

The Board is reasonably assured that there is an ongoing, appropriate and effective process in place for adherence to the Company's Code of Conduct and Ethics policies. Mayberry promotes a strong compliance culture by strictly enforcing the Company's Code of Conduct and Ethics Policies and by taking decisive disciplinary action, where warranted. Both the Code of Conduct and the Ethics Policy can be found on the Company's website at [www.mayberryinv.com/investor-relations](http://www.mayberryinv.com/investor-relations).

## Whistleblower Policy

Through this policy, the Board seeks to provide a medium for all employees to confidentially and anonymously report any illegal unethical or questionable practices without fear of reprisals. The policy is designed to protect the integrity of the Company's financial reporting, its business dealings, and to support compliance with the Company's Code of Conduct. The Whistleblower Policy can be found on the Company's website at [www.mayberryinv.com/investor-relations](http://www.mayberryinv.com/investor-relations).

## Health and Occupational Safety

Mayberry is committed to undertaking all reasonable steps to ensure the health, safety and welfare of the Company's clients and employees, as well as those who work with us, consultants and suppliers. This is done by complying with all applicable standards of the Occupational Safety and Health Act, 2017 (OSHA).

Mayberry has a responsibility to help create a safe working environment and to preserve the best possible working conditions for its staff. This was especially demonstrated during the COVID-19 pandemic, where protocols were established to ensure the seamless transition to work from home for the majority of our employees, while ensuring that the services delivered to Mayberry's clients were not disrupted.

## Environmental Policy

Mayberry is committed to protecting and conserving the environment by ensuring that all development is environmentally and socially sustainable. This policy can be accessed on the Company's website at [www.mayberryinv.com/investor-relations](http://www.mayberryinv.com/investor-relations).

## Employee Share Ownership Plan

Mayberry operates an employee stock ownership plan (ESOP) under which options are granted for the Company's ordinary shares. Subject to leave provisions, options are exercisable after one (1) year.

## Shareholder Rights and Responsibilities

The Board of Directors is committed to maintaining dialogue with shareholders and improving the

Company's existing relations with those stakeholders. Thus, they adhere to the principles of transparency, equal treatment, and protection of shareholder interests.

The Company has several communication channels that provide all shareholders with timely and equal access to information. These include:

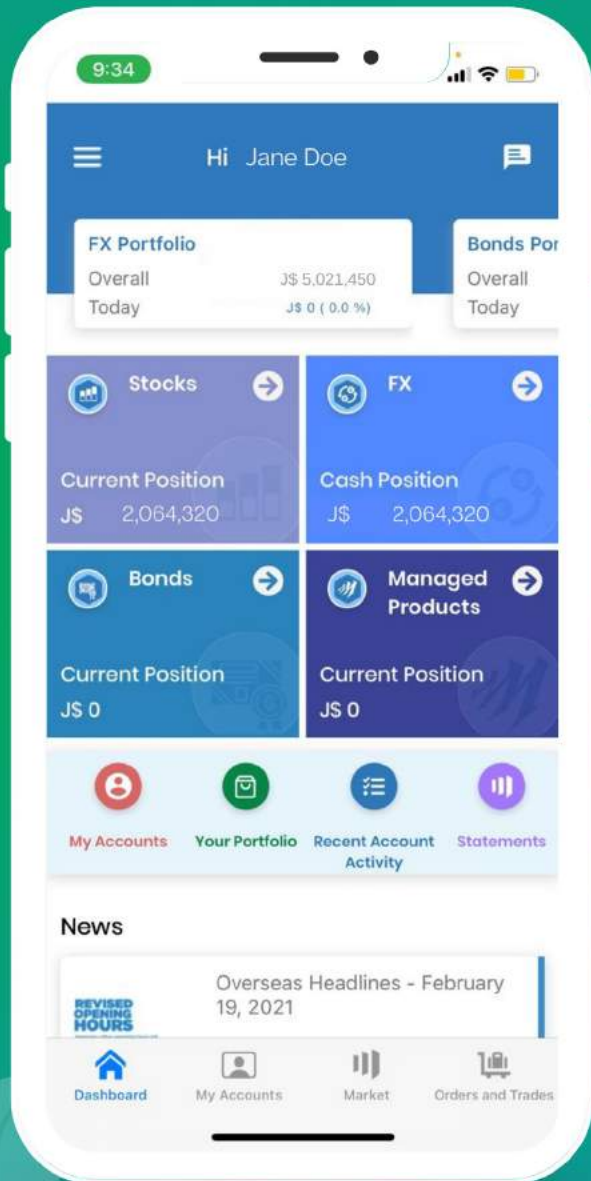
- Annual General Meetings (AGM);
- The Annual Report;
- Financial results announcements;
- Weekly/Monthly Investor Forums;
- The Company's website;
- The Monthly Strategic Magazine;
- Traditional and social media marketing.

At every AGM, individual shareholders are given the opportunity to pose questions to the Executive Chairman and any other member of the Board who may be present. In addition, the minutes of the previous AGM are prepared and made available to shareholders for review at the meeting. To complement these, the Investor Relations section of the Company's website at [www.mayberryinv.com](http://www.mayberryinv.com) provides access to Company announcements, media releases, audited financial statements and annual reports.

Enquiries from individuals and institutional investors on matters relating to their shareholdings and Mayberry's business are welcomed. Please feel free to contact the Chief Executive Officer at [gary.peart@mayberryinv.com](mailto:gary.peart@mayberryinv.com) to share your opinions, suggestions and concerns with us.



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# CORPORATE DATA

## BOARD OF DIRECTORS

### Executives

Christopher W. Berry, B.Sc. (Hons.) - Executive Chairman  
Konrad M. Berry, B.Sc. (Hons.) - Executive Vice Chairman  
Erwin L. Angus, C.D., JP, B.A. (Hons.) - Managing Director  
Gary H. Peart, M.B.A., B.Sc. (Econ) (Hons.) - Chief Executive Officer

### Non-Executives

Gladstone L. Lewars, FCA, M.Sc. (Econ) (Hons.), M.Sc. (Accounting), B.Sc. (Econ) (Hons.) - Lead Independent Director  
Alok K. Jain, M.Sc., FCA, FCCA, CGMA, CISA, CFA - Independent Director  
Walter H. Scott, Q.C. - Independent Director

### Company Secretary

Konrad M. Berry, B.Sc. (Hons.)

## REGISTRAR - TRANSFER AGENT

Jamaica Central Securities Depository, 40 Harbour Street, Kingston, Jamaica

## AUDITORS

BDO Jamaica, 26 Beechwood Avenue, Kingston 5, Jamaica

## ATTORNEYS-AT-LAW

Patterson Mair Hamilton  
Douglas Thompson  
Walter H. Scott, Q.C.  
DunnCox  
Carolyn C. Reid & Co.

## BANKERS

Bank of Jamaica  
Citibank NA  
National Commercial Bank Jamaica Limited  
Scotiabank Jamaica Limited  
Sagicor Bank Jamaica Limited

## INVESTMENT BANKS

Morgan Stanley  
Raymond James and Associates (formerly Morgan Keegan)  
Oppenheimer  
RBC Dominion Securities  
Standard Bank



**“Success is a continuing thing. It is growth and development. It is achieving one thing and using that as a stepping stone to achieving something else.”**

*- John C. Maxwell*





# MANAGEMENT DISCUSSION AND ANALYSIS



## CORPORATE OVERVIEW

### Core Activities

Mayberry Investments Limited (MIL) is a leading investment banking, securities and investment management Company. MIL provides a wide range of financial services and products to a diversified client base that includes corporations, financial institutions, governments, and individuals in the capital market. Our service offerings include strategic financial advisory services with emphasis on mergers and acquisitions, debt and equity restructuring; investment management services through separate and commingled managed portfolios, brokerage services, cambio and research services.

Our vision of transforming lives positively through lasting relationships has afforded us the opportunity to create deep enduring relationships with our customers. We determine their needs, then deliver the most relevant products and service solutions to assist them in realising their investment objectives.

#### Our 2021 focus will be on the following prongs:



Attract and retain new business through new product development, consolidation, mergers, and acquisitions;



Preserve and Grow Client Wealth through the timely dissemination of information and effective communication through the efficient use of our digital platforms;



Deliver efficient service via MIL 2.0 (digitisation) business process redesign and realign;



Intensify effective staff development.

## ECONOMIC AND BUSINESS ENVIRONMENT

### International

COVID-19 dominated headlines across the world, plummeting the global economy into a recession. The impact of the pandemic

has caused economic downturns as job losses and unemployment levels rose rapidly in 2020. Low-consumer spending soon followed while markets experienced wild swings. Consequently, the global economy for 2020 was estimated to have contracted by 4.3% as governments took unprecedented measures to protect lives.

The global trade for merchandise in 2020 was forecasted to have declined by 9.2% according to the World Trade Organisation (WTO) as the pandemic disrupted normal economic activity and life around the globe. Despite the downturn, the goods trade recovered swiftly, while services remained depressed as consumption patterns shifted towards goods and away from services, which at times required face-to-face interactions. For 2021 a 7.2% rise in the volume of merchandise trade is expected by the WTO, depending on the evolution of the pandemic and government responses to it.

For the U.S., output is estimated to have fallen by 3.5% in 2020 as the economic damage from the pandemic left millions of Americans jobless. In response to the economy weakening, Congress passed a \$900 billion pandemic relief bill which included \$600 stimulus cheques and adds an additional \$300 per week to unemployment benefits to cushion the impact of the pandemic. The Federal Reserve took note of the economic threat and kept its benchmark interest rate in the range of 1.50% to 1.75%, a record low and stressed that it would keep pursuing its low-rate policies until a recovery is well underway.

Within the financial markets, aggressive



policy actions were pursued by central banks which kept the global financial system from falling into crisis. Financial conditions were generally loose, as suggested by low borrowing costs and an abundant credit issuance.

Equity markets experienced a sharp fall in the first quarter of 2020, while the fixed income markets mirrored the extremity of equity behavior, with nearly unprecedented dispersion in returns during the first half of 2020. In the second half of the year, the market's behavior suggests investors were looking past the short-term impact of the pandemic to assess the expected rebound of business activity and an eventual return to more normal conditions.

## Local

The onset of the Coronavirus resulted in significant happenings in the Jamaican Economy in 2020. The fallout manifested itself as an erratic foreign exchange market, severe contraction in the tourism sector, and a downturn in growth.

Prior to the novel Coronavirus, Jamaica's unemployment rate was at record lows. As at October 2020, Jamaica's unemployment rate (UR) increased to 10.7%, 3.5 percentage points (PPS) relative to the rate at October 2019. The increase in the rate reflected a decline of 7.4% (96,200) in the employed labour force, in the context of a reduction of 3.8% (51,500) in the labour force.

Business confidence closed Q4 2020 at 128.3 points, down from 131.3 points in the corresponding period of 2019. Firms reported less confidence in current business conditions and were not very optimistic about the outlook for their finances as well as uncertainty around the climate for investment or expansion.

Consumer confidence also observed a downward trajectory and reported Q4 2020 results of 131.7 points

relative to that of 180.1 points for Q4 2019. The onset of the COVID-19 pandemic led to the largest fall in the consumer confidence index in years. The data shows that expectations for job prospects are lower than in previous years, which matches the overall downturn in employment as the labour market has suffered a blow with unemployment increasing.

Tourist arrivals in 2020 declined significantly due to travel restrictions implemented in April, as a result of the pandemic. Also, although Jamaica's borders were re-opened on June 15, 2020, cruise ship piers remained closed. As such, there was a decrease in stopover arrivals by 67.9%, while cruise passengers fell by 71.1%. Total visitor arrivals for the period January to December 2020 was down 68.6%, from 4.23 million in 2019 to 1.33 million in 2020.

Moody's Investors Service updated the Government of Jamaica's credit ratings to B2 stable outlook from B+. They state that the stable outlook reflects an explanation that the improvements in Jamaica's credit profile, which have improved macroeconomic stability and put debt on a downward trajectory, will be sustained. Fitch downgraded Jamaica from a positive B+ to stable in line with the likely contraction in foreign currency income from tourism, remittances, and alumina exports. Whereas S&P also decreased Jamaica's rating from stable to negative in which the revision in outlook reflects the impact of a presumed prolonged shock from the ongoing global Coronavirus (COVID-19) health crisis on the Jamaican economy.

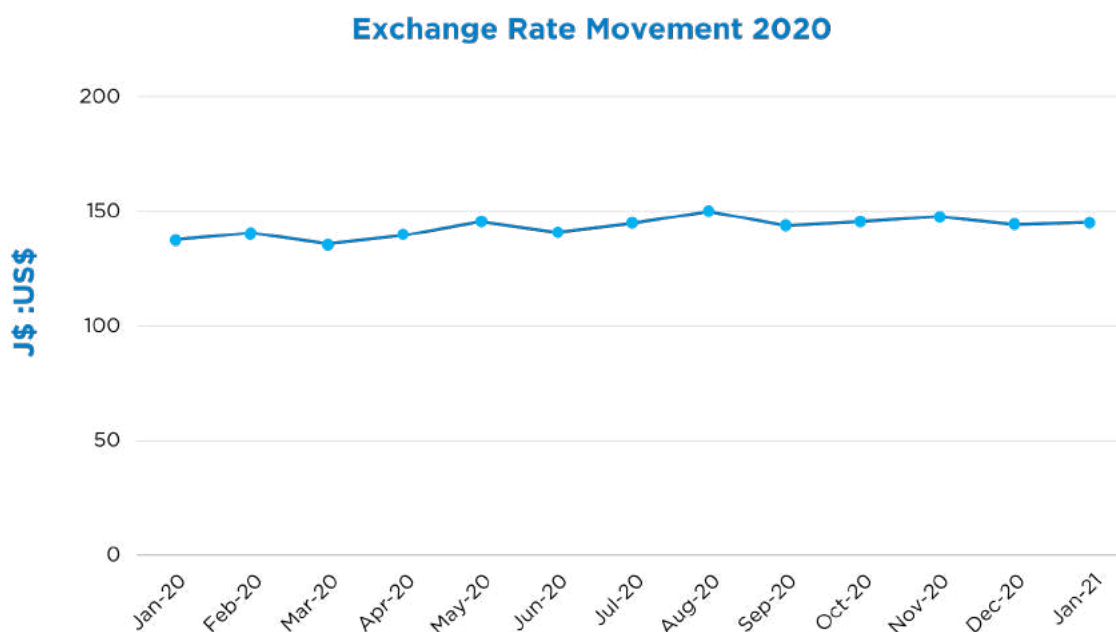
## Gross Domestic Product (GDP)

The Jamaican economy experienced a decline in economic growth during 2020. This is after nineteen (19) consecutive quarters of growth, which is more than twice the longest stretch of continuous growth since 1997. The decline in the growth in the Jamaican economy results from the continued adverse impact of the novel Coronavirus on the economy and

measures implemented to contain its spread. Consequently, only Construction, Mining and Quarrying and Government Services are estimated to have grown. Reductions were chiefly reflected in Hotels & Restaurants, Other Services, Transport & Communication, Electricity & Water, Manufacture, and Agriculture, Forestry & Fishing. However, the economy is estimated to have contracted by 8.4% for the December 2020 quarter, an improvement relative to the contraction of 10.7% recorded for the September 2020 quarter and relative to the previous projection. The Central Bank of Jamaica (BOJ) projects that for FY2020/21, real GDP is projected to fall by 10.9% and recover partially by 5.3% in FY2021/22. Real GDP is anticipated to return to its pre-COVID level in the March 2023 quarter. The economy fell 2.4% in the first quarter, 18.4% in the second quarter and 10.7% in the third quarter.

## Foreign Exchange

For the year 2020, the foreign exchange market observed a continuation of two-way movements in the exchange rate, where the dollar experienced upswings and then trended downwards. The market was also influenced by Government intervention through the Bank of Jamaica.

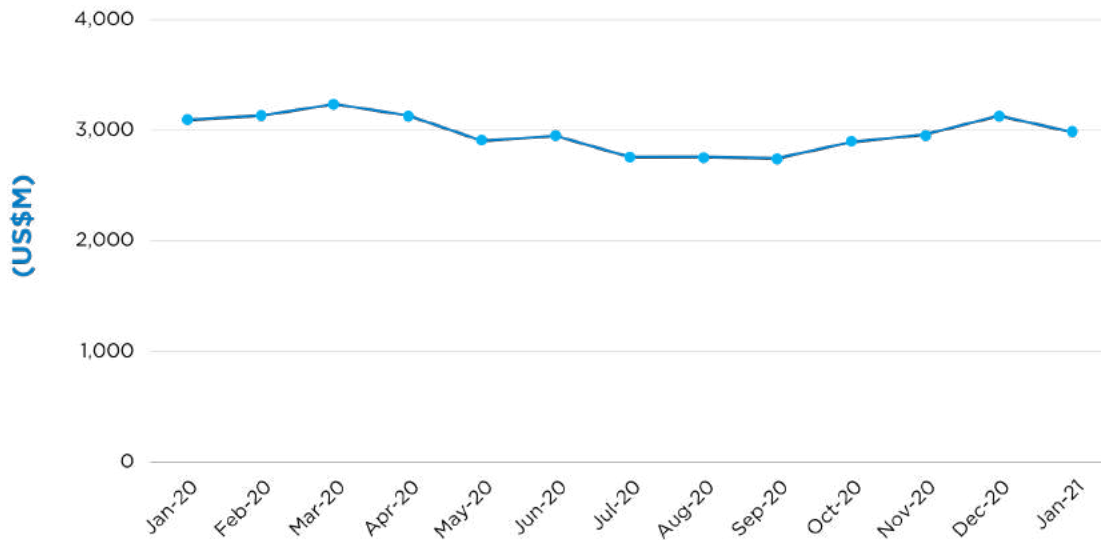


The financial system has remained generally resilient throughout the pandemic. Both the primary ratio and capital adequacy ratio, which measures the capacity of banks to absorb unexpected losses, remained comfortably above their respective statutory minimum. The maximum monthly average exchange rate recorded in 2020 was J\$150.08: US\$1 in August, while the lowest exchange rate recorded for the year was J\$136.05: US\$1 recorded in March. The average monthly exchange rate for the year was J\$143.15: US\$1 with the rate depreciating for 2020 by 7.82%.

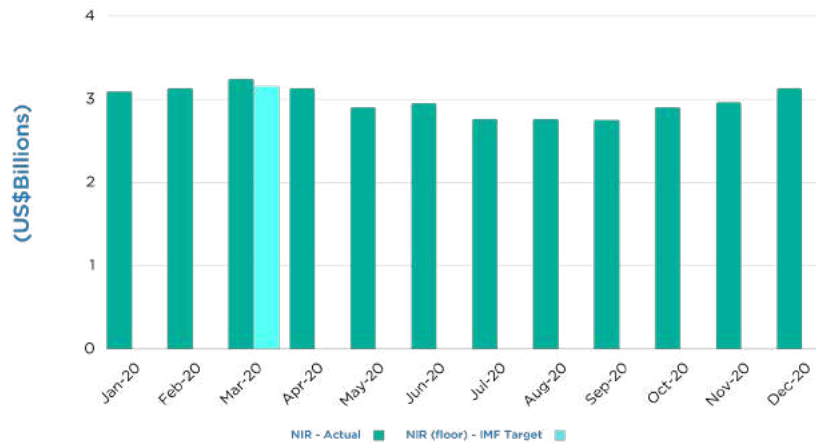
## Net International Reserve (NIR)

Jamaica's Net International Reserves (NIR) totalled US\$3,126.13 million as at December 2020, reflecting a decrease relative to US\$3,162.54 million as at December 2019. NIR balances have, however, been affected by intervention flash sales by the BOJ to the Foreign Exchange Market. The decline was influenced by outflows from the Government of Jamaica, as well as net B-FXITT sales of US\$419.8 million over the year.

### Movement in NIR (US\$'000) - 2020



### NIR Actual NIR vs IMF Target (US\$Billions)



## Inflation

Consumer price index rose to 6.4% for 2020, the highest annual inflation rate since 2014, up from 6.2% in 2019. The primary source of the uptick was adverse weather conditions (drought followed by heavy rains), which impacted the heavily weighted division 'Food and Non-Alcoholic Beverages'. Additionally, the index 'Housing Water, Electricity, Gas and Other Fuels' increased due to higher energy costs. Measures implemented by the government to curtail the spread of the pandemic, severely impacted the 'Restaurants and Accommodation Services', which resulted in increased prices for some meals consumed away from home. In addition, 'Education' booked a 22.4% increase in its index in September due to higher tuition fees for the new school year. June and December recorded

the highest monthly inflation figures of 1.4% and 1.3%, respectively, in this financial year.

The BOJ's current assessment for inflation over the next eight quarters is projected to average 5.0% (lower than the average rate of 5.3% previously projected). The Bank anticipates that Inflation will rise in the range 4.0% to 6.0% at March 2021, decelerate in the range of 4.0% to 5.0% at June 2021 and then accelerate in the range 4.5% to 5.5% at September 2021.



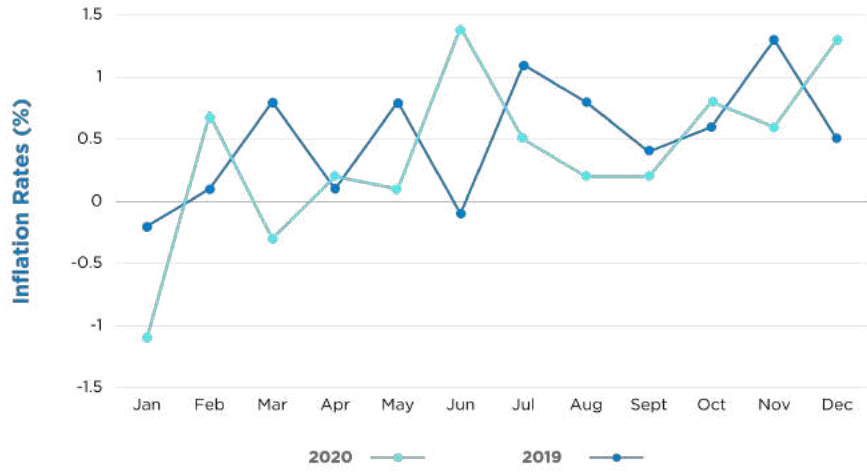


**“Growth is never by mere chance; it is the result of forces working together.”**

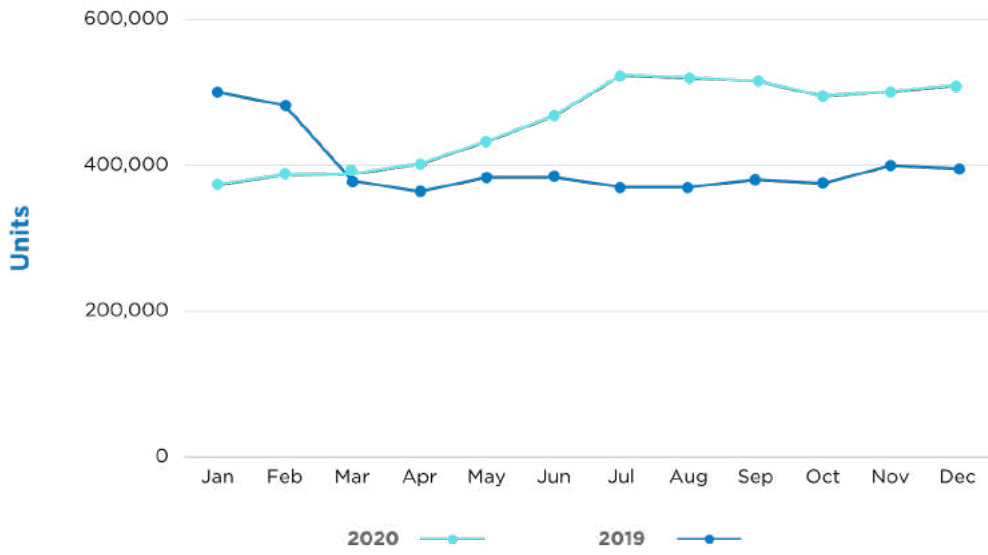
*- James Cash Penny*



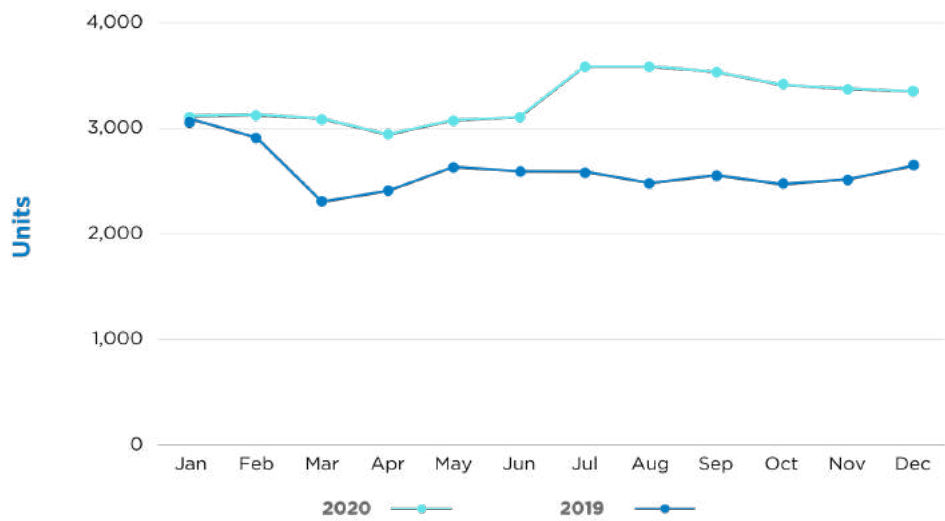
**Inflationary Impulses - 2020 vs 2019**



**JSE Main Index**



**JSE Junior Index**



## Policy Interest Rates

Throughout the entire year, the Bank of Jamaica maintained the policy rate to an all-time low of 0.5%. This is in alignment with its full-fledged inflation targeting regime, as it aims to continue stimulating economic growth and achieving inflation targets between 4.0% to 6.0%. The Bank's rationale for this reduction in the rate is to increase private sector credit.

The Central Bank has managed to reduce policy rates by 93% over the last ten years, from 7.5% as at December 2010 to 0.5% in December 2020.

## EQUITIES MARKET

### Jamaica Stock Exchange (JSE) Main and Junior Markets

The global pandemic severely impacted the markets in 2020. The JSE index declined significantly and was placed second to last of the 88 exchanges globally. This after being the best performing exchange in the world in 2018, and fifth best in 2019.

The JSE Main Market ended the year 2020 at 395,614.91 points, down 22.42% over 2019, with market capitalisation at J\$1.55 trillion. The Main market had two notable additions, First Rock Capital Holdings, and TransJamaican Highway Ltd, which was the largest Initial Public Offering (IPO) in Jamaica's history by value and subscription. TransJamaican Highway Ltd's IPO attracted 36,062 applicants and raised J\$14.1 billion.

The JSE Junior Market decreased 21.07% down to 2,643.38 points at the end of December 2020. The Junior Market had only one addition in 2020, Tropical Battery Company Ltd, which sought to raise \$325 million from the market.

For the December 2020 quarter, the JSE Main Index increased by 3.99% while the Junior Market declined by 3.32%. The final quarter performance was attributable to improved investor confidence, largely due to the Government's efforts to limit the impact of the pandemic within Jamaica, to coincide with the commencement of roll outs of new COVID-19 vaccines globally. There have been some signs of improvement in economic activity, hence the markets are pricing better in response to

positive news. More gains are possible should corporate profits rebound, and the interest rate environment remains low.

## FINANCIAL PERFORMANCE

Profits in the broker dealer increased by 84%; the overall Group results were impacted by the large unrealized losses of \$1.1 billion in the subsidiary, Mayberry Jamaican Equities Limited (MJE). The cash position of the Group has increased substantially from \$1.59 billion to \$1.63 billion which positions the Group to take advantage of market opportunities.

Mayberry Group reported a net loss of \$698.8 million influenced by unrealized losses on financial investments. This was in addition to lower fees and commissions, despite significant savings in total operating expenses. In contrast, improved bond and equity trading gains were recognised during 2020. The bottom-line performance declined by \$1.3 billion and resulted in loss per share (LPS) of \$0.29 compared to earnings per share (EPS) of \$0.59 for 2019.

The Group recorded net interest income and other revenues of \$683.1 million for the financial year ended 31 December 2020, compared to \$2.5 billion or 73.1% lower than that of the prior year (PY).

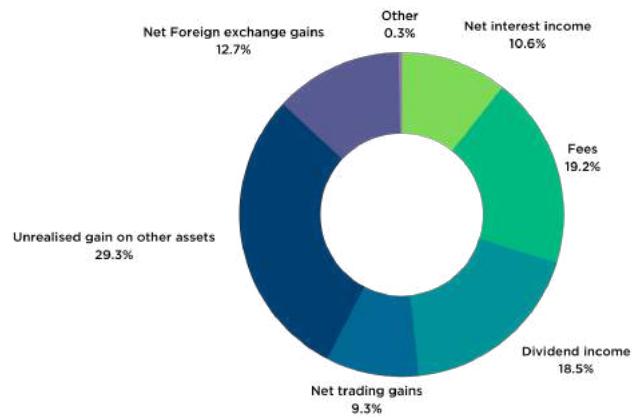


Due to the deterioration of global and local financial markets, the global pandemic has negatively impacted core operating revenues. A weak performance in asset prices resulted in unrealized losses on financial instruments of \$1.1 billion due to the fall in fair value of investments for the wholly-owned subsidiary, Mayberry Jamaican Equities Limited when compared to 2019. With a fall-off in yields in the bond market, the bond income of \$61.6 million decreased by \$226 million. Dividend income of \$339 million declined by 11% and consulting fees and commissions experienced a fall of \$384.4 million. Net foreign exchange gains of \$233.1 million were also lower by \$59.6 million.

This performance was countered by net trading gains of \$169.1 million, increasing by 157% with improved results for bond and equity trading.

The major drivers of revenue for the year were unrealized gains on other assets accounting for 79%, consulting fees and commissions representing 51% of total operating revenues, dividend income 50%, followed by net foreign exchange gains, net interest income and net trading gains accounting for 34%, 29% and 25%, respectively, for the 2020 financial period.

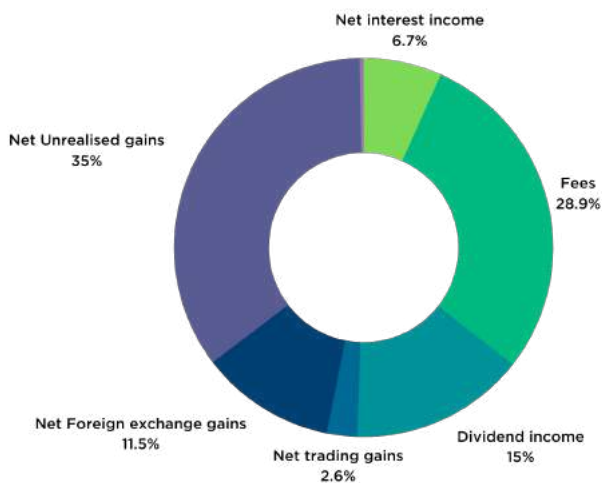
Net Interest Income and Other Revenues by Category 2020

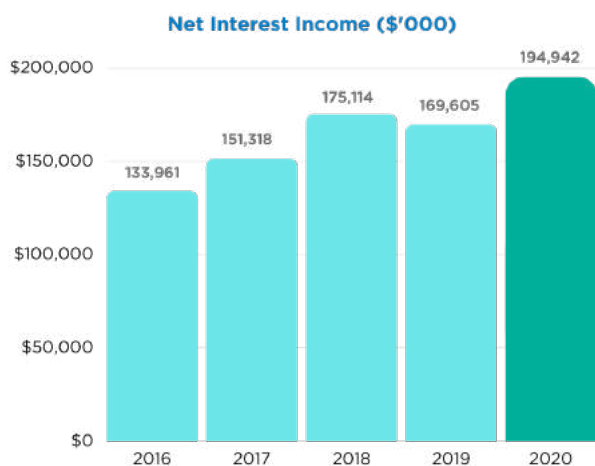


## REVENUE PERFORMANCE

Net interest income amounted to \$194.9 million for 2020 compared to \$169.6 million for the corresponding period in 2019. Reverse repurchase agreement income of \$382.3 million was higher by \$105.2 million over 2019, whilst interest income earned on instruments of \$1.4 million was lower than the prior comparative period by \$12 million. Conversely, interest earned on client margin balances, amounting to \$253.8 million, increased by \$28.1 million year-over-year.

Net Interest Income and Other Revenues by Category 2019

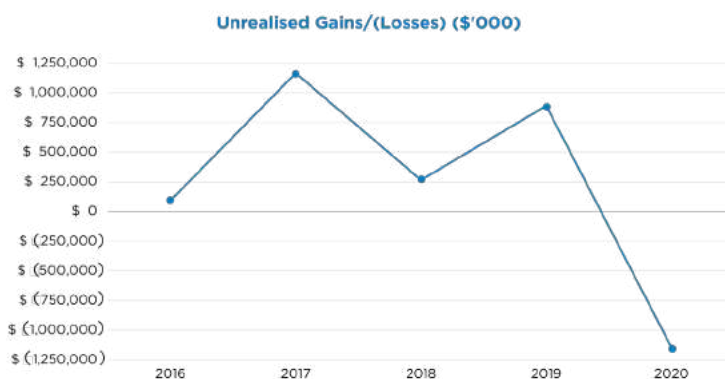




Dividend income of \$338.6 million reported for 2020 was lower by \$41.5 million when compared to 2019, representing dividends earned mainly from holdings in Supreme Ventures Limited, Jamaica Stock Exchange Limited and Derrimon Trading Limited.

The Group's unrealized losses on financial investments of \$1.1 billion were attributable to the volatility on the local equities market following the inception of the global pandemic, COVID-19.

Lower funding costs of \$255.2 million were reported in 2020 for reverse repurchase agreements and corporate papers when compared to \$523.9 million for PY 2019. Finance costs of \$39.6 million were lower by \$20.7 million than that of the comparative period, due to the repayment of loans. This resulted in a margin of 71.3% for the year ending 2020 compared to 78.6% for the year ending 2019.

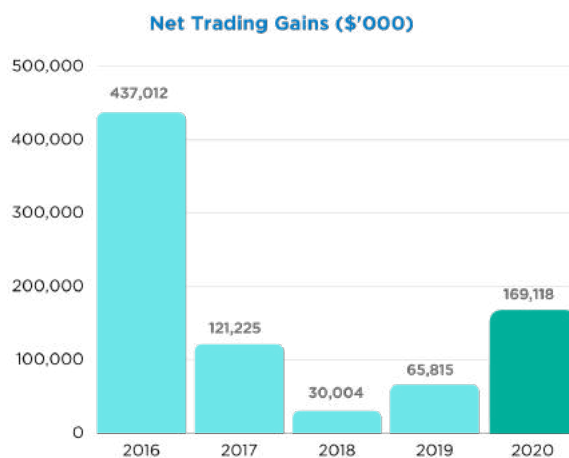
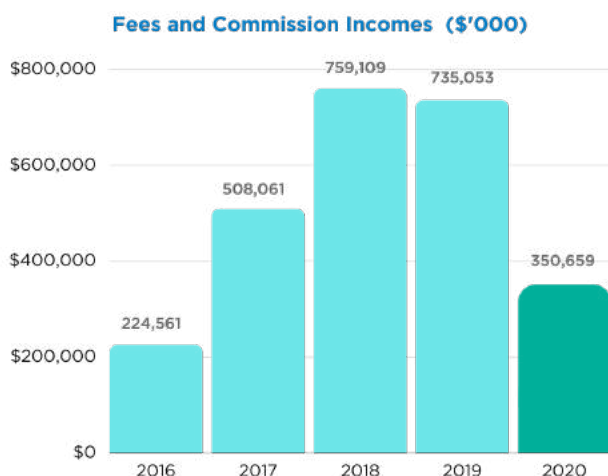


The Investment Banking unit had an impressive start to the year with the first IPO of 2020 in Jamaica with a capital raise of \$100 million and private placements of \$1.5 billion. Subsequently, the passage of the global pandemic delayed deals expected to occur during 2020, which resulted in consulting fees and commission recording a decline of \$384.4 million compared to 2019.

Net trading gains were positively impacted by activities relating to local equities and bonds. On the other hand, net foreign exchange gains of \$233.1 million decreased by \$59.6 million or 20.4% when compared to the same period in 2019. This was despite the local cambio business reporting an 8% growth resulting from higher spreads.

Whilst the Unit faced challenges during 2020 as the year progressed, new opportunities arose both in the debt and equity markets.

Unrealized gains of \$536.1 million were recognised during the year from the revaluation of properties.



# PERFORMANCE HIGHLIGHTS



**J\$20.5B**

FUNDS UNDER  
MANAGEMENT



**J\$9.66**

NET BOOK  
VALUE



**J\$169.9M**

DIVIDENDS PAID  
OUT



**J\$32.2B**

TOTAL ASSETS



**J\$11.6B**

TOTAL EQUITY

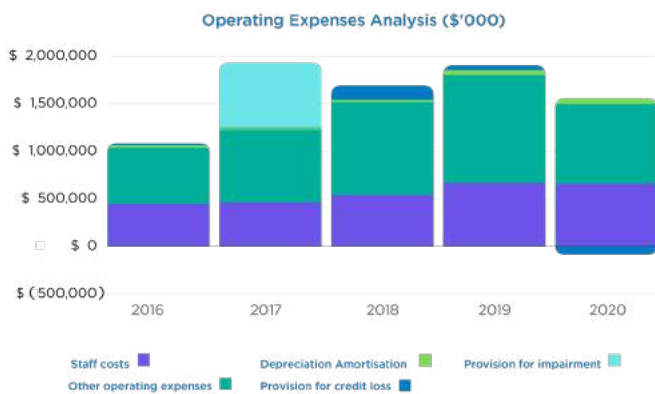


## Operating Expenses

The Group's operating expenses for 2020 decreased by \$431 million to \$1.5 billion from \$1.9 billion when compared to the corresponding period. This movement was due mainly to decreases of \$300.2 million for other operating expenses, and a reversal of provision for credit losses of \$83 million recorded by the parent Company, resulting from recovered bad debts.

Staff costs of \$652.1 million decreased year-over-year due to a reduced headcount. Administrative expenses of \$837.3 billion were lower by \$300.2 million due to management and incentive fees of \$410 million and travelling and motor vehicles of \$20 million.

These were offset by higher expenditure for licensing fees of \$23 million, computer expense of \$30 million resulting from MIL's digitisation transition, in addition to higher legal and professional fees of \$91 million when compared to the corresponding period for 2019.



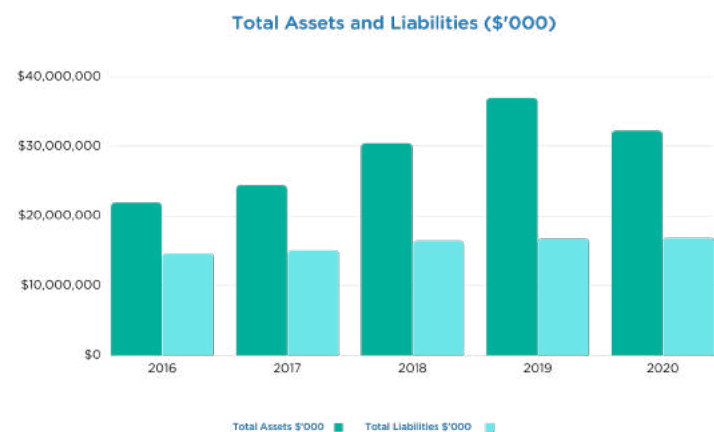
## Total Comprehensive Loss

The Group reported other comprehensive loss of \$4.3 billion, with a loss of \$3.4 billion attributable to shareholders of the parent Company when compared to other comprehensive income of \$5.2 billion for year ended 31 December 2019.

With a reduction in profitability over the comparative financial period, there was a significant decrease in unrealized fair value losses on quoted equities held in the stock portfolio of the subsidiary, Mayberry Jamaican Equities Limited.

## Statement of Financial Position

Total assets at 31 December 2020 were \$32.2 billion compared to \$36.9 billion for the 2019 comparative period. This represents a \$4.7 billion decrease or 12.8% in our asset base due mainly to reduced values of quoted equities and decreases in Reverse repurchase agreements.

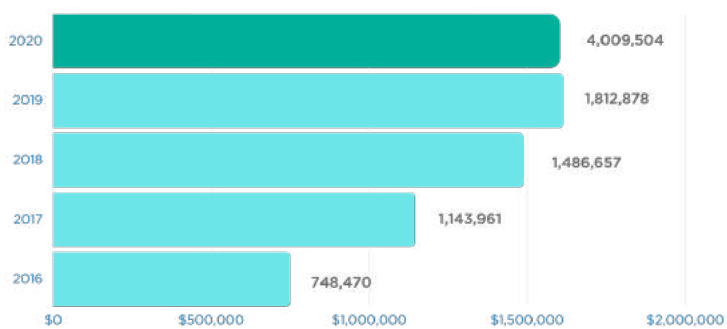


## Asset Categories

Cash resources, held for operational business, accumulated at year ended 31 December 2020 to \$1.63 billion, an increase of \$37.3 million or 2.3%, positioned the Group to take advantage of market opportunities. Cash for the year ended 31 December 2019 amounted to \$1.59 billion.

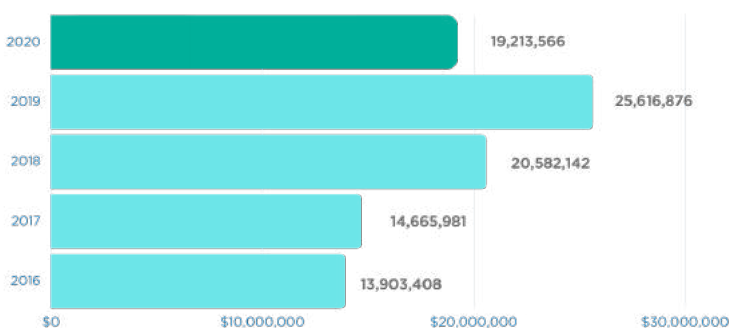
The Group's promissory notes totalled \$4.0 billion as of December 31, 2020, comprising of Jamaican dollar (JMD) and United States dollar (USD) promissory notes for clients. Whilst Mayberry's objective is to continue growing this portfolio, risk monitoring initiatives will ensure the Group continues to satisfy the regulatory guidelines.

Promissory Notes (\$'000)



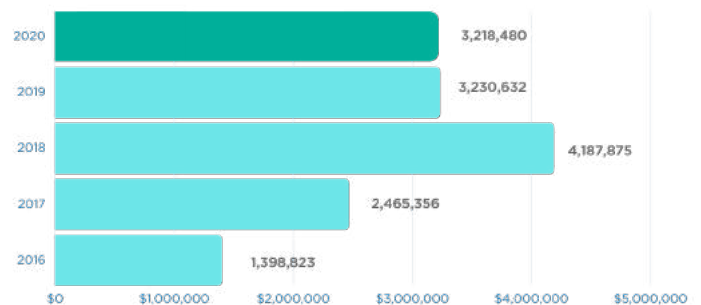
Interest receivables for the Group amounted to \$38.5 million, a reduction of \$62.2 million or 62% when compared to the corresponding period for 2019.

Investment Securities (\$'000)



*Other assets at the end of 2020 were \$536.1 million higher than the balance for the prior comparative period. This line item represents the fair value of properties owned by Mayberry, for which a fair value assessment is conducted every three (3) years. With the adoption of IFRS 16, Right of use assets booked during the financial year closed at \$114.7 million.*

Loans and Receivables (\$'000)



## Liabilities

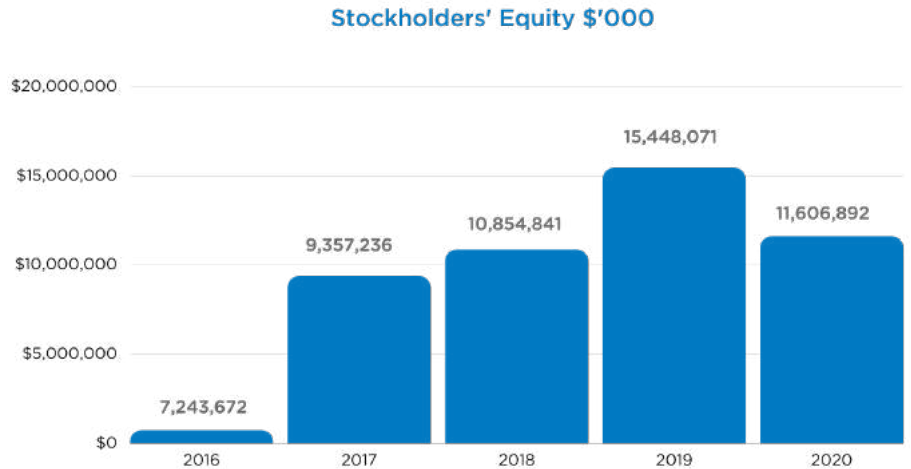
Total Liabilities increased by \$111.6 million to close at \$16.8 billion, a marginal 0.7% increase over PY. The assets were funded in part by loans of \$7.5 billion and repurchase agreements of \$3.6 billion. Accounts payables increased by \$759 million mainly attributable to client payables.





## Equity

The Group recorded total equity of \$15.4 billion, with the amount attributable to shareholders of the parent being \$11.6 billion. This resulted in net book value per share closing at \$9.66, when compared to \$12.86, a \$3.20 decrease over the corresponding 2019 financial period. The decline in 2020 was mainly due to a decrease in fair value reserves of \$3.5 billion. In addition, retained earnings declined by \$361.3 million to \$6.0 billion for the year ended 31 December 2020, from \$6.4 billion in the corresponding period.





**MAYBERRY**  
INVESTMENTS LIMITED  
Established 1985

# INDIVIDUAL RETIREMENT SCHEME



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MAYBERRY INVESTMENT LTD

# RISK GOVERNANCE FRAMEWORK

## Risk Management

Mayberry understands and recognises the importance risk management plays in protecting shareholder value in any organisation. As such the Company separated its risk team from its compliance team to better focus on managing its risk and taking a proactive approach to risk management. Our proactive risk management approach has enabled Mayberry to smoothly manoeuvre through the COVID-19 pandemic and ensure appropriate exposures to risks are identified and treated. This proactive approach will enable the Company to identify and react quickly to any potential threats faced within our operating environment.

## Mayberry's Risk Management Framework

As Mayberry continues to grow and achieve our strategic objectives, we continue to champion risk integration into our strategic business execution. This will ensure that the Company achieves risk-reward optimisation on all its assets and securities. Mayberry's Risk Management Framework is designed to identify, assess, treat, monitor, and report all primary risks assumed by the business. Use of this framework effectively sets the tone for the risk culture of the Company by encouraging good 'risk taking' behaviour at all levels of MIL. A sound system of risk limits is also a key outcome of MIL's Risk Management Framework.

## Mayberry's Risk Management Framework



Mayberry's approach to managing risk is clearly outlined within our Enterprise Risk Management Framework and guided by our Board-approved risk appetite and tolerance. We also utilise our enterprise risk management framework in analysis and assessment of new products and projects undertaken by the business and ensuring management has appropriate policies and internal controls in place. Also, as Mayberry continuously evolves our digital footprint, we will ensure that risk management is at the forefront of our transformation. Key to this is ensuring we are standard bearers in data protection and privacy risk both internally and externally.

## Risk Management Governance

Mayberry's Risk Management Framework adopts three lines of defence to govern risk. They promote transparency, accountability and consistency through the clear identification and segregation of roles: (i) management of business lines, (ii) independent compliance and risk functions (iii) internal audit. The three lines of defence collaborate with each other in structured forums and processes to bring various perspectives together and to steer the organisation towards outcomes that are in the clients' best interests and create economic value.

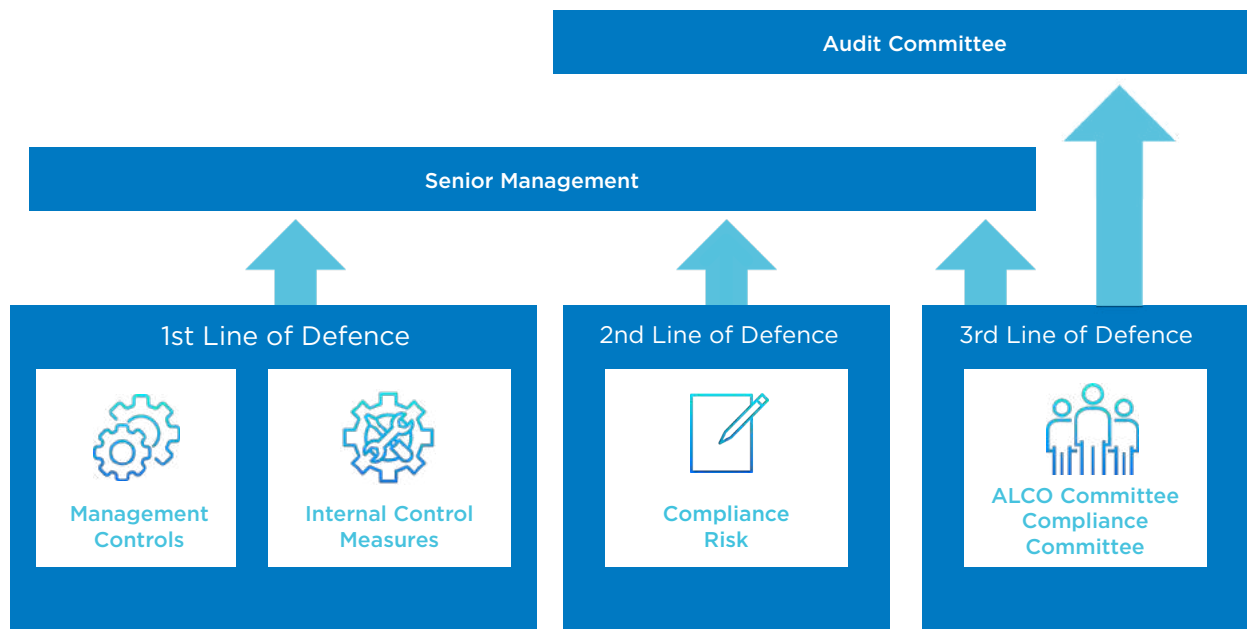
**The first line of defence** consists of management of business lines. It is the responsibility of first-line management to identify and manage risks. This involves, at an operational level, the day-to-day effective management of risks in accordance with agreed risk policies, risk appetite, and controls including primary responsibility for compliance with relevant legal and regulatory requirements.

**The second line of defence** involves the compliance and risk function, which provides independent oversight and assurance to manage market, credit, compliance, reputational and operational risks in a manner consistent with the Company's risk appetite. This establishes policies and guidelines for risk assessment and risk management and contributes to the controls and tools to manage, measure and mitigate risks taken by the organisation, and monitors compliance. It is also responsible for producing independent management information and risk management reporting for the Senior Management, the Board, and regulatory authorities. The senior Risk Manager reports to the Chief Executive Officer and the Asset and Liability Committee (ALCO) of the Board of Directors. The incumbent has regular and unrestricted access to the ALCO Committee of the Board and to the Board of Directors to address risks and issues identified through daily activities.

**The third line of defence** is the internal audit function. This provides independent and objective assurance to the Board and the Senior Management on the effectiveness of controls across various functions and operations, including risk management and governance practices.

All three levels report to the Board, either directly or through the Assets and Liabilities Committee and Audit Committee.









**Figure 1:** Mayberry's Three Lines of Defence Framework



### Key Risks

Mayberry is inherently exposed to a myriad of risks by virtue of its business model, future performance or prospects, solvency, liquidity, reputation, deliverance of our strategic objectives and economic factors. These risks include: (i) Financial, (ii) Operational and (iii) Business, Strategic and Reputational risks, together with external factors over which the Group may have little or no direct control. As part of our Risk Management Framework, we utilise risk assessment at the departmental level to ensure keen monitoring and identification of risk.

The key risks and risk management tools are summarised in the table shown below.

<p><b>Financial Risk</b></p> 	<p>Mayberry's Financial Risks rise from loss of income for shareholders, investors or other financial stakeholders. Risk is inherent in any business enterprise, and good risk management is an essential aspect of running a successful business. The approach by Mayberry is to separate financial risk into three broad categories, namely, market risk, credit risk and liquidity risk.</p> <p><b>Market Risk</b> - This category refers to the uncertainty of future earnings resulting from movements in interest rates, foreign exchange rates, commodity prices, investment market prices and market volatility. The Risk Department has taken a practical approach in collaborating with the Markets and Trading Research Department in assessing market risk. MIL assesses market risk exposure through various metrics and risk models such as Value at Risk (VaR), sensitivity analysis, among others.</p> <p><b>Credit Risk</b> - This category is the risk of financial loss if a counterparty fails to satisfy their financial obligations under contract. MIL established counterparty limits to identify, monitor and assess credit risk exposure. We also use the five C's metrics to evaluate creditworthiness as we assess a client's character, capacity, capital, collateral and the current conditions in the market.</p> <p><b>Liquidity Risk</b> - This risk arises from inability to meet payment obligations when due and to replace funds that have been withdrawn. This risk is managed by evaluating the maturities of assets and liabilities, use of frequent cash flow projections and monitoring of the company's Liquidity Coverage Ratio.</p>
<p><b>Strategic Risk</b></p> 	<p>Mayberry's Strategic Risks are those associated with changes within the business environment, which affect the company from meeting its strategic goals and objectives. As the Company continues to face emerging strategic risk, the risk management team will ensure it protects shareholders' value through continuous environmental scanning and ensuring that risk is a key component of the Company's strategic planning activities.</p>
<p><b>Operational Risk</b></p> 	<p>Mayberry's Operational Risks are those associated with the loss arising from adequate or failed internal processes, systems, or human factors or external events. At Mayberry, we maintain a system of company-wide policies and procedures, clear lines of accountability and separation of duties. We also implement an effective internal audit and control mechanisms to deter or reduce risks identified.</p>
<p><b>Privacy Risk</b></p> 	<p>Mayberry's Privacy Risk involves the information about customers collected for business purposes not being handled in a fair and responsible manner. At Mayberry, we maintain a Privacy Risk Register and ensure that all privacy risks faced are properly addressed with appropriate controls put in place. All our staff members are also trained in data protection and privacy.</p>

# Departmental Reports

What started as a booming year for Mayberry Investments was suddenly changed by the global pandemic (COVID-19) in March 2020. Mayberry Investments Limited (MIL) immediately shifted into high gear to prioritise business continuity, digital transformation, customer experience, employee engagement, efficiency, and employee and client safety. These rapid changes presented a series of new challenges. Mayberry's dedicated team worked assiduously to ensure that the Company continues to match its department objectives with the overall goal despite these challenges. We achieved this feat through increased departmental communication and prudent risk management principles embedded in all facets of the business. This teamwork and dedication to the Company's strategic objectives enabled the Company to continue transforming lives positively and ensuring customer satisfaction throughout the period.

## Asset Management

Despite the many adjustments to remote working and the uncertain economic landscape, the Asset Management Department provided first-class portfolio management solutions to clients in 2020, which resulted in enviable year-over-year growth. Furthermore, it adapted to digital transformation, leading to greater efficiency in serving the needs of its Asset Management clients.

Mayberry gained a 9.5% increase in funds under management for that fiscal year, moving from \$18.8 billion to \$20.5 billion for the period. This growth was driven by the following:

- Pension Fund Portfolio - growth at 18.4%
- Investment Grade Bonds - 5.4% return

- Mayberry Platinum Portfolio - growth at 6.3%

The team managed the discretionary portfolios adequately to achieve a stable return for clients. These and other successes allowed the Asset Management team to play its role in helping Mayberry add value to clients' portfolios and members retirement plans, both locally and internationally.

## Accounting and Finance

The pandemic accelerated the implementation of digital systems throughout the Company. In line with this, 2020 focused on the continued build-out of automation for existing manual processes for the Accounting and Finance Team. This strategy allowed for enhanced financial and regulatory reporting. The Department adapted quickly to the challenges of the new work-from-home protocols to remain steadfast in producing high standards in the reporting of financial information to support the Company's strategic financial goals. The Department's focus for 2021 will comprise the following adjusted objectives:

**Financial** - Allocate budgeted resources strategically;



**Customer** - Drive governance, compliance and transparency, deliver responsive and efficient financial operations;



**Internal Business Process** - Maintain controls and procedures, drive continuous process improvement, enhance financial information to improve decision making, ensure compliance with regulatory requirements;



**Learning and Growth** - Attract, develop and retain skilled finance professionals, strengthen business knowledge and skills and utilise technology to improve the delivery of financial information.



## IT Department

The Information Technology Department is at the centre of Mayberry's digital transformation and adaptation. We implemented several key deliverables in 2020, which helped to improve customer experience and internal operations. These included:

- Developing client-facing systems geared toward enhancing customer service:
  - Updates to the Mayberry website and mobile app;
  - Help-desk platform for clients to report issues.
- Launching an online portal for clients to apply for IPOs and interface with Mayberry's IPO Centre for straight-through processing of applications.

Our ultimate goal is to have a fully automated end-to-end wealth management system that integrates with the existing MIL systems, including CRM, client order placement and client help desk, to optimise Mayberry's internal and external processes. The IT Department will continue to improve the core banking systems to meet this goal.

## Compliance

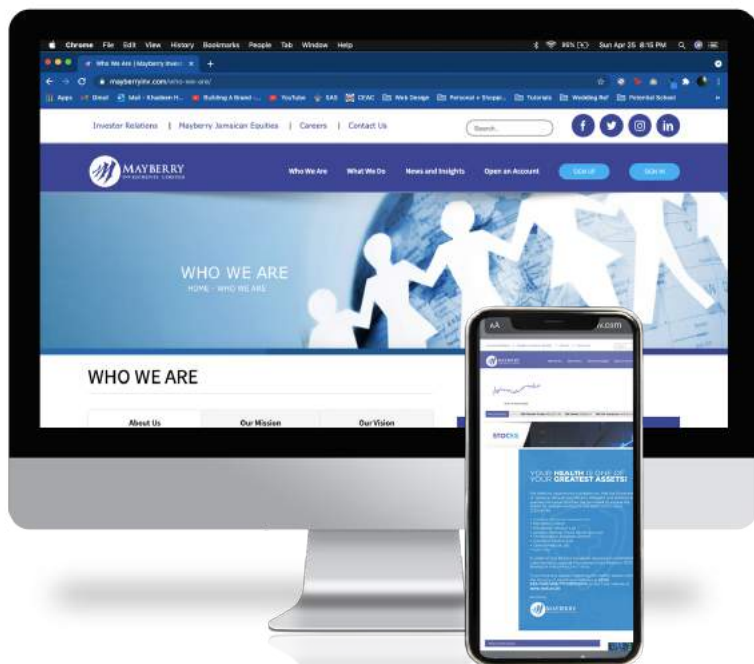
At the start of the 2020 financial year, an executive decision was made to separate the functions of compliance and risk, resulting in a stand-alone Compliance Department. The main focus of the Department for 2020 was on the following:

- Continuously developing a strong compliance culture, even in the midst of a global pandemic;
- Revising existing controls to ensure the seamless transition from a physical workspace to a virtual one and ensuring adherence to policies and regulatory requirements;
- Playing a major role in the automation of processes to ensure increased efficiency while the company navigates the digital landscape and;
- Preparing the organisation for the passage of the Data Protection Act and sensitising all staff to the requirements therein.

For 2020, the Department did an overhaul of the Company's AML/CFT policy, to align with changes made in the requisite legislations and guidance notes issued by our Regulators. We also expanded our Enhanced Due Diligence framework and transitioned to a risk-based approach to onboarding. As part of our digitisation project, we rolled out our online onboarding platform, which has significantly improved the processing of clients' applications.

## Risk Management

Mayberry fully recognises the importance that risk management plays in its responsibility to protect shareholder value. As such, the Company endeavoured to separate its risk team from its compliance team in 2020 to better focus on managing risk and take a proactive approach to risk management. This approach allowed the Risk





Department to smoothly manoeuvre the pandemic and ensure we identified and treated exposure to risks.

Due to the nature of its business model, Mayberry faced exposure to a myriad of risks, including financial, operational, and business, the latter including strategic and reputational risks, together with external factors over which the Group had little or no direct control. As part of its Risk Management Framework, it utilised risk assessment at the departmental level to ensure keen monitoring and identification of risk.

This framework entails identifying, assessing, treating, monitoring, and reporting all primary risks assumed by the business, which subsequently and effectively sets the tone for the Company's risk culture by encouraging good 'risk taking' behaviour at all levels. This proactive approach enabled Mayberry to identify and react quickly to potential threats within its operating environment. Mayberry's approach to managing risk is clearly outlined within its Enterprise Risk Management Framework and guided by its Board-approved risk appetite and tolerance. Mayberry also utilised its Enterprise Risk Management Framework to analyse and assess new products and projects undertaken by the business while having appropriate policies and internal controls. As Mayberry continuously evolved its digital footprint, the Company ensured that risk management was at the forefront of its transformation. The key to this was ensuring that Mayberry was a standard-bearer in data protection and privacy risk both internally and externally.

## Human Resources

Mayberry believes in its human resources and knows that people are the impetus for continued growth and innovation. With a strong drive for high performance, the Human Resources Department had to aggressively navigate the human and

economic challenges posed by the COVID-19 pandemic.

The HR Department transitioned several manual processes to virtual environments. Functions such as interviews, training, and other vital operations, traditionally done in person, were moved to online platforms. Training and development were necessary during the year of the pandemic to quell doubt and insecurity faced by staff members; therefore, we designed special training programmes to ensure that employees had the skills to thrive in an increasingly digitised workplace.

We implemented change management in 2020 as the department worked diligently to guide the shift in the work environment and culture to accommodate large-scale remote work. We revised business continuity plans and emergency communication procedures to reflect the new normal. Additionally, COVID-19 transmission prevention protocols were effected for the office and enforced by the Human Resource Department. These efforts helped create a safe and favourable work environment conducive to high employee productivity, innovation, and customer-centricity amidst the pandemic.

The Human Resource Department remained committed to developing and enhancing initiatives that supported employees' professional development and expertise. Despite operational shifts, there was no deviation from the strategic direction of facilitating talent acquisition, employee development and workforce planning. There was a significant enhancement of talent management procedures, such as improved strategies for onboarding qualified candidates, employee development, succession management, performance management and workforce planning.

Moreover, the Mayberry Corporate University continued to support the Company's development and training interventions, enabling increased performance and growth.

## Investment Banking

The year 2020 was one of innovation for the Investment Banking unit. We created solutions for clients through diverse and comprehensive investment opportunities in order to meet their financial goals. The department's strategic objectives for the year included a keen focus on energy and infrastructure division activities, and the continued digitisation of processes. These initiatives facilitated growth in financial advisory and brokerage services.

**More than  
\$1.5 billion  
raised in  
Q1**

In the equity market, the team started 2020 strong with the Caribbean Assurance Brokers Initial Public Offering (IPO), the first Company to list on JSE's Junior Market for 2020. At an invitation price of \$1.91 per share, the team successfully raised \$100 million in the IPO, increasing the number of shareholders for Caribbean Assurance Brokers to more than 3,000. The offer had an oversubscription rate of more than 1,500%.

For the first quarter of 2020, the team raised more than \$1.5 billion in private placements for new and existing clients in the debt market.

Unfortunately, the first quarter of 2020 also saw the onset of the COVID-19 pandemic, which rocked the capital markets both locally and overseas. Stock markets worldwide experienced unprecedented losses, of which the Jamaica Stock Exchange was not exempt. Many businesses came to a near standstill. Furthermore, Mayberry experienced a decrease in the number of transactions going into the second quarter of the year as investors became more risk-averse due to market uncertainty.

Faced with adversity, the team quickly adapted to remote work to curb the spread of the virus. Additionally, the team now had a new opportunity to provide advisory and restructuring services for existing clients negatively affected by the pandemic while delivering quality solutions for our customers.

As the year progressed, new opportunities arose for the respective team in both the debt and equity markets, subsequently resulting in a further \$3 billion in debt raises and the restructuring of more than \$3 billion in debt for clients and facilitating numerous private equity transactions.

## Treasury and Trading

The Treasury and Trading arm contributed 24% to the core revenues of the Company in 2020. Their strategy to build new relationships in cambio and fixed income proved beneficial, as these revenue lines grew by 12.6% and 23.3% respectively. Moreover, the trading team updated several of Mayberry's trading and investment policies as they sought to mitigate trading and enterprise risks, such as plummeting bond prices in the first two quarters and other financial threats. The Risk Management Department also supported the



treasury and trading team by keeping it updated with market activities in both the local and international markets and the potential impact on trading activities.

Bond prices trended downwards for both Investment Grade (IG) and Emerging Market (EM) bonds during the first few months of 2020 due to negative investor sentiment caused by fears around COVID-19. Due to negative rating actions by rating agencies, the demand for EM bonds saw a significant impact, which reflected the weakened economic and fiscal positions of EM issuers. However, there was some recovery in the latter part of the financial year as the US Federal Reserve's actions to boost liquidity in the US market led investors to seek more attractive yields in the EM bond market.

In March 2020, the Federal Reserve reduced its benchmark interest rate by 50 basis points to the range 0.0%-0.25%. These actions resulted in the market keeping US government and corporate bond yields low. As investors maintained their appetite for attractive yields, some of the liquidity from the US market flowed to the EM bond market, as investors purchased higher-yielding/attractively priced assets.

These factors aided the team in creating valuable solutions for clients to secure their assets and their trust in the investment ecosystem despite the effects of the pandemic.

## Marketing

It is the Department's objective to maximise and enhance stakeholders' experience with the Mayberry brand. Understanding the impact of the pandemic on the business, the Marketing Department swiftly moved to support the development, implementation, and adaptation of all digital processes.

The Mayberry 2020 Investor Forum series transitioned to digital platforms, which accelerated and realigned marketing efforts with the latest technological trends. This medium connected Mayberry's clients and possible prospects to a financial literacy experience like no other. As it featured the top minds in finance, the series provided in-depth insight into the micro and macro-economic climate and educated our audience about companies listed on the Jamaica Stock Exchange. Mayberry's Virtual Forum had much success reaching up to 8,500 viewers and increasing the Company's YouTube subscriptions by 218% compared to the previous period. As the Virtual Forum matured, Mayberry saw the staging move from a monthly event to a weekly highlight for Mayberry's online audience. In total, the 2020 Investor Forum allowed Mayberry the opportunity to reach the hearts and minds of thousands of investors and potential investors locally and internationally.

Additionally, the Mayberry Foundation, the Company's philanthropic arm, remained supportive in its strategic partnerships with stakeholders and community organisations by driving positive change in society through the respective channels. A few of these activations included sponsoring the inaugural Rose Cup Tournament hosted by The Caymanas Golf Club in St. Catherine. The Ryder Cup-style team-play tournament featured Jamaica's top professional golf players competing against their amateur counterparts in a two-day competition named in honour of one of Jamaica's most outstanding golfers, Seymour Rose. The foundation also partnered with the Citizens Action for Free and Fair Elections (CAFFE) during the 2020 general elections to provide stipends to 150 of its young volunteers.

Mayberry's Marketing Department proudly supported all its stakeholders through these initiatives. The team aims to continue enhancing the client experience and community support as it looks forward to the complete digital revolution of financial services.

## Research

The Research Department continued its drive to provide relevant and real-time information to assist clients with realising their financial objectives. To do so, the team kept abreast of ever-changing financial market trends and emerging issues. The department circulated daily market reports, including recommendations for actions, weekly stock picks, and pertinent international and local news relating to securities held in clients' portfolios.

Additionally, the department aided the revenue-generating units with research and analytical support. We provided this support in the form of stock and bond recommendations, macroeconomic reports, and analysis, as well as ad hoc sensitivity analysis, stress testing, and research papers.

Delivering these resources for its internal teams and customers supported Mayberry in its effort to help guide clients' investment decisions. The Company intends to continue in this vein for 2021.

## Sales

The Sales Department saw several shifts during the period. At the start of the year, the Department had a staff complement of 42 advisors, which gradually reduced to 27 high performers by year's end. The uncertainty caused by COVID-19 negatively impacted the global economy, particularly in the first two quarters, which resulted in slightly lower sales performance than previously projected. After the initial fear and panic caused by the pandemic dissipated, sales began to grow, with market confidence returning by the end of Q3.

The Sales Department achieved total revenue of \$244.2 million in 2020, an 18% decrease year-over-year, down from \$297.3 million in 2019. The Department contributed 14% to the Company's overall revenue. Notably, despite all odds, three of Mayberry's advisors exceeded their annual revenue of \$36 million, and the other commission advisors met more than 50% of their yearly targets. Furthermore, the online client onboarding portal introduced in 2020 contributed to a 100% increase in the funds placed on the USD corporate note portfolio year-over-year.

Understandably, we halted all recruitment objectives in 2020; however, for 2021, there is a plan to increase the sales staff complement to 200. Additionally, the Mayberry Corporate University will continue to aid with the comprehensive training plan for all new hires to be fully competent to meet the assigned targets and provide excellent client service. With the expected growth in the Investment Advisor group and a more technologically oriented approach, the advisors can deliver most of the Mayberry services and products remotely and in a timely and efficient manner.



# How Did We Sustain Growth For Our Clients In 2020?



## Okelia Parredon - Manager, Sales and Client Services

Last year was our chance to show even more empathy towards our clients and encourage them to stay on track with their financial goals, and where possible to realign their portfolios. We maintained regular contact with our clients with the aim to provide them with enough information to alleviate their fears surrounding the pandemic and their portfolios and in instances their physical wellbeing. From a department level, we employed technology largely to maintain relations through setting up virtual meetings on a weekly basis and in some instances as the need arose, to ensure that even though we were apart we were still together and could still maintain team unity.



## Winston Wong - Executive Investment Advisor

Being passionate about your job makes work so much easier. I enjoy seeing when my clients are happy with the performance of their portfolio, knowing that they are on target to meet their financial goals. This ability to enrich the lives of my clients allows me to consistently provide exceptional service.



## Ian Laidlaw - Executive Investment Advisor

It's simple, when we have exceptional customer service then it improves client retention and referrals, and as such revenue.





## Karen Hall - Executive Investment Advisor

In 2020, I sought to help my clients achieve their goals, by starting with having an extensive conversation with them on their finances, their expenses and household responsibilities. This was needed to create a realistic plan that is custom-made to each and every one of my clients. Once we determined the objectives, together we tracked periodically to ensure that we are on target.

This required getting to know my clients in such a way that I could adjust, tweak and measure the degree of progress in achieving that client's goal.



## Floyd Wilson - Executive Investment Advisor

At Mayberry, we seek to help our clients take advantage of opportunities available to realise their financial objectives. When you invest with Mayberry, you are a part of a family that cares about its clients, employees, shareholders and our community. A family I am proud to be a part of.



**"Our online client onboarding portal introduced in 2020 contributed to a 100% increase in the funds placed on the USD corporate note portfolio year over year."**



## Operations

The events of 2020 forced the Operations Department to rely on its creativity in finding innovative ways to maintain quality work while adhering to social distancing policies. The team employed remote-working strategies for team members and introduced additional controls to create a secure space for client transactions. Although there were some initial challenges, implementation was done in stages to ensure little to no disruption in operations.

In April, Mayberry rolled out its modified work-from-home arrangement, starting with the Processing team. After addressing concerns and stabilising connections, team members from the other units also began remote working within a few weeks. Currently, the majority of the Company's staff complement operates solely or occasionally from home.

Understandably, the changes tested teamwork during the early stage of the pandemic. However, team members ensured that the department met its objectives. For instance, when St. Catherine was under lockdown in April 2020, other team members unaffected committed to working long hours to ensure the

departments completed tasks on time and to the Mayberry standard.

The Operations Department also introduced additional controls within the Settlement and Processing Units to create a secure space for clients to conduct transactions. These included installing glass panes to provide safe separation of areas for doing business. These and other modifications to operations supported Mayberry as it sought to create opportunities for customers to realise their financial objectives locally and internationally through its team of highly trained and dedicated professionals.

Despite challenges created by the COVID-19 pandemic in 2020, Mayberry Investments Limited maintained its commitment to excellence, a feat achieved through strong liquidity, robust operational and investing activities and its focus on customer experience, employee engagement and digital transformation.

Mayberry's new models, including virtual workspaces and better technological solutions for clients, have positioned it to continue being an industry leader in 2021. Although the pandemic may have initially disrupted sales, there is no doubt that the changes it has compelled will accelerate growth.



# 2020

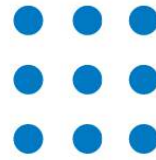
## Achievements

**"Mayberry helps Caribbean Assurance Brokers list first on the Junior Market for 2020."**

Insurance brokerage firm Caribbean Assurance Brokers Limited (CAB) listed its shares first on the Junior Market of the Jamaica Stock Exchange (JSE), with Mayberry Investments Limited (MIL) as its lead broker last year.

Through its initial public offering (IPO) of 52.5 million ordinary shares at a subscription price of \$1.91, CAB was able to raise equity capital of \$100 million and increase its total shareholders to 3,245.

CAB's IPO was oversubscribed by 1,500 per cent and closed within a minute after opening.



**"Mayberry Investments Limited partners with EduFocal."**

Last year, Mayberry signed a private equity deal with virtual learning platform EduFocal. This venture will see us supporting the e-learning company with securing capital to boost its hopes of facilitating local and international expansion. The partnership will see Mayberry gaining a minority stake in the online educational services business.

This venture will support our business goal of driving investments that contribute to initiatives, which foster active learning, an essential pillar for the growth and development of children and communities across Jamaica land we love.





# Top Ten Shareholders and Connected Persons

Name	Shareholdings
PWL Bamboo Holdings Limited	473,657,950
Konrad Berry	430,686,104
Mayberry Employee Share Scheme	38,520,347
VDWSD LTD	29,990,000
Konrad Limited	28,607,890
Gary Peart	24,566,665
The Mayberry Foundation Limited	11,874,243
Christine Wong	8,103,167
Mayberry Investments Ltd. Pension Scheme	6,481,590
Sagicor Selected Funds Limited - Class B - Financial	5,206,681

Connected Persons	
Apex Pharmacy	3,568,916
Mayberry Managed Clients Account	3,102,586
Mayberry Individual Retirement Scheme	1,000,000
Doris Berry	732,262
A+ Plus Medical Centre	500,000
Mayberry Staff Investment Club	115,772
Est. Maurice Berry	10

# Shareholdings of Directors and Senior Management

Name	Shareholdings	Connected Persons
Christopher Berry	-	481,489,650
Konrad Berry**	430,686,104	35,357,224
Gary Peart**	24,566,665	30,911,455
Erwin Angus	1,000,000	
Gladstone Lewars **	1,431,500	
Alok Jain	2,010,372	
Walter Scott	-	

Managers		
Kayree Berry-Teape**	2,860,749	31,080
Andrea HoSang**	1,498,600	
Kristen Raymore-Reynolds	100,000	
Dan H. Theoc	2,040	
Damian Whyllie	129,724	



# CHARITIES AND SPONSORSHIPS

SOME ORGANISATIONS WE SUPPORTED IN 2020



CHINESE BENEVOLENT ASSOCIATION •  
LIONS CLUB OF KINGSTON • INTERNATIONAL  
PROXY PARENTS • THE SALVATION ARMY EASTERN  
JAMAICA • THE REX NETTLEFORD FOUNDATION •  
SOUTH EAST CLARENDON DEVELOPMENT •  
SHORTWOOD OLD STUDENTS ASSOCIATION • ST.  
ANDREW HIGH SCHOOL FOUNDATION • WEBSTER  
MEMORIAL WOMEN'S FELLOWSHIP • BRAETON  
SEVENTH-DAY ADVENTIST • CAMPION COLLEGE ALUMNI  
ASSOCIATION • WOLMER'S PREPARATORY SCHOOL •  
FRIENDS OF WESTERN ST. THOMAS • SAXTHORPE  
METHODIST MEN'S FELLOWSHIP • CELEBRATION  
CHURCH • JAMAICA CHINA FRIENDSHIP  
ASSOCIATION • OFFICE OF THE PRIME MINISTER •  
JAMAICA CONSTABULARY FORCE • GROOMS  
ASSOCIATION OF JAMAICA • ROTARY  
CLUB OF ST. ANDREW • MOWATT  
OUTREACH MINISTRIES





# CORPORATE SOCIAL RESPONSIBILITY

“The Mayberry Foundation, in its commitment to being good corporate citizens, has led and aligned with several outreach projects, which have impacted the society positively. While our philanthropy extends to various organisations and special interest groups, there are some key areas, where we render targeted support, including Health, Education, Environment, Youth and Community Development and Financial Literacy.”

- Kayree Berry-Teape, CEO, Mayberry Foundation Limited

Mayberry Investments employed several strategies in 2020 to mitigate against the impact of COVID-19 while remaining innovative and achieving sustainability. The Company continued to support initiatives that positively impact society and have a life-changing effects through the Foundation.

## WE PUT OUR EMPLOYEES AND CUSTOMERS FIRST

Throughout the pandemic, we have taken the utmost care to prioritise the safety of our staff members and created flexible working conditions that streamlined productivity. Our methods included revised opening hours and limited face-to-face contact with clients while offering them convenient and simple digital means of conducting business with us to the standard they would expect. Protocols enforced included installing sanitisation dispensers, observing physical distancing, and conducting ongoing sanitisation of work surfaces. We regularly updated staff members and educated them on how best to keep themselves safe during the pandemic. When the Company went digital, this initiative took place, allowing clients to conveniently access portfolio statements, contract notes, and more by logging into their online accounts on our official website. Most staff members eased into remote working.

## EDUCATION PAVES THE WAY

For decades, we have dedicated resources to several educational ventures. In 2020, we had the honour and privilege of collaborating in various programmes, namely those relating to Campion College, Grooms Association, and the Jamaica China Friendship Association. The Mayberry Foundation believes in the importance of education and its subsequent impact on national development and communities.



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**1. CAMPION:** As part of its 2020 efforts to contribute to the educational sector, the Mayberry Foundation made a considerable donation to the Campion College School Quiz. **2. GROOMS ASSOCIATION:** Donating financial aid to the Grooms Association of Jamaica, Mayberry was able to help the entity organise educational supplies for its Grooms. Pictured here are Karen Hall (left), Senior Investment Advisor, Mayberry Investments Limited, and Fabian Whyte., President of the Grooms Association of Jamaica. **3. ROSE GOLD CUP GOLF TOURNAMENT:** Mayberry Investments Limited was proud to be Title Sponsor of the Rose Gold Cup Golf Tournament's inaugural staging. **4. GO KARTING ASSOCIATION:** Jamaica Karting Association's 80cc Champion, Brandon Finzi-Smith, was presented with a sum of US\$1000 towards his endeavours in Go Karting courtesy of the Mayberry Foundation.

## YOUTH AND COMMUNITY DEVELOPMENT

The Mayberry Foundation is a firm believer in investing in our youth with a particular focus on sport. Across the globe, Jamaica is renowned for its far-reaching record-breaking athletes and its other exemplary sportsmen and women who make us proud daily. We have aided many schools, entities, tournaments and sports programmes to empower the youth. Swimming, golf and karting have all benefited considerably from our donations in 2020.

## MAYBERRY INVESTMENTS LIMITED ALL-ISLAND SWIM MEET

The Mayberry Foundation is particularly proud of the partnership with the Jamaica Aquatic Sports Association of Jamaica, which gave birth to the Mayberry All-Island Swim Meet. Sport provides many opportunities for the youth and is a learning tool for focus and discipline.

The All-Island Swim began in 1999 to showcase talented student-athletes from both primary and secondary levels. The competition aims to grant young athletes the exposure necessary to develop their skills whilst equipping them with essential life skills. Since its inception, the prestigious meet has paved the way for star swimmers like Alia Atkinson. It continues to be a platform on which swimmers have an opportunity to hone their skills and score national representation. In 2020, approximately 24 primary and preparatory schools and 18 high schools registered to compete in the swim tournament. The tournament continues to show the versatility of all athletes.

## FURTHER INVESTMENTS IN THE COMMUNITY

Our relationship with the National Police Youth Club is another endearing partnership to foster positive relationships between the community and the police. In 2020, the Foundation handed over \$100,000 to the Denham Town Police Station. We feel privileged to have contributed to the future growth and development of communities in the hopes of creating a brighter, safer Jamaica.

## FINANCIAL LITERACY

Mayberry commits to ensuring financial independence for all its clients. Over the years, the company has employed various strategies aimed at developing financial literacy among Jamaicans. The Mayberry Investor Forum has been one such avenue. For the past 23 years, the forum has offered investors and prospects unparalleled insight into the state of the local and global markets.

Forced to step outside the box due to the pandemic, we revolutionised how we presented our forum in 2020. We evolved into a completely virtual platform and presentation, with esteemed and knowledgeable guests having their contributions heard from all across the globe. This initiative is just another inventive step to inform and update customers on improved methods to achieve financial independence.

As we continue to battle the effects of the pandemic, we also stridently commit to our customers, stakeholders and the public to get past this, stronger and better together.

**5. MAYBERRY ALL-ISLAND SWIM MEET:** Returning as Title Sponsor of the annual Mayberry All-Island Swim Meet, we staged the competition before the onset of the pandemic. The 2020 swim meet saw its biggest turnout since inception. **6. KINGSTON WESTERN COMMUNITY (A):** Mayberry representatives present the Denham Town Western Division Police Station officers with a sponsorship check of \$100,000. **7. KINGSTON WESTERN COMMUNITY (B):** Mayberry representatives share lens with officers at the Denham Town Western Division. From left: Winston Hunt, DSP, Annecia Marsh, District Constable, (back row, left) Justin Woollock, DSP, (front row, centre), Stephanie Harrison, Senior Marketing Manager, Mayberry Investments Limited, (back row, right), Loretta Brown, Sergeant, (front row, right) Colin Roberts, DSP, and Okeilia Parredon, Manager, Sales and Client Services, Mayberry Investments Limited. **8. THE JSE 2020 BEST PRACTICES AWARDS:** Mayberry is the proud recipient of the JSE Member Dealers Award for Best Website - awarded to encourage Member Dealers to raise the quality and efficiency of the dissemination of information to the investing public via their website. Mayberry was among organisations recognised for the upkeep of financial etiquette at the annual JSE Awards Ceremony held in December 2020. **9. CAFFE:** By donating to the Citizens Action For Free and Fair Elections (CAFFE), Mayberry provided a stipend for approximately 150 volunteers. From left: Gary Peart, CEO, Mayberry Investments Limited, and Directors of the Citizens Action for Free and Fair Elections, Damion Fisher, Grace Baston, and Ingrid Blackwood.

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# FORUM HIGHLIGHTS 2020

1. Dr The Honourable Nigel Clarke, MP, Minister of Finance and the Public Sector, was our first guest for the new year 2020. The Minister gave an overview of the Jamaican Economy 2019, before local and global economies suffered shocks due to the COVID-19 pandemic.
2. Ann Dawn Young Sang, former President and Chief Executive Officer, Supreme Ventures Limited (SVL), gave an Investor Update in February, touching on SVL's efforts in reshaping the betting industry as they continue to maintain record-breaking profits.
3. Yago Castro Izaguirre, Director and General Manager of Caribbean Cement Company Limited outlined the many reasons turning to clinker plants was not an ideal move during our first Virtual Investor Forum in May.
4. Christopher Levy, Group President and CEO, Jamaican Broilers Limited, was vocal on 'strict curfew laws' and whether they are a hindrance to real economic growth in Jamaica. Levy was our featured guest speaker in September.
5. Gordon Swaby (centre), CEO, co-founder of EduFocal was featured on our Virtual Investor Forum in June where he informed viewers on the Company's "EduFocal Live" an endeavour that seeks to elevate the online learning experience for children across Jamaica. From left to right: Gary Peart, CEO, Mayberry Investments Limited, Grace Lindo, Director, EduFocal, Gordon Swaby, CEO, co-founder, EduFocal, Konrad 'Mark' Berry, Executive Vice Chairman, Mayberry Investments Limited, and Christopher 'Chris' Berry, Executive Chairman.
6. Xesus Johnston, Senior Vice President, Supreme Venture's Limited, was the fifth guest on our Virtual Investor Forum, detailing SVL's efforts to tackle COVID-19 restriction with 'advances in technology.'
7. Derrick Cotterell (right), Chairman and CEO of Derrimon Trading Limited shared insights into the Company's preparation for the pandemic which resulted in favourable profits and product expansion. CEO, Mayberry Investments Limited, Gary Peart (left) was host of this special instalment of our Virtual Investor Forum.
8. Evan Thwaites (centre), Managing Director, IronRock Insurance, shared insights into the Company's significant growth in gross written under premiums throughout the pandemic. Gary Peart (right), CEO, Mayberry Investments Limited, and Dan Theoc, Senior Vice President, Investment Banking, Mayberry Investments Limited shared lens with Thwaites at the end of the show.
9. Michelle Chong, CEO and Co-Founder, Honey Bun (1982) Limited, spoke to the Company's unprecedented sales throughout the pandemic.
10. Balram Vaswani Kaya Group CEO was one of four guests featured on our Investor Forum in November 2020, sharing with viewers Kaya Group's plans to strengthen its position in Jamaica and the wider Caribbean.
11. When featured on our weekly Investor Forum, John Mahfood, CEO, Jamaican Teas Limited, detailed the unprecedented demand for his products in 2020 spurred by a massive increase in at-home consumption in the pandemic.
12. Earl Barrett, Managing Director, Wigton Windfarm Limited, was the last guest speaker in November, where he shared the Company's plans for local and regional expansion.
13. Sharon Donaldson, Managing Director, GENAC, shared lens with Dan Theoc, Senior Vice President, Investment Banking, Mayberry Investments Limited, after an insightful discussion in which she expressed optimism for growth in the regional market.







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**“All growth depends upon activity. There is no development physically or intellectually without effort, and effort means work.”**

*- Calvin Coolidge*





# AUDITED FINANCIAL STATEMENTS





# MAYBERRY INVESTMENTS LIMITED

FINANCIAL STATEMENTS  
31 DECEMBER 2020

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Chartered Accountants  
26 Beechwood Avenue  
P.O. Box 351  
Kingston 5, Jamaica

## **INDEPENDENT AUDITORS' REPORT**

To the Members of  
Mayberry Investments Limited

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Mayberry Investments Limited set out on pages 98 to 164, which comprise the group and the company's statements of financial position as at 31 December 2020, and the group and the company's statements of profit or loss, statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the group and the company's financial position as at 31 December 2020, and of the group and the company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the group and the company in accordance with the International Ethics Standards Board for Accountants International 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.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### ***Expected credit losses in respect of investment securities and promissory notes (loans)***

*See notes 2(j), 14, and 16 to the consolidated financial statements for management's related accounting policies and disclosures.*

At 31 December 2020, investment securities and promissory notes at amortised cost, net of provision for credit losses amounted to \$23 billion or 72% of total assets of the group. Impairment provisions of \$291 million have been recognised for the group.

Under IFRS 9, establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of expected credit loss (ECL) and selection and approval of models used to measure ECL require significant judgement.

Partners: R.L. McFarlane, K.A. Wilson, S.W. McFarlane, J. Green-Hibbert, D. Hobson  
Offices in Montego Bay, Mandeville and Ocho Rios  
BDO is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.





## **INDEPENDENT AUDITORS' REPORT (CONT'D)**

To the Members of  
Mayberry Investments Limited

### **Key Audit Matters (Cont'd)**

#### *Expected credit losses in respect of investment securities and promissory notes (loans) (cont'd)*

*See notes 2(j), 14, and 16 to the consolidated financial statements for management's related accounting policies and disclosures.*

We focused on the impairment assessment as the assumptions used for estimating both the amount and timing of future cash flows are complex and involve significant judgement by management.

#### **How our audit addressed the key audit matter**

We assessed and tested the design and operating effectiveness of the controls over impairment data and calculations. These controls included those over identification of which investment securities and promissory notes were impaired. We determined whether we could rely on these controls for the purposes of our audit.

We challenged management's process by examining a sample of investment securities and promissory notes which had not been identified by management as potentially impaired and, from evaluation, formed our own judgement as to whether that was appropriate.

We evaluated management's model development for validity and reviewed the forward looking assumptions and judgments incorporated in the model. We tested for the completeness of management's listing of potentially impaired promissory notes by reperforming the process using management's impairment criterion.

Where impairment indicators had been identified, we examined the forecasts of future cash flows prepared by management to support the calculation of the impairment, challenging the assumptions and comparing estimates to external evidence where available.

We evaluated the performance of the investment securities and promissory note portfolios subsequent to the end of the reporting period to identify significant adjusting subsequent events and did not identify any such events. Based on the audit evidence obtained, we determined that the provisioning was reasonable.

#### **Other Information**

Management is responsible for the other information. The other information comprises the Annual Report but does not include the consolidated and stand-alone financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated and stand-alone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.





## **INDEPENDENT AUDITORS' REPORT (CONT'D)**

To the Members of  
Mayberry Investments Limited

### **Other Information (Cont'd)**

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

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

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of the consolidated and stand-alone 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 consolidated and stand-alone financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the group's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Consolidated and Stand-alone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated and stand-alone 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.





## INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of  
Mayberry Investments Limited

### **Auditors' Responsibilities for the Audit of the Consolidated and Stand-alone Financial Statements**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone financial statements represent the underlying transactions and events in a manner that presents a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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







**INDEPENDENT AUDITORS' REPORT (CONT'D)**

To the Members of  
Mayberry Investments Limited

**Report on additional matters as required by the Jamaican Companies Act**

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, 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.

The engagement partner on the audit resulting in this independent auditors' report is Donna Hobson.

A handwritten signature in black ink, appearing to read 'BDO', is written over the top left portion of the large, faint BDO logo watermark.

**Chartered Accountants**

25 March 2021



# MAYBERRY INVESTMENTS LIMITED

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS YEAR ENDED 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
<b>Net Interest Income and Other Revenues</b>			
Interest income		679,932	790,788
Interest expense		( 484,990)	( 621,183)
Net interest income	4	194,942	169,605
Consulting fees and commissions	5	350,659	735,053
Dividend income	6	338,582	380,057
Net trading gains	7	169,118	65,815
Net unrealized (losses)/gains on financial instruments - FVPL		(1,145,692)	889,955
Net foreign exchange gains		233,076	292,640
Other income		6,252	8,743
Unrealised gain on other assets		<u>536,149</u>	<u>165</u>
		<u>683,086</u>	<u>2,542,033</u>
<b>Operating Expenses</b>			
Salaries, statutory contributions and other staff costs	8	652,135	660,814
Provision for credit losses		( 82,557)	48,249
Depreciation and amortisation		57,072	48,371
Other operating expenses		<u>837,279</u>	<u>1,137,476</u>
	9	<u>1,463,929</u>	<u>1,894,910</u>
(Loss)/Profit before taxation		( 780,843)	647,123
Taxation credit/(charge)	10	<u>82,080</u>	( 1,259)
<b>Net (Loss)/Profit for the Year</b>	11	<u>( 698,763)</u>	<u>645,864</u>
<b>Attributable to:</b>			
Stockholders of the parent		( 352,909)	709,584
Non-controlling interest	33	<u>( 345,854)</u>	<u>( 63,720)</u>
		<u>( 698,763)</u>	<u>645,864</u>
		<u>2020</u> <u>\$</u>	<u>2019</u> <u>\$</u>
<b>EARNINGS PER STOCK UNIT</b>	12(a)	<u>( 0.29)</u>	<u>0.59</u>





# MAYBERRY INVESTMENTS LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
Net (Loss)/Profit for the Year		( 698,763)	645,864
Other Comprehensive Income Net of Taxation: Item that will not be reclassified to profit or loss			
Net unrealized (losses)/gains on financial instruments - FVOCI		(4,283,711)	5,169,838
Total Comprehensive Income for the Year		(4,982,474)	5,815,702
Total Comprehensive Income Attributable to:			
Stockholders of the parent		(3,398,080)	4,733,691
Non-controlling interest	33	(1,584,394)	1,082,011
		(4,982,474)	5,815,702
		<u>2020</u> <u>\$</u>	<u>2019</u> <u>\$</u>
COMPREHENSIVE INCOME PER STOCK UNIT	12(b)	( 2.83)	3.94


# MAYBERRY INVESTMENTS LIMITED


## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2020

	Note	2020 \$'000	2019 \$'000
<b>ASSETS</b>			
Cash resources	13	1,634,200	1,596,889
Investment securities	14	19,213,566	25,616,876
Reverse repurchase agreements	15	2,526,121	3,483,713
Promissory notes	16	4,009,504	1,812,878
Interest receivable		38,500	100,671
Loans and other receivables	18	3,218,480	3,230,632
Property, plant and equipment	19	122,229	145,365
Right of use assets	20(a)	114,701	133,459
Taxation recoverable		2,610	-
Other assets	22	1,279,291	743,142
Intangible asset	30	53,944	58,103
<b>Total Assets</b>		<b>32,213,146</b>	<b>36,921,728</b>
<b>LIABILITIES</b>			
Bank overdraft	13	255,976	329,875
Securities sold under repurchase agreements		3,593,212	4,219,424
Interest payable		219,024	211,327
Loans	23	7,464,485	7,183,970
Taxation payable		66	4,960
Deferred taxation	24	85,731	304,511
Lease liabilities	20(b)	128,579	140,236
Accounts payable	25	5,057,478	4,298,677
<b>Total Liabilities</b>		<b>16,804,551</b>	<b>16,692,980</b>
<b>EQUITY</b>			
Share capital	26	1,582,381	1,582,381
Fair value reserves	27	3,935,851	7,415,719
Other reserves	28	77,939	77,939
Retained earnings	29	6,010,721	6,372,032
<b>Equity Attributable to Shareholders of the Parent</b>		<b>11,606,892</b>	<b>15,448,071</b>
<b>Non-Controlling Interest</b>	33	<b>3,801,703</b>	<b>4,780,677</b>
<b>Total Equity</b>		<b>15,408,595</b>	<b>20,228,748</b>
<b>Total Equity and Liabilities</b>		<b>32,213,146</b>	<b>36,921,728</b>
		<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
<b>NET BOOK VALUE PER STOCK UNIT</b>	12(b)	<b>9.66</b>	<b>12.86</b>

Approved by the Board of Directors and signed on its behalf by:

  
 Konrad M. Berry  
 Vice Chairman

  
 Gary Peart  
 Director



# MAYBERRY INVESTMENTS LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### YEAR ENDED 31 DECEMBER 2020

	No. of Shares	Share Capital \$'000	Fair Value Reserves \$'000	Other Reserves \$'000	Retained Earnings \$'000	Non-Controlling Interest \$'000	Total \$'000
Balance at 31 December 2018	1,201,149,291	1,582,381	4,805,059	77,939	4,389,462	3,119,965	13,974,806
<b>TOTAL COMPREHENSIVE INCOME</b>							
Net profit	-	-	-	-	709,584	( 63,720)	645,864
Other comprehensive income	-	-	4,024,107	-	-	1,145,731	5,169,838
	-	-	4,024,107	-	709,584	1,082,011	5,815,702
<b>TRANSFER BETWEEN RESERVES</b>							
From fair value reserves	-	-	(1,294,787)	-	1,517,666	-	222,879
<b>TRANSACTION WITH OWNERS</b>							
Dividend paid (note 32)	-	-	-	-	( 319,806)	-	( 319,806)
Translation adjustment	-	-	-	-	14,077	-	14,077
Realized gain on partial disposal of Subsidiary	-	-	-	-	477,011	-	477,011
	-	-	-	-	171,282	-	171,282
Change in ownership interest in subsidiary	-	-	( 118,660)	-	( 415,962)	578,701	44,079
Balance at 31 December 2019	1,201,149,291	1,582,381	7,415,719	77,939	6,372,032	4,780,677	20,228,748
<b>TOTAL COMPREHENSIVE INCOME</b>							
Net loss	-	-	-	-	( 352,909)	( 345,854)	( 698,763)
Other comprehensive income	-	-	(3,045,171)	-	-	(1,238,540)	( 4,283,711)
	-	-	(3,045,171)	-	( 352,909)	(1,584,394)	( 4,982,474)
<b>TRANSFER BETWEEN RESERVES</b>							
From fair value reserves	-	-	( 212,303)	-	212,303	-	-
<b>TRANSACTIONS WITH OWNERS</b>							
Dividend paid (note 32)	-	-	-	-	( 169,971)	-	( 169,971)
Translation adjustment	-	-	-	-	( 65,666)	-	( 65,666)
Realised gain on partial disposal of subsidiary	-	-	-	-	339,231	-	339,231
	-	-	-	-	103,594	-	103,594
Change in ownership interest in subsidiary	-	-	( 222,394)	-	( 324,299)	605,420	58,727
Balance at 31 December 2020	1,201,149,291	1,582,381	3,935,851	77,939	6,010,721	3,801,703	15,408,595



# MAYBERRY INVESTMENTS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER 2020

	Note	<u>2020</u> \$'000	<u>2019</u> \$'000
<b>Cash Flows from Operating Activities</b>			
(Loss)/Profit before taxation		( 780,843)	647,123
Adjustments for:			
Provision for credit losses		( 82,557)	48,249
Intangible asset - amortization		4,159	4,238
Depreciation	19	29,408	26,917
Right of use assets - amortization	20	18,758	17,216
Interest income	4	( 679,932)	( 790,788)
Interest expense	4	484,990	621,183
Interest expense - right of use assets		10,600	10,978
Realised fair value gains transferred to retained earnings		212,303	1,517,666
Unrealised fair value gains on financial instruments - FVPL		1,145,692	( 889,955)
Unrealised foreign exchange losses		179,762	173,232
Unrealised fair value gains on other assets		( 536,149)	-
		6,191	1,386,059
<b>Changes in operating assets and liabilities:</b>			
Loans and other receivables		14,829	1,015,196
Investments		622,993	56,172
Promissory notes		(2,196,626)	( 374,471)
Reverse repurchase agreements		1,221,363	(1,736,551)
Taxation recoverable/payable		-	2,441
Accounts payable		686,083	( 366,802)
Securities sold under repurchase agreements		( 626,212)	258,026
Loans		<u>276,938</u>	<u>( 18,634)</u>
		5,559	221,436
Interest received		763,158	767,296
Interest paid		( 498,927)	( 611,512)
Taxation paid		<u>( 8,605)</u>	<u>-</u>
Cash provided by operating activities c/f (page 11)		<u>261,185</u>	<u>377,220</u>



# MAYBERRY INVESTMENTS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
Cash provided by operating activities brought forward (page 10)		<u>261,185</u>	<u>377,220</u>
<b>Cash Flows from Investing Activities</b>			
Purchase of intangible asset		-	( 27,596)
Additions to property, plant and equipment	19	( <u>6,272</u> )	( <u>59,661</u> )
Cash used in investing activities		( <u>6,272</u> )	( <u>87,257</u> )
<b>Cash Flows from Financing Activities</b>			
Dividend payment	32	( 169,971)	( 319,806)
Lease payment	20	( <u>22,257</u> )	( <u>21,405</u> )
Cash used in financing activities		( <u>192,228</u> )	( <u>341,211</u> )
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		62,685	( 51,248)
Exchange gain on foreign cash balances		48,525	43,636
Cash and cash equivalents at beginning of year		<u>1,267,014</u>	<u>1,274,626</u>
<b>Cash and Cash Equivalents at End of Year</b>	13	<u>1,378,224</u>	<u>1,267,014</u>

# MAYBERRY INVESTMENTS LIMITED

## STATEMENT OF PROFIT OR LOSS YEAR ENDED 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
<b>Net Interest Income and Other Revenues</b>			
Interest income		699,236	803,880
Interest expense		( 325,053)	( 479,432)
Net interest income	4	374,183	324,448
Consulting fees and commissions	5	350,659	735,053
Dividend income	6	70,102	278,929
Net trading gains/(losses)	7	106,777	( 73,958)
Net unrealized gains on investment revaluation		61,547	108,241
Net foreign exchange gains		241,699	258,688
Other income		6,252	8,745
Unrealised gain on other assets		<u>536,149</u>	<u>165</u>
		<u>1,747,368</u>	<u>1,640,311</u>
<b>Operating Expenses</b>			
Salaries, statutory contributions and other staff costs	8	652,135	660,814
Provision for credit losses		( 82,557)	48,249
Depreciation and amortization		48,166	44,133
Other operating expenses		<u>686,051</u>	<u>620,783</u>
	9	<u>1,303,795</u>	<u>1,373,979</u>
<b>Net Profit before Taxation</b>		443,573	266,332
Taxation credit	10	<u>56,035</u>	<u>5,577</u>
<b>Net Profit for the Year</b>	11	<u>499,608</u>	<u>271,909</u>







# MAYBERRY INVESTMENTS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 DECEMBER 2020

	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
Net Profit for the Year	499,608	271,909
Other Comprehensive Income Net of Taxation: Item that will not be reclassified to profit or loss		
Net unrealized (losses)/gains on financial instruments - FVOCI	<u>(190,491)</u>	<u>570,591</u>
Total Comprehensive Income for the Year	<u>309,117</u>	<u>842,500</u>



# MAYBERRY INVESTMENTS LIMITED

## STATEMENT OF FINANCIAL POSITION YEAR ENDED 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
<b>ASSETS</b>			
Cash resources	13	1,303,321	1,061,127
Investment securities	14	4,352,847	5,561,491
Reverse repurchase agreements	15	2,526,121	3,483,713
Promissory notes	16	4,009,504	1,812,878
Interest receivable		38,500	100,671
Due from subsidiaries	17	488,141	448,848
Loans and other receivables	18	3,184,985	3,211,350
Property, plant and equipment	19	122,229	145,365
Right of use assets	20(a)	114,701	133,459
Investments in subsidiaries	21	1,209,121	1,086,002
Other assets	22	<u>1,279,291</u>	<u>743,142</u>
<b>Total Assets</b>		<b><u>18,628,761</u></b>	<b><u>17,788,046</u></b>
<b>LIABILITIES</b>			
Bank overdraft	13	255,976	329,875
Securities sold under repurchase agreements		3,593,212	4,219,424
Interest payable		214,879	207,687
Loans	23	5,274,322	4,997,384
Deferred taxation	24	68,146	212,702
Accounts payable	25	5,017,292	3,891,324
Lease liability	20(b)	128,579	140,236
Due to subsidiary	17	<u>-</u>	<u>211,263</u>
<b>Total Liabilities</b>		<b><u>14,552,406</u></b>	<b><u>14,209,895</u></b>
<b>EQUITY</b>			
Share capital	26	1,582,381	1,582,381
Fair value reserves	27	718,342	908,833
Other reserves	28	77,939	77,939
Retained earnings	29	<u>1,697,693</u>	<u>1,008,998</u>
<b>Total Equity</b>		<b><u>4,076,355</u></b>	<b><u>3,578,151</u></b>
<b>Total Equity and Liabilities</b>		<b><u>18,628,761</u></b>	<b><u>17,788,046</u></b>

Approved by the Board of Directors and signed on its behalf by:



Konrad M. Berry  
Vice Chairman



Gary Peart  
Director



# MAYBERRY INVESTMENTS LIMITED

## STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 DECEMBER 2020

	<u>No. of Shares</u>	<u>Share Capital \$'000</u>	<u>Fair Value Reserves \$'000</u>	<u>Other Reserves \$'000</u>	<u>Retained Earnings \$'000</u>	<u>Total \$'000</u>
Balance at 1 January 2019	<u>1,201,149,291</u>	<u>1,582,381</u>	<u>338,242</u>	<u>77,939</u>	<u>560,365</u>	<u>2,558,927</u>
<b>TOTAL COMPREHENSIVE INCOME</b>						
Net profit	-	-	-	-	271,909	271,909
Other comprehensive income	-	-	570,591	-	-	570,591
	-	-	570,591	-	271,909	842,500
<b>TRANSACTION WITH OWNERS</b>						
Dividend paid (note 32)	-	-	-	-	( 300,287)	( 300,287)
Realised gain on partial disposal of subsidiary	-	-	-	-	477,011	477,011
	-	-	-	-	176,724	176,724
Balance at 31 December 2019	<u>1,201,149,291</u>	<u>1,582,381</u>	<u>908,833</u>	<u>77,939</u>	<u>1,008,998</u>	<u>3,578,151</u>
<b>TOTAL COMPREHENSIVE INCOME</b>						
Profit for the year	-	-	-	-	499,608	499,608
Other comprehensive income	-	-	(190,491)	-	-	( 190,491)
	-	-	(190,491)	-	499,608	309,117
<b>TRANSACTION WITH OWNERS</b>						
Dividend paid (note 32)	-	-	-	-	( 150,144)	( 150,144)
Realised gain on partial disposal of subsidiary	-	-	-	-	339,231	339,231
	-	-	-	-	189,087	189,087
Balance at 31 December 2020	<u>1,201,149,291</u>	<u>1,582,381</u>	<u>718,342</u>	<u>77,939</u>	<u>1,697,693</u>	<u>4,076,355</u>



# MAYBERRY INVESTMENTS LIMITED

## STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
<b>Cash Flows from Operating Activities</b>			
Profit before taxation		443,573	266,332
Adjustments for:			
Provision for credit losses		( 82,557)	48,249
Depreciation	19	29,408	26,917
Right of use assets - amortization	20	18,758	17,216
Interest income	4	( 699,236)	( 803,880)
Interest expense	4	325,053	479,432
Interest expense - right of use assets		10,600	10,976
Realised fair value gains transferred to retained earnings		339,231	477,011
Unrealised gains on investment revaluation		( 61,547)	( 108,241)
Unrealised foreign exchange losses		170,190	194,176
Unrealised gains on other assets		( 536,149)	-
		( 42,676)	608,188
<b>Changes in operating assets and liabilities:</b>			
Loans and other receivables		26,365	882,011
Investments		851,621	1,304,027
Investment in subsidiary		( 123,119)	15,799
Promissory notes		(2,196,626)	( 374,471)
Reverse repurchase agreements		957,592	(1,736,551)
Due from subsidiary		( 39,293)	289,412
Due to subsidiary		( 211,263)	( 803,176)
Accounts payable		1,125,968	( 701,816)
Securities sold under repurchase agreements		( 626,212)	258,026
Loans		276,938	( 22,211)
		( 705)	( 280,762)
Interest received		761,407	780,389
Interest paid		( 317,861)	( 470,199)
Cash provided by operating activities c/f (page 17)		<u>442,841</u>	<u>29,428</u>



# MAYBERRY INVESTMENTS LIMITED

## STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
Cash provided by operating activities brought forward (page 16)		<u>442,841</u>	<u>29,428</u>
<b>Cash Flows from Investing Activities</b>			
Additions to property, plant and equipment	19	( <u>6,272</u> )	( <u>59,661</u> )
Cash used in investing activities		( <u>6,272</u> )	( <u>59,661</u> )
<b>Cash Flow from Financing Activities</b>			
Dividend payment	32	( <u>150,144</u> )	( <u>300,287</u> )
Lease payment	20	( <u>22,257</u> )	( <u>21,405</u> )
Cash used in financing activities		( <u>172,401</u> )	( <u>321,692</u> )
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		264,168	( 351,925 )
Exchange gain on foreign cash balances		51,925	47,236
Cash and cash equivalents at beginning of year		<u>731,252</u>	<u>1,035,941</u>
<b>Cash and Cash equivalents at End of Year</b>	13	<u>1,047,345</u>	<u>731,252</u>





# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 1. IDENTIFICATION AND PRINCIPAL ACTIVITIES:

Mayberry Investments Limited ("the company") is incorporated in Jamaica and its registered office is located at 1 ½ Oxford Road, Kingston 5. The company is a licensed securities dealer and is a member of the Jamaica Stock Exchange. The company has primary dealer status from the Bank of Jamaica.

The principal activities of the company comprise dealing in securities, portfolio management, investment advisory services, operating foreign exchange cambio, managing funds on behalf of clients and administrative and investment management services for pension plans.

Mayberry West Indies Limited was incorporated in St. Lucia under the International Business Companies Act. On 5 January 2018 Mayberry West Indies Limited changed its name to Mayberry Jamaican Equities Limited (MJEL) under the International Business Companies Act, Cap 12:14. On 28 February 2018, 10% of the company's ordinary shares were issued to the shareholders of the parent company, Mayberry Investments Limited, as a dividend in specie. Further, on 31 July 2018, 10% of MJEL ordinary shares were listed on the Main Market of the Jamaica Stock Exchange through an Initial Public Offering (IPO). On 28 September 2018, the company also transferred an additional 5% of its ordinary shares in MJEL to a related entity. During 2019, trades were executed over the stock exchange that reduced the company's ownership to 72%. This was further reduced to 68% as a result of trades during the current year.

The principal activities of the subsidiary Mayberry Jamaican Equities Limited, is the investing in and trading of key Jamaican equity securities.

Widebase Ltd. was incorporated in St. Lucia, under the International Business Companies Act. Widebase Ltd. is a 100% subsidiary of the company. The key activity of this subsidiary, Widebase Ltd., comprises investing in unquoted securities.

The company and its subsidiaries are referred to as "the group".

The financial statements for the year ended 31 December 2020 have been approved for issue by the Board of Directors on 25 March 2021.

### 2. SIGNIFICANT ACCOUNTING POLICIES:

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied for all the years presented. Amounts are rounded to the nearest thousand, unless otherwise stated.

#### (a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and their interpretations adopted by the International Accounting Standards Board and have been prepared under the historical cost convention as modified by the revaluation of investment securities at fair value through other comprehensive income and investment securities at fair value through profit or loss. They are also prepared in accordance with requirements of the Jamaican Companies Act.

The financial statements comprise the statement of comprehensive income shown as two statements, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes.





# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

#### (a) Basis of preparation (cont'd)

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the end of the reporting period and the total comprehensive income during the reporting period. The group makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known. The areas involving more judgement in complexity or areas where assumptions or estimates are significant to the financial statements are disclosed in note 3.

#### **New, revised and amended standards and interpretations that became effective during the year**

New standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The group has assessed the relevance of all such new standards, interpretations and amendments and has concluded that the following new standards, interpretations and amendments are relevant to its operations:

Amendments to IAS 1, 'Presentation of Financial Statements' and IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', (effective for accounting periods beginning on or after 1 January 2020). These amendments and consequential amendments to other IFRSs result in the use of a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting. They clarify the explanation of the definition of material and also incorporate some of the guidance in IAS 1 about immaterial information.

Amendments to IFRS 9, 'Financial Instruments', IAS 39, 'Financial Instruments: Recognition and Measurement' and IFRS 7, 'Financial Instruments: Disclosures', (effective for accounting periods beginning on or after 1 January 2020). These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR based contracts, the reliefs will affect companies in all industries.

Amendment to IFRS 3, 'Business Combinations', (effective for accounting periods beginning on or after 1 January 2020). This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations.

There was no impact on the group's financial statements from the adoption of these amendments.



# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

#### (a) Basis of preparation (cont'd)

##### **New standards, amendments and interpretations not yet effective and not early adopted**

The following amendments to standards which are not yet effective and have not been adopted early in these financial statements, will or may have an effect on the group's future financial statements:

**Amendments to IAS 1, 'Presentation of Financial Statements', (effective for accounting periods beginning on or after 1 January 2022).** These amendments clarify that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The adoption of these amendments is not expected to have a significant impact on the group.

#### (b) Basis of consolidation

A subsidiary is an entity which is controlled by the group. Control exists when the group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are considered. The consolidated financial statements comprise those of the company and its 68% owned subsidiary, Mayberry Jamaican Equities Limited and its wholly-owned subsidiary, Widebase Ltd., presented as a single economic entity. Intra-group transactions, balances and unrealized gains and losses are eliminated in preparing the consolidated financial statements.





# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

#### (c) Foreign currency translation

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Jamaican dollars, which is the company's functional and presentation currency, unless otherwise stated.

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At year end, monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate at the date.

Exchange differences resulting 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 the statement of profit or loss.

Exchange differences on non-monetary financial assets are a component of the change in their fair value. Depending on the classification of a non-monetary financial asset, exchange differences are either recognized in the statement of income (applicable for financial assets at fair value through profit or loss), or within other comprehensive income if non-monetary financial assets are equity instruments which are designated as fair value through other comprehensive income.

#### (d) Impairment of Non-Financial Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

#### (e) Intangible Assets

Computer software is deemed to have a finite useful life of five years and is measured at cost, less accumulated amortisation and accumulated impairment losses, if any.

#### (f) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for services provided in the ordinary course of the group's business and is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured taking into account contractually defined terms of payment.



# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

#### (f) Revenue recognition (cont'd)

The specific recognition criteria are described below-

##### i. Interest income and change in fair value of financial instruments:

Interest income is recognized in the consolidated statement of income for all interest-bearing instruments on the accrual basis using the effective yield method. Income includes coupons earnings on fixed income investments and trading securities and changes in fair value of instruments elected to be fair value through profit or loss.

When a loan is classified as impaired, recognition of interest in accordance with the original terms and conditions of the loan ceases and interest is taken into account on the cash basis. IFRS requires that where loans become doubtful of collection, they are written down to their recoverable amounts and interest income on the loans is thereafter recognized based on the rate of interest that was used to discount the future cash flows for measuring the recoverable amount. However, such amounts as would have been determined under IFRS are immaterial.

##### ii. Dividend income:

Dividend income is recognized when the stockholder's right to receive payment is established.

##### iii. Consulting fees and commission income:

Consulting fees and commission income are recognized on an accrual basis when the service has been provided. Consulting fees and commission arising from negotiating or participating in the negotiation of a transaction for a third party are recognized on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognized based on the applicable service contracts. Asset management fees related to investment funds are recognized over the period the service is provided. Performance linked fees or fee components are recognized when the performance criteria are fulfilled.

#### (g) Interest expense

Interest expense is recognized in the statement of income for all interest-bearing instruments on the accrual basis, using the effective yield method based on the actual purchase price.





# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

#### (h) Investment securities

##### Debt instruments

Investment securities are classified into the following categories: those to be measured subsequently at fair value and those to be measured subsequently at amortised cost. Management determines the appropriate classification of investments at the time of purchase based on the objectives of the group's business model for managing financial instruments and the contractual cash flow characteristics of the instruments.

Debt instrument securities subsequently measured at fair value are either designated fair value through profit or loss (FVPL) or fair value through other comprehensive income (FVOCI). Investment securities at fair value through profit or loss are those which were either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are securities included in a portfolio in which a pattern of short-term profit-taking exists. They are initially recognised at cost, which includes transaction costs, and subsequently re-measured at fair value. All related realised and unrealised gains and losses are included in net trading income.

Debt instrument securities subsequently measured at fair value through other comprehensive income are all other investments, designated at purchase to recognise unrealised and realised fair value gains and losses through other comprehensive income rather than profit or loss. There is no recycling of fair value gains and losses to profit or loss. They are initially recognised at cost, which includes transaction costs, and subsequently re-measured at fair value.

Debt instrument securities are subsequently measured at amortised cost where management determines that the objective is to hold the instruments to collect the contractual cash flows, that is, solely for the payment of principal and interest (SPPI).

##### Equity Instruments

The fair values of quoted instruments are based on the spread between the bid and ask prices at valuation date. Upon initial recognition, the group elects to value its equity instruments at fair value through profit or loss (FVPL). Occasionally the group elects to irrevocably classify some of its equity investments as equity instruments at fair value through other comprehensive income (FVOCI) when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Equity instruments at FVOCI are not subject to an impairment assessment.



# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

#### (i) Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase (repurchase agreements), and securities purchased under agreements to resell (reverse repurchase agreements), are treated as collateralized financing transactions. The difference between the sale/purchase and repurchase/resale price is treated as interest and accrued over the lives of the agreements using the effective yield method.

#### (j) Loans and receivables and provisions for credit losses

The group recognizes loss allowances for expected credit losses (ECL) on financial instruments that are not measured at fair value. Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the group provides money or services directly to a debtor with no intention of trading the receivable. Loans are recognized when cash is advanced to borrowers. They are initially recorded at cost, which is the cash given to originate the loan including any transaction costs, and subsequently measured at amortized cost using the effective interest rate method.

An allowance for loan impairment is established based on lifetime ECL which is the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 1 financial instruments'. If significant increase in credit risk since initial recognition is identified, the financial instruments is moved to 'Stage 2' but is not yet deemed to be credit impaired. If the financial instrument is credit impaired, it is then moved to 'Stage 3'.

The amount of the provision is derived based on model which takes account of, among other factors, the carrying amount and the recoverable amount, being the present value of expected cash flows, including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of the loan and probability of default.

A loan is classified as impaired when, in management's opinion there has been deterioration in credit quality to the extent that there is no longer reasonable assurance of timely collection of the full amount of principal and interest. When a loan is classified as impaired, recognition of interest in accordance with the original terms and conditions of the loan ceases, and interest is taken into account on a cash basis.

Write offs are made when the group determines that there is no realistic prospect of recovery. Write offs are charged against previously established provisions for credit losses. Recoveries in part or in full of amounts previously written off are credited to provision for credit losses in the statement of profit or loss.





# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

#### (k) Financial Instruments: Financial Assets and Liabilities

##### Date of recognition

Financial assets and liabilities are initially recognised on the settlement date, which is the date that an asset is delivered to or by the group. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

##### Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVPL, transaction costs are added to, or subtracted from, this amount.

##### Measurement categories of financial assets and liabilities

##### Financial assets

The group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms and they are measured at either fair value through other comprehensive income (FVOCI), fair value through profit or loss (FVPL) or amortised cost.

#### (i) Fair value through other comprehensive income (FVOCI)

The group has a number of strategic investments in listed entities which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the group has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the group considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

The group's financial assets measured at FVOCI are some equity securities in the statement of financial position.



# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

#### (k) Financial Instruments: Financial Assets and Liabilities (cont'd)

##### Measurement categories of financial assets and liabilities (cont'd)

##### Financial assets (cont'd)

##### (ii) Fair value through profit or loss (FVPL)

This category comprises financial instruments which are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income in the “financial instruments - FVPL” line. The group has debt securities and equity instruments held for trading for which it has voluntarily classified these financial assets as being at fair value through profit or loss.

The group's financial assets measured at FVPL are all other equity securities not measured at FVOCI and other debt securities not measured at amortised cost in the statement of financial position.

##### (ii) Amortised cost

These assets arise principally from the provision of goods and services to customers (eg. trade receivables), but also incorporate other types of financial assets 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). They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The group's financial assets measured at amortised cost comprise cash resources, some investment securities for which the objective is to hold these investment securities in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest, reverse repurchase agreements, promissory notes, other receivables, interest receivable and amounts due from related companies in the statement of financial position.

##### Financial liabilities

The group's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. At the reporting date, the following items were classified as financial liabilities: bank overdraft, securities sold under repurchase agreements, interest payable, accounts payable, debt security in issue and amount due to related company.



# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

#### (l) Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated on the straight-line basis at annual rates estimated to write off the cost of the assets over their expected useful lives as follows:

Furniture, fixtures and fittings	10 years
Office equipment	5 years
Computer equipment	5 years
Motor vehicles	3 years
Leasehold improvements	30 years

Depreciation methods, useful lives and carrying values are reassessed at the reporting date.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains or losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining profit or loss.

#### (m) Other assets

This represents foreclosed assets which are classified as held-for-sale and are initially measured at fair value less cost to sell. Subsequent gains or losses on re-measurement are recognised in profit or loss. The company conducts an assessment of the fair value based on independent appraisal of the properties at least once every three years.

#### (n) Investments in subsidiaries

Investments by the company in its subsidiaries are stated at cost less impairment loss.



# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

#### (o) Borrowings

Borrowings including those arising under securitization arrangements are recognized initially at cost, being their issue proceeds, net of transaction costs incurred. Subsequently, borrowings are stated at amortised cost and any difference between net proceeds and the redemption value is recognized in the statement of income over the period of the borrowings using the effective yield method.

#### (p) Share capital

Ordinary shares are classified as equity when there is no obligation to transfer cash or other assets.

Preference share capital is classified as equity except where it is redeemable on a specific or determinable date or at the option of the shareholders and/or if dividend payments are not discretionary, in which case it is classified as a liability. Dividend payments on preference shares classified as a liability are recognized in the statement of income as interest expense.

#### (q) Employee benefits

##### (i) Pension scheme costs:

The company operates a defined contribution pension scheme (note 36), the assets of which are held in a separate trustee administered fund. Contributions to the scheme are fixed and are made on the basis provided for in the rules. Contributions are charged to the statement of income when due. The group has no legal or constructive obligation beyond paying these contributions.

##### (ii) Profit-sharing and bonus plan:

The company recognizes a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the company's stockholders after certain adjustments. The company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

##### (iii) Other employee benefits:

Employee entitlement to annual leave and other benefits are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave and other benefits as a result of services rendered by employees up to the end of the reporting period.







# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

#### (r) Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability for all leases with a term greater than 12 months.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes amounts expected to be payable under any residual value guarantee, the exercise price of any purchase option granted in favour of the company if it is reasonably certain to assess that option, any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for lease payments made at or before commencement of the lease, initial direct costs incurred and the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset, whichever is shorter.

When the company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining lease term.



# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

#### (s) Taxation

Taxation expense in the statement of income comprises current and deferred tax charges.

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

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. Currently enacted tax rates are used in the determination of deferred income tax. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset will be realized or the liability will be settled based on enacted rates.

Current and deferred tax assets and liabilities are offset when they arise from the same taxable entity and relate to the same Tax Authority and when the legal right of offset exists. Deferred tax is charged or credited in the statement of income except where it relates to items charged or credited to equity, in which case deferred tax is also accounted for in equity. The principal temporary differences arise from depreciation of property, plant and equipment, revaluation of certain financial assets and tax losses carried forward.

#### (t) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

#### (u) Cash and cash equivalents

Cash and cash equivalents include cash on hand, unrestricted balances held with Bank of Jamaica and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with original maturities of less than three months from the date of acquisition, including cash resources and bank overdraft.



# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

#### (v) Funds under management

The company accepts funds from individuals and institutions to manage with complete discretion and without reference to the account holders, in accordance with the relevant guidelines issued by the Financial Services Commission, taking into account the investment objective and risk profile of the account holder. The company also acts in other fiduciary capacities that result in holding or placing of assets on behalf of individuals and institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the company.

#### (w) Dividends

Dividends are recognized when they become legally payable. In the case of interim dividends to equity shareholders, this is payable when declared by the directors. In the case of final dividends, this is payable when approved by shareholders at the Annual General Meeting.

#### (x) Segment reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available.

Based on the information presented to and reviewed by the CODM, the entire operations of the group are considered as one operating segment.

### 3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES:

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the related actual results. Estimates and judgements 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.

#### (i) Impairment losses on loans and receivables:

The company reviews its loan portfolio to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in the statement of income, the company makes judgement as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from the loans resulting from adverse change in the payment status of the borrower or national and economic conditions that correlate with defaults on loans in the company. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):

#### (ii) Income taxes:

Estimates and judgements are required in determining the provision for income taxes. The tax liability or asset arising from certain transactions or events may be uncertain during the ordinary course of business. In cases of such uncertainty, the group recognises liabilities for possible additional taxes based on its judgement. Where, on the basis of subsequent determination, the final tax outcome in relation to such matters is different from the amount that was initially recognised, the difference will impact the current and deferred income tax provisions in the period in which such determination is made.

#### (iii) Fair value of financial assets:

The management uses its judgment in selecting appropriate valuation techniques to determine fair values of financial assets adopting valuation techniques commonly used by market practitioners supported by appropriate assumptions (note 35).

### 4. NET INTEREST INCOME:

	<u>The Group</u>		<u>The Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>Interest income</b>				
Investment securities	188,806	581,773	208,361	375,480
Loans and advances	<u>491,126</u>	<u>209,015</u>	<u>490,875</u>	<u>428,400</u>
	<u>679,932</u>	<u>790,788</u>	<u>699,236</u>	<u>803,880</u>
<b>Interest expense</b>				
Finance charges	39,565	60,250	39,565	60,257
Repurchase agreements	81,914	298,662	81,914	138,982
Corporate papers and notes	173,239	225,190	173,239	225,190
Other	<u>190,272</u>	<u>37,081</u>	<u>30,335</u>	<u>55,003</u>
	<u>484,990</u>	<u>621,183</u>	<u>325,053</u>	<u>479,432</u>
	<u>194,942</u>	<u>169,605</u>	<u>374,183</u>	<u>324,448</u>



# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 5. CONSULTING FEES AND COMMISSIONS:

	<u>The Group</u>		<u>The Company</u>	
	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
Brokerage fees and commissions	214,086	516,146	214,086	516,146
Structured financing fees	43,522	99,540	43,522	99,540
Portfolio management	<u>93,051</u>	<u>119,367</u>	<u>93,051</u>	<u>119,367</u>
	<u>350,659</u>	<u>735,053</u>	<u>350,659</u>	<u>735,053</u>

### 6. DIVIDEND INCOME:

	<u>The Group</u>		<u>The Company</u>	
	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
Investment securities fair valued through profit or loss	2,821	12,956	118	9,800
Investment securities classified through other comprehensive income	<u>335,761</u>	<u>367,101</u>	<u>69,984</u>	<u>269,129</u>
	<u>338,582</u>	<u>380,057</u>	<u>70,102</u>	<u>278,929</u>

### 7. NET TRADING GAINS/(LOSSES):

	<u>The Group</u>		<u>The Company</u>	
	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
Equities - trading securities	59,793	105,084	( 2,548)	( 34,689)
Fixed income - trading securities	<u>109,325</u>	<u>( 39,269)</u>	<u>109,325</u>	<u>( 39,269)</u>
	<u>169,118</u>	<u>65,815</u>	<u>106,777</u>	<u>( 73,958)</u>



# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 8. SALARIES, STATUTORY CONTRIBUTIONS AND STAFF COSTS:

	<u>The Group</u>		<u>The Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Wages and salaries	558,114	532,686	558,114	532,686
Profit share and bonus	-	18,429	-	18,429
Statutory contributions	52,996	52,574	52,996	52,574
Pension contributions	12,878	15,440	12,878	15,440
Training and development	19,755	27,734	19,755	27,734
Staff welfare	<u>8,392</u>	<u>13,951</u>	<u>8,392</u>	<u>13,951</u>
	<u>652,135</u>	<u>660,814</u>	<u>652,135</u>	<u>660,814</u>

The number of employees at year end was 114 (2019 - 139).



# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 9. EXPENSES BY NATURE:

	<u>The Group</u>		<u>The Company</u>	
	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
Sales, marketing and public relations	78,149	86,234	76,352	84,596
Auditors' remuneration	12,471	11,003	8,400	8,440
Computer expenses	63,657	34,126	63,657	34,126
Depreciation	29,408	26,917	29,408	26,917
Amortization - right of use assets	18,758	17,206	18,758	17,206
Provision for credit losses	( 82,557)	48,249	( 82,557)	48,249
Insurance	13,814	11,277	13,814	11,277
Licensing fees	117,481	94,736	78,254	79,813
Lease rentals	9,636	11,499	9,636	11,499
Other operating expenses	133,442	113,951	111,204	96,080
Printing, stationery and office supplies	6,515	13,782	6,515	13,782
Legal and professional fees	216,256	135,133	191,984	132,220
Repairs and maintenance	9,786	12,037	9,786	12,037
Investment, incentive and management fee	68,529	478,328	-	-
Salaries, statutory contributions and staff costs (note 8)	652,135	660,814	652,135	660,814
Security	13,882	20,835	13,882	20,835
Travelling and motor vehicles expenses	17,158	36,943	17,158	34,248
Assets tax	37,221	37,393	37,221	37,393
Utilities	48,188	44,447	48,188	44,447
	<u>1,463,929</u>	<u>1,894,910</u>	<u>1,303,795</u>	<u>1,373,979</u>

### 10. TAXATION:

(a) Taxation is based on the operating results for the year, adjusted for taxation purposes, and is made up as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
Current year income tax at 33 1/3%	-	-	-	-
Current year income tax at 1%	-	8,452	-	-
Under provision of prior year tax	( 426)	-	-	-
Deferred tax charge (note 24)	(81,654)	( 7,193)	(56,035)	(5,577)
Taxation (credit)/charge	<u>(82,080)</u>	<u>1,259</u>	<u>(56,035)</u>	<u>(5,577)</u>

# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 10. TAXATION (CONT'D):

- (b) Reconciliation of theoretical tax charge that would arise on (loss)/profit before taxation using applicable tax rate to actual tax charge.

	<u>The Group</u>		<u>The Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
(Loss)/Profit before taxation	(780,843)	647,123	443,573	266,332
Tax calculated at a tax rate 33 1/3%	(260,281)	215,706	147,857	88,776
Adjustments for the effects of:				
Under provision of prior year	( 426)	-	-	
Expenses not deductible for tax	13,119	14,818	13,030	14,776
Income not subject to tax	(205,147)	( 92,500)	(178,691)	(88,881)
Loss/(income) from subsidiary taxed at 1%	399,477	(139,490)	( 23,228)	-
Net effect of other charges and allowances	( 28,822)	2,725	( 15,003)	(20,248)
Taxation (credit)/charge	( 82,080)	1,259	( 56,035)	( 5,577)

- (c) Subject to agreement with Tax Administration Jamaica, the company has tax losses of approximately \$961 million (2019 - \$793 million) available for set-off against future taxable profits. The group's subsidiaries have no tax losses (2019 - NIL) available for set-off against future taxable profits.

### 11. NET (LOSS)/PROFIT:

	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>
Dealt with in the financial statements of:		
The company	499,608	271,909
Subsidiaries	(1,146,130)	634,768
	( 646,522)	906,677
Less: Dividends paid by subsidiaries to the parent company	( 52,241)	(260,813)
	( 698,763)	645,864
Attributable to:		
Stockholders of the parent	( 352,909)	709,584
Non-controlling interest	( 345,854)	( 63,720)
	( 698,763)	645,864





# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

### 12. FINANCIAL RATIOS:

#### (a) Earnings per stock unit:

Basic earnings-per-stock unit is calculated by dividing the net (loss)/profit attributable to stockholders of the parent by the weighted average number of ordinary stock units in issue during the year.

	<u>2020</u>	<u>2019</u>
Net (loss)/profit attributable to stockholders of the parent (\$'000)	( 352,909)	709,584
Number of ordinary stock units in issue ('000)	1,201,149	1,201,149
Basic earnings per stock unit	( \$0.29)	\$0.59
Fully diluted earnings per stock unit	<u>( \$0.29)</u>	<u>\$0.59</u>

#### (b) Comprehensive income per stock unit:

Comprehensive income per stock unit is calculated by dividing the comprehensive income attributable to stockholders of the parent by the weighted average number of ordinary stock units in issue during the year.

	<u>2020</u>	<u>2019</u>
Comprehensive income attributable to stockholders of the parent (\$'000)	(3,398,080)	4,733,691
Number of ordinary stock units in issue ('000)	1,201,149	1,201,149
Comprehensive income per stock unit	<u>( \$2.83)</u>	<u>\$3.94</u>

#### (c) Net book value per stock unit:

Net book value per stock unit is calculated by dividing the stockholders equity attributable to the owners of the parent by the weighted average number of ordinary stock units in issue during the year.

	<u>2020</u>	<u>2019</u>
Stockholders equity attributable to stockholders of the parent (\$'000)	11,606,892	15,448,071
Number of ordinary stock units in issue ('000)	1,201,149	1,201,149
Net book value per stock unit	<u>\$9.66</u>	<u>\$12.86</u>

#### (d) Market value of ordinary stock units:

Market value of ordinary stock units is calculated by multiplying the closing bid price per stock unit as quoted on the Jamaica Stock Exchange by the weighted average number of ordinary stock units in issue during the year.

	<u>2020</u>	<u>2019</u>
Closing bid price per stock unit as at 31 December	\$6.00	\$8.31
Number of ordinary stock units in issue ('000)	1,201,149	1,201,149
Market value of ordinary stock units (\$'000)	<u>7,206,894</u>	<u>9,981,548</u>

# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 13. CASH RESOURCES:

	<u>The Group</u>		<u>The Company</u>	
	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
Current accounts - Jamaican dollar	156,247	355,331	110,060	317,560
Current accounts - Foreign currencies	1,476,378	1,239,302	1,191,686	741,311
Jamaican dollar deposits	1,488	1,488	1,488	1,488
Cash in hand	<u>87</u>	<u>768</u>	<u>87</u>	<u>768</u>
	<u>1,634,200</u>	<u>1,596,889</u>	<u>1,303,321</u>	<u>1,061,127</u>

For the purposes of cash flow statement, cash and cash equivalents comprise the following:

	<u>The Group</u>		<u>The Company</u>	
	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
Cash resources	1,634,200	1,596,889	1,303,321	1,061,127
Bank overdraft	( 255,976)	( 329,875)	( 255,976)	( 329,875)
	<u>1,378,224</u>	<u>1,267,014</u>	<u>1,047,345</u>	<u>731,252</u>

The bank overdraft resulted from un-presented cheques at year-end. The National Commercial Bank Jamaica Limited (NCB) holds as security, Bank of Jamaica Indexed Note with a nominal value of US\$100,000 and GOJ Marketable Securities (2019: US\$219,000 Government of Jamaica Global Bonds), to cover its overdraft facility of J\$300,000,000. NCB also holds as security Government of Jamaica Bond with a nominal value of J\$3,800,000 or lien over idle cash balances (2019: J\$6,000,000) to cover 10% of the un-cleared effects limit of J\$60,000,000 i.e. J\$6,000,000.

A revolving credit line facility of J\$575,000,000 was granted during the year, by Sagicor Bank Jamaica Limited to assist with the working capital purpose of the company. This overdraft facility is unsecured at a current effective interest rate of 8.25% per annum. The facility is reviewed on an annual basis.

### 14. INVESTMENT SECURITIES:

	<u>The Group</u>		<u>The Company</u>	
	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
Fair value through profit or loss				
Debt securities				
- Government of Jamaica	17,865	15,529	17,865	15,529
- Foreign governments	202,522	188,895	202,522	188,895
- Corporate	2,459,897	3,495,733	2,459,897	3,495,733
Equities	<u>2,885,909</u>	<u>4,179,436</u>	<u>37,626</u>	<u>75,553</u>
	<u>5,566,193</u>	<u>7,879,593</u>	<u>2,717,910</u>	<u>3,775,710</u>



# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 14. INVESTMENT SECURITIES (CONT'D):

	<u>The Group</u>		<u>The Company</u>	
	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
Financial instruments at amortised cost				
Debt securities				
- Government of Jamaica	450,901	167,020	450,901	167,020
- Foreign governments	395	183	395	183
- Corporate	<u>383,711</u>	<u>525,073</u>	<u>383,711</u>	<u>525,333</u>
	<u>835,007</u>	<u>692,276</u>	<u>835,007</u>	<u>692,536</u>
Equity securities at fair value through other comprehensive income	<u>12,832,115</u>	<u>17,099,549</u>	<u>819,679</u>	<u>1,147,787</u>
	<u>19,233,315</u>	<u>25,671,418</u>	<u>4,372,596</u>	<u>5,616,033</u>
Less: provision for impairment	<u>( 19,749)</u>	<u>( 54,542)</u>	<u>( 19,749)</u>	<u>( 54,542)</u>
Total	<u>19,213,566</u>	<u>25,616,876</u>	<u>4,352,847</u>	<u>5,561,491</u>

The Government and Corporate bonds are used as collateral for the Group's demand loans received from, Oppenheimer and Co. Inc., Raymond James and Morgan Stanley (note 23).

On 3 October 2018, the group entered into an irrevocable call option agreement to sell 1,000,000 units of its Supreme Ventures Limited shares to an agreed party at a strike price of \$16 on or before October 2020. As at 4 October 2020, the call option expired without being exercised.

### 15. REVERSE REPURCHASE AGREEMENTS:

The company enters into collateralised repurchase and reverse repurchase agreements which may result in credit exposure in the event that the counterparty to the transaction is unable to fulfil its contractual obligations. At 31 December 2020 the company held J\$2,526,121,000 (2019: J\$3,483,713,000) of securities, representing Government of Jamaica debt securities, as collateral for repurchase and reverse repurchase agreements.

# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 16. PROMISSORY NOTES:

	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
Gross loans	4,280,047	2,165,978
Specific allowance for impairment	( 270,543)	( 353,100)
	<u>4,009,504</u>	<u>1,812,878</u>

This represents Jamaican and United States dollar promissory notes from customers. These are hypothecated against balances held for the customers, registered mortgages and other properties.

The movement in the allowance for impairment determined under the requirements of IFRS is as follows:

	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
Balance at beginning of year	353,100	338,290
Net (decrease)/increase in provision	( 82,557)	<u>14,810</u>
	<u>270,543</u>	<u>353,100</u>

### 17. DUE FROM/TO SUBSIDIARIES:

This represents amounts due for transactions done on behalf of its subsidiaries.

	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
Due from -		
Mayberry Jamaican Equities Limited	16,106	-
Widebase Ltd.	<u>472,035</u>	<u>448,848</u>
	<u>488,141</u>	<u>448,848</u>
Due to -		
Mayberry Jamaican Equities Limited	<u>-</u>	<u>211,263</u>





# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 18. LOANS AND OTHER RECEIVABLES:

	<u>The Group</u>		<u>The Company</u>	
	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
Client margins	1,936,578	2,031,680	1,936,578	2,031,680
Withholding tax recoverable	225,341	230,147	225,341	230,147
Other receivables	<u>1,056,561</u>	<u>968,805</u>	<u>1,023,066</u>	<u>949,523</u>
	<u>3,218,480</u>	<u>3,230,632</u>	<u>3,184,985</u>	<u>3,211,350</u>

Client margins are secured against their equity portfolios held at the Jamaica Central Securities Depository.

# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

### 19. PROPERTY, PLANT AND EQUIPMENT:

	Leasehold Improvements \$'000	Computer Equipment \$'000	Office Equipment \$'000	Furniture, Fixtures & Fittings \$'000	Motor Vehicles \$'000	Total \$'000
<b>Cost -</b>						
At 1 January 2019	78,931	197,569	26,590	62,296	18,984	384,370
Adjustments	-	-	-	-	( 8,582)	( 8,582)
Additions	966	36,283	3,517	1,053	17,842	59,661
At 31 December 2019	79,897	233,852	30,107	63,349	28,244	435,449
Additions	-	3,069	3,064	200	-	6,333
Adjustments	( 61)	-	-	-	-	( 61)
At 31 December 2020	79,836	236,921	33,171	63,549	28,244	441,721
<b>Accumulated Depreciation -</b>						
At 1 January 2019	24,138	153,923	24,816	49,998	18,874	271,749
Adjustment	-	-	-	-	( 8,582)	( 8,582)
Charge for the year	1,608	19,632	877	2,582	2,218	26,917
At 31 December 2019	25,746	173,555	25,693	52,580	12,510	290,084
Charge for the year	1,760	19,871	1,493	2,715	3,569	29,408
At 31 December 2020	27,506	193,426	27,186	55,295	16,079	319,492
<b>Net Book Value -</b>						
31 December 2020	52,330	43,495	5,985	8,254	12,165	122,229
31 December 2019	54,151	60,297	4,414	10,769	15,734	145,365



# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

### 20. LEASES:

#### (a) Right of use assets:

	<u>Land &amp; Building \$'000</u>	<u>Motor Vehicles \$'000</u>	<u>Total \$'000</u>
Adoption of IFRS 16	108,917	41,748	150,665
Disposals	<u>( 6,415)</u>	<u>( 10,791)</u>	<u>( 17,206)</u>
As at December 2019	102,502	30,957	133,459
Amortization	<u>( 6,415)</u>	<u>( 12,343)</u>	<u>( 18,758)</u>
At 31 December 2020	<u>96,087</u>	<u>18,614</u>	<u>114,701</u>

#### (b) Lease liabilities:

	<u>Land &amp; Building \$'000</u>	<u>Motor Vehicles \$'000</u>	<u>Total \$'000</u>
Adoption of IFRS 16	108,917	41,748	150,665
Interest expense	7,486	3,490	10,976
Lease payments	<u>( 10,005)</u>	<u>(11,400)</u>	<u>( 21,405)</u>
As at 31 December 2019	106,398	33,838	140,236
Interest expense	7,304	3,296	10,600
Lease payments	<u>( 7,800)</u>	<u>(14,457)</u>	<u>( 22,257)</u>
At 31 December 2020	<u>105,902</u>	<u>22,677</u>	<u>128,579</u>

### 21. INVESTMENT IN SUBSIDIARIES:

	<u>2020 \$'000</u>	<u>2019 \$'000</u>
Balance at beginning of the year	1,086,002	1,101,801
3% disposal through trade over the Jamaica Stock Exchange	-	( 52,825)
1% buy back through trade over the Jamaica Stock Exchange	-	37,026
5% disposal through trade over the Jamaica Stock Exchange	<u>( 61,115)</u>	-
1% buy back through trade over the Jamaica Stock Exchange	<u>184,234</u>	<u>-</u>
	<u>1,209,121</u>	<u>1,086,002</u>

During 2018, the company disposed of 20% of its ownership in its subsidiary, Mayberry Jamaican Equities Limited, through a 10% dividend in specie to its shareholders and a 10% public offering of its shareholdings in MJEL. A further 5% was transferred to a related party which is to be placed in the company's Share Incentive Plan. The company disposal of 5% (2019 - 3%) through trade over the Jamaica Stock Exchange and 1% (2019 - 1%) buy back through trade over the Jamaica Stock Exchange.



# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

### 22. OTHER ASSETS:

This represents the foreclosure on certain loans which have been outstanding in the company's loan portfolio for a protracted period, after exhausting other legal remedies. This amount represents the fair value of the properties, less cost to sell. The company assesses the fair value of the properties based on independent appraisal and expected realisable value.

	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
Balance at beginning of the year	743,142	742,977
Unrealised gain on revaluation	<u>536,149</u>	<u>165</u>
	<u>1,279,291</u>	<u>743,142</u>

Some of these properties are used as collateral for the company's corporate paper (note 23).

### 23. LOANS:

	<u>The Group</u>		<u>The Company</u>	
	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
Demand loans -				
Oppenheimer & Co. Inc.	552,627	197,371	552,627	197,371
Morgan Stanley	456,322	629,100	456,322	629,100
Raymond James	799,397	666,650	799,397	666,650
Term loans -				
Corporate paper (unsecured)	2,725,000	2,725,000	2,725,000	2,725,000
Corporate paper (secured)	740,976	779,263	740,976	779,263
Corporate bond	<u>2,190,163</u>	<u>2,186,586</u>	-	-
	<u>7,464,485</u>	<u>7,183,970</u>	<u>5,274,322</u>	<u>4,997,384</u>

The demand loans attract interest at 2.25% (2019 - 2.75%) per annum - Oppenheimer & Co. Inc., 1.735% (2019 - 2.513%) per annum - Morgan Stanley and 2.667% (2019 - 2.667%) per annum - Raymond James. The collaterals for the demand loans are investment securities which were purchased with the proceeds of the loans received from Morgan Stanley, Oppenheimer & Co. Inc. and Raymond James (note 14).

The Unsecured Corporate Paper attracts interest at 6.5% per annum (2019 - 6.5%). The Secured Corporate Paper is backed by real estate and attracts a weighted average rate of interest at 7.5% per annum (2019 - 7.21%).

On 24 September 2018 the company's subsidiary, Mayberry Jamaican Equities Limited, completed a secured corporate bond issue amounting to \$2.2 billion. The above amount is shown net of transaction costs which are being amortised over the life of the bond. The bond matures in 2023 and is at a fixed interest rate of 7.25% per annum which is paid quarterly. The bond was arranged by Sagicor Investments Jamaica Limited and is registered with JCS Trustee Services Limited.





# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 23. LOANS (CONT'D):

The bond is secured by some of the group's quoted equity investments in various entities that are being traded on the Jamaica Stock Exchange. These shares are required to have a fair value coverage of 1.75 times the principal amount and a maintenance margin of 1.5 times. At the reporting date the company's quoted equities used as security were valued at \$9,708,390,000 (2019 - \$14,366,318,000) with a coverage of 4.41 times (2019 - 6.07) the loan balance.

### 24. DEFERRED TAXATION:

Deferred income taxes are calculated on all temporary differences under the liability method using a tax rate of 33 1/3% for the company and 1% for its subsidiaries. The movement in the net deferred income tax balance is as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Net balance at beginning of year	(304,511)	4,676	(212,702)	66,974
Deferred tax credit in profit or loss (note 10)	81,654	7,193	56,035	5,577
Deferred tax charge on investment securities in other comprehensive income	<u>137,126</u>	<u>(316,380)</u>	<u>88,521</u>	<u>(285,253)</u>
Net balance at end of year	<u>( 85,731)</u>	<u>(304,511)</u>	<u>( 68,146)</u>	<u>(212,702)</u>

Deferred income taxation is due to the following items:

	<u>The Group</u>		<u>The Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Deferred income tax assets:				
Interest payable	71,619	69,222	71,619	69,222
Property, plant and equipment	2,398	1,343	2,398	1,343
Provisions	30,384	13,993	30,384	13,993
Tax losses carried forward	<u>333,842</u>	<u>264,325</u>	<u>315,660</u>	<u>264,325</u>
	<u>438,243</u>	<u>348,883</u>	<u>420,061</u>	<u>348,883</u>
Deferred income tax liabilities:				
Property, plant and equipment	11,899	21,728	11,899	21,728
Investment securities				
- Trading	8,441	36,602	20,513	36,077
- Other comprehensive income	426,962	558,928	379,123	467,644
Unrealised foreign exchange gain	63,840	2,582	63,840	2,582
Interest receivable	<u>12,832</u>	<u>33,554</u>	<u>12,832</u>	<u>33,554</u>
	<u>523,974</u>	<u>653,394</u>	<u>488,207</u>	<u>561,585</u>
Net balance at year end	<u>( 85,731)</u>	<u>(304,511)</u>	<u>( 68,146)</u>	<u>(212,702)</u>
Deferred tax liability	<u>( 85,731)</u>	<u>(304,511)</u>	<u>( 68,146)</u>	<u>(212,702)</u>

Deferred income taxes are recognized for tax losses carried forward only to the extent that realization of the related tax benefit is probable (note 10).

# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 25. ACCOUNTS PAYABLE:

	<u>The Group</u>		<u>The Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Accounts payable	330,479	849,858	290,293	442,506
Client payables	<u>4,726,999</u>	<u>3,448,819</u>	<u>4,726,999</u>	<u>3,448,818</u>
	<u>5,057,478</u>	<u>4,298,677</u>	<u>5,017,292</u>	<u>3,891,324</u>

Included in client payables are debit balances totalling \$2,608 million (2019 - \$5,208 million).

### 26. SHARE CAPITAL:

	<u>The Group</u>		<u>The Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Authorized - 2,120,000,000 Ordinary Shares				
- 380,000,000 Redeemable Cumulative Preference Shares				
- 1 special rights preference share				
Issued and fully paid -				
1,201,149,291 ordinary shares	<u>1,582,381</u>	<u>1,582,381</u>	<u>1,582,381</u>	<u>1,582,381</u>

During 2018, the company divested itself of 25% of its holdings in the subsidiary, Mayberry Jamaican Equities Limited. As part of the divestment arrangement, the company received a Special Preference Share in the subsidiary which gave it special rights as set out in section 10A of the amended Articles of Association of that subsidiary. The company divested an additional 3% of its holdings in 2019. During 2020 an additional 4% was also divested.

### 27. FAIR VALUE RESERVES:

This represents net unrealised gains on the revaluation of equity securities. The fair value through other comprehensive income securities are based on short term fluctuations in market prices.

### 28. OTHER RESERVES:

	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>
Capital redemption reserve fund	51,343	51,343
Stock option reserve	<u>26,596</u>	<u>26,596</u>
	<u>77,939</u>	<u>77,939</u>



# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 29. RETAINED EARNINGS:

	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
Reflected in the financial statements of:		
The Company	1,697,693	1,008,998
Subsidiaries	<u>4,313,028</u>	<u>5,363,034</u>
	<u>6,010,721</u>	<u>6,372,032</u>

### 30. INTANGIBLE ASSET:

	<u>The Group</u> <u>\$'000</u>
At Cost -	
1 January 2019	34,744
Additions	<u>27,597</u>
At 31 December 2019 and 31 December 2020	<u>62,341</u>
Amortisation -	
1 January 2019	-
Charge for the year	<u>4,238</u>
31 December 2019	4,238
Charge for the year	<u>4,159</u>
31 December 2020	<u>8,397</u>
Net book value -	
31 December 2020	<u>53,944</u>
31 December 2019	<u>58,103</u>

This represents software development which was completed at the reporting date.

# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

### 31. RELATED PARTY TRANSACTIONS AND BALANCES:

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions.

The following are the balances and transactions carried out with related parties:

	<u>The Group</u>		<u>The Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>Loans and other receivables:</b>				
Subsidiaries (note 17)	-	-	488,141	448,848
Companies controlled by directors	-	334,545	-	334,545
Directors and key management personnel	<u>-</u>	<u>208,948</u>	<u>-</u>	<u>208,948</u>
<b>Due to related company:</b>				
Mayberry Jamaican Equities Limited (note 17)	-	-	-	211,263
Mayberry Asset Managers Limited	<u>256,996</u>	<u>454,125</u>	<u>-</u>	<u>-</u>
<b>Payables:</b>				
Companies controlled by directors	7,022	605,790	-	72,882
Directors and key management personnel	<u>3,622</u>	<u>23,369</u>	<u>-</u>	<u>23,269</u>
<b>Key Management Compensation:</b>				
Key management include directors (executive and non-executive) and Senior Vice Presidents				
Directors emoluments:-				
Fees	26,763	24,881	26,763	24,881
Executive directors remuneration	90,108	84,045	90,108	84,045
Other key management personnel	<u>75,216</u>	<u>79,270</u>	<u>75,216</u>	<u>79,270</u>
<b>Other operating expenses:</b>				
Companies controlled by directors	<u>192,817</u>	<u>540,708</u>	<u>192,817</u>	<u>7,800</u>





# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 31. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D):

On 15 February 2017, the company's subsidiary, Mayberry Jamaican Equities Limited, entered into an agreement with Mayberry Asset Managers Limited, a company incorporated in St. Lucia that is controlled by Christopher Berry and K. Mark Berry. The said agreement ratifies and confirms a course of conduct that had been entered into by Mayberry West Indies Limited whereby the principals of Mayberry Asset Managers Limited had previously performed investment management services. The new agreement provides for the following fees to be paid to Mayberry Asset Managers Limited as compensation for the services rendered, and expenses borne by it, calculated as follows:

- (i) A management fee calculated as 0.50% of the net asset value; and
- (ii) An incentive fee calculated as 8.00% of the increase in the comprehensive income.

The Management Fee is accrued quarterly in arrears. The amount charged for the year was \$34,621,000 (2019 - \$94,865,000).

The Incentive Fee is calculated on the last day of each calendar year with reference to the comprehensive income earned for the calendar year in question. There was no incentive fee charged for 2020 (2019 - \$383,643,000).

### 32. DIVIDENDS:

	<u>The Group</u>	
	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>
Final dividend to ordinary shareholders - 12.5 cents per share (2019 - 23 cents per share)	150,144	300,287
Payment to minority shareholders	<u>19,827</u>	<u>19,519</u>
	<u>169,971</u>	<u>319,806</u>

A dividend of \$0.125 was approved and paid in July 2020 to those shareholders on record as at 22 May 2020.

# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 33. NON-CONTROLLING INTEREST:

The table below shows the summarised financial information for Mayberry Jamaican Equities Limited that has non-controlling interest:

	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
<b>Statement of financial position</b>		
Total assets	14,147,427	19,765,653
Total liabilities	<u>(2,267,106)</u>	<u>(2,691,806)</u>
Net assets	<u>11,880,321</u>	<u>17,073,847</u>
Attributable to non-controlling interest	<u>3,801,703</u>	<u>4,780,677</u>
<b>Statement of comprehensive income</b>		
Revenue	<u>(1,015,049)</u>	<u>509,478</u>
Loss for the period	<u>(1,144,501)</u>	<u>(193,214)</u>
Other comprehensive income	<u>(4,093,220)</u>	<u>4,599,247</u>
Total comprehensive income	<u>(5,237,721)</u>	<u>4,406,033</u>
Loss allocated to non-controlling interest	<u>(345,854)</u>	<u>(63,720)</u>
Other comprehensive income allocated to non-controlling interest	<u>(1,238,540)</u>	<u>1,145,731</u>
Attributable to non-controlling interest	<u>(1,584,394)</u>	<u>1,082,011</u>

### 34. FINANCIAL RISK MANAGEMENT:

#### Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the group's risk management framework. The Board has established the Assets and Liabilities Committee (ALCO) which is responsible for developing and monitoring the group's risk management policies in their specified areas.

ALCO places trading limits on the level of exposure that can be taken and monitors risks and adherence to limits. The group, through its training and management standards and procedures, aims to develop disciplined and constructive control environment, in which all employees understand their roles and obligations. This is supplemented by the Compliance Committee which was established in 2019, to specifically monitor regulatory measures.

The Audit Committee is responsible for monitoring compliance with the group's risk management policies and procedures and for reviewing the adequacy of the risk management framework in relation to the risks faced by the group. The Audit Committee is assisted in these functions by both the Compliance Unit and Internal Audit. The Compliance Unit and Internal Audit undertake both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors and the Audit Committee, respectively.





# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 34. FINANCIAL RISK MANAGEMENT (CONT'D):

#### Risk Management Framework (cont'd)

By its nature, the group's activities are principally related to the use of financial instruments. The company accepts funds from customers at both fixed and floating rates and for various periods and seeks to earn above average interest margins by investing these funds in high quality assets. The company seeks to increase these margins by consolidating short-term funds and lending for longer periods at higher rates while maintaining sufficient liquidity to meet all claims that might fall due.

The company also seeks to raise its interest margins by obtaining above average margins, net of provisions, through lending to commercial and retail borrowers with a range of credit standing.

The group also trades in financial instruments where it takes positions to take advantage of short-term market movements in equity and bond prices and in foreign exchange and interest rates.

#### (a) Liquidity risk

The company is exposed to daily calls on its available cash resources from maturing repurchase agreements and loan draw downs. The company does not maintain cash resources to meet all of these needs as experience shows that a minimum level of re-investment of maturing funds can be predicted with a high level of certainty. The company's treasury and securities department seeks to have available a minimum proportion of maturing funds to meet such calls. The company's policy is to hold a high proportion of liquid assets to cover withdrawals at unexpected levels of demand. Daily reports cover the liquidity position of the company as well as any exceptions and remedial actions taken.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the company. It is unusual for the company ever to be completely matched since business transacted is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but can increase the risk of loss. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the company and exposure to changes in interest rates and exchange rates.

The key measure used by the company for managing liquidity risk is the ratio of liquid assets to securities sold under repurchase agreements and loans. For this purpose liquid assets are considered as including cash and cash equivalents, investment grade securities, excluding equities, for which there is an active and liquid market and loans and other receivables.



# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 34. FINANCIAL RISK MANAGEMENT (CONT'D):

#### Risk Management Framework (cont'd)

##### (a) Liquidity risk (cont'd)

The group's ratio of liquid assets to securities sold under repurchase agreements and loans at the reporting date and during the reporting period was as follows:

	<u>2020</u>	<u>2019</u>
At 31 December	2.23:1	1.22:1
Average for the period	1.78:1	1.36:1
Maximum for the period	2.34:1	1.86:1
Minimum for the period	<u>1.89:1</u>	<u>0.96:1</u>

The tables below present the undiscounted cash flows (both interest and principal cash flows) to settle financial liabilities, based on contractual repayment obligations. However, the group expects that many customers will not request repayment on the earliest date the group could be required to pay.





# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 34. FINANCIAL RISK MANAGEMENT (CONT'D):

#### (a) Liquidity risk (cont'd)

	Group					Total \$'000
	2020					
	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	
<b>Financial Liabilities</b>						
Bank overdraft	255,976	-	-	-	-	255,976
Securities sold under repurchase agreements	1,642,667	1,240,307	743,345	-	-	3,626,319
Interest payable	18,453	-	200,571	-	-	219,024
Loans	2,198,372	150,950	400,492	5,420,000	200,000	8,369,814
Other liabilities	5,248,237	-	-	-	-	5,248,237
<b>Total liabilities (contra- actual maturity dates)</b>	<b>9,363,705</b>	<b>1,391,257</b>	<b>1,344,408</b>	<b>5,420,000</b>	<b>200,000</b>	<b>17,719,370</b>

	Group					Total \$'000
	2019					
	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	
<b>Financial Liabilities</b>						
Bank overdraft	329,875	-	-	-	-	329,875
Securities sold under repurchase agreements	1,754,311	2,114,643	921,152	-	-	4,790,106
Interest payable	-	211,327	-	-	-	211,327
Loans	-	-	6,079,643	1,495,201	-	7,574,844
Other liabilities	4,608,378	-	-	-	-	4,608,378
<b>Total liabilities (contra- actual maturity dates)</b>	<b>6,692,564</b>	<b>2,325,970</b>	<b>7,000,795</b>	<b>1,495,201</b>	<b>-</b>	<b>17,514,530</b>

# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 34. FINANCIAL RISK MANAGEMENT (CONT'D):

#### (a) Liquidity risk (cont'd)

	Company					Total \$'000
	2020					
	Within 3 Months \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	
<b>Financial Liabilities</b>						
Bank overdraft	255,976	-	-	-	-	255,976
Securities sold under repurchase agreements	1,642,667	1,240,307	743,345	-	-	3,626,319
Interest payable	14,308	-	200,571	-	-	214,879
Loans	2,198,372	150,950	235,492	2,725,000	200,000	5,509,814
Other liabilities	5,214,017	-	-	-	-	5,214,017
<b>Total liabilities (contra- actual maturity dates)</b>	<b>9,325,340</b>	<b>1,391,257</b>	<b>1,179,408</b>	<b>2,725,000</b>	<b>200,000</b>	<b>14,821,005</b>

	Company					Total \$'000
	2019					
	Within 3 Months \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	
<b>Financial Liabilities</b>						
Bank overdraft	329,875	-	-	-	-	329,875
Securities sold under repurchase agreements	1,754,311	2,114,643	921,152	-	-	4,790,106
Interest payable	-	207,687	-	-	-	207,687
Loans	-	3,734,530	1,495,201	-	-	5,229,731
Other liabilities	4,104,029	-	-	-	-	4,104,029
<b>Total liabilities (contra- actual maturity dates)</b>	<b>6,188,215</b>	<b>6,056,860</b>	<b>2,416,353</b>	<b>-</b>	<b>-</b>	<b>14,661,428</b>





# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 34. FINANCIAL RISK MANAGEMENT (CONT'D):

#### (b) Market risk

Market 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 security, its issuer or factors affecting all securities traded in the market. The group manages this risk through extensive research and monitors the price movement of securities on the local and international markets. The group's portfolio is balanced with respect to the duration of the securities included in order to minimize exposure to volatility, based on projected market conditions.

#### Management of market risks

The group separates its exposure to market risk between trading and non-trading portfolios. The trading portfolios are held by the company and include positions arising from market making and proprietary position taking, together with financial assets and liabilities that are managed on a fair value basis. The group's foreign exchange positions relating to Foreign Currency Trading are treated as part of the group's trading portfolios for risk management purposes.

The group's market risk is monitored on a daily basis by its Compliance Unit, which is responsible for the development of risk management policies (subject to review and approval by ALCO) and for the daily review of their implementation.

#### Exposure to market risks

The principal tool used to measure and control market risk exposure is the Value at Risk (VaR). A portfolio VaR is the estimated loss that will arise on the portfolio over a specified period of time (holding period) from an adverse market movement with a specified probability (confidence level). The VaR model used by the group is based on a 95 percent confidence level and assumes a 10-day holding period. The VaR model used is based on historical simulation, taking account of market data from the previous three years, and observed relationships between different markets and prices. The model generates a wide range of plausible future scenarios for market price movements.

# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 34. FINANCIAL RISK MANAGEMENT (CONT'D):

#### (b) Market risk (cont'd)

##### Exposure to market risks (cont'd)

A summary of the VaR position of the Group's portfolios at 31 December 2020 and during the period is as follows:

	2020			
	31 December	Average	Maximum	Minimum
	\$'000	\$'000	\$'000	\$'000
Foreign Currency Risk	25,339	24,792	31,713	18,966
Interest Rate Risk				
Domestic securities - amortized cost	8,252	7,477	9,802	6,123
Global securities - amortized cost	1,246	1,247	1,654	838
Global securities - trading	2,733	3,073	3,252	2,121
Other Price Risk (Equities)				
Domestic securities - other comprehensive income	45,430	52,274	58,052	32,808
Domestic securities - trading	3,435	2,219	4,053	2,818
Global Securities - trading	<u>2,094</u>	<u>1,546</u>	<u>2,051</u>	<u>1,108</u>
	2019			
	31 December	Average	Maximum	Minimum
	\$'000	\$'000	\$'000	\$'000
Foreign Currency Risk	16,740	15,289	24,456	9,025
Interest Rate Risk				
Domestic securities - amortized cost	94,392	92,296	111,566	77,229
Global securities - amortized cost	46,028	42,894	54,600	37,457
Global securities - trading	73,731	69,408	80,600	60,312
Other Price Risk (Equities)				
Domestic securities - other comprehensive income	713,769	737,694	915,357	512,180
Domestic securities - trading	4,079	3,646	5,315	2,842
Global securities - trading	<u>1,626</u>	<u>572</u>	<u>1,733</u>	<u>1,354</u>

The following table summarizes the group's exposure to interest rate risk. Included in the table are the company's assets and liabilities at carrying amounts, categorized by the earlier of contractual repricing or maturity dates.



# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 34. FINANCIAL RISK MANAGEMENT (CONT'D):

#### (c) Interest rate risk

	Group						Total \$'000
	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non- Interest Bearing \$'000	
	<b>Assets</b>						
Cash resources	1,634,200	-	-	-	-	-	1,634,200
Investment securities at amortised cost	-	783	122	556,505	272,926	4,671	835,007
Investments Securities FOCI (1)	-	-	-	-	-	12,810,911	12,810,911
Investment securities FVPL (2)	-	1,572	241,214	1,524,727	910,826	2,889,309	5,567,648
Reverse repurchase agreements	1,025,265	998,482	502,374	-	-	-	2,526,121
Promissory notes	3,396,702	-	883,345	-	-	( 270,543)	4,009,504
Interest receivable	-	38,500	-	-	-	-	38,500
Loans and other receivables	3,218,480	-	-	-	-	-	3,218,480
Other	-	-	-	-	-	1,572,775	1,572,775
<b>Total assets</b>	<b>9,274,647</b>	<b>1,039,337</b>	<b>1,627,055</b>	<b>2,081,232</b>	<b>1,183,752</b>	<b>17,007,123</b>	<b>32,213,146</b>
<b>Liabilities</b>							
Bank overdraft	255,976	-	-	-	-	-	255,976
Securities sold under repurchase agreements	1,640,707	1,221,391	731,114	-	-	-	3,593,212
Interest payable	18,446	-	200,578	-	-	-	219,024
Loans	2,198,372	150,950	-	4,915,163	200,000	-	7,464,485
Other	4,350,599	-	-	-	-	921,255	5,271,854
<b>Total liabilities</b>	<b>8,464,100</b>	<b>1,372,341</b>	<b>931,692</b>	<b>4,915,163</b>	<b>200,000</b>	<b>921,255</b>	<b>16,804,551</b>
<b>Total interest rate sensitivity gap</b>	<b>810,547</b>	<b>( 333,004)</b>	<b>695,363</b>	<b>(2,833,931)</b>	<b>983,752</b>	<b>16,085,868</b>	<b>15,408,595</b>
<b>Cumulative interest rate sensitivity gap</b>	<b>810,547</b>	<b>477,543</b>	<b>1,172,906</b>	<b>(1,661,025)</b>	<b>( 677,273)</b>	<b>15,408,595</b>	
<b>As at 31 December 2019</b>							
Total assets	8,003,547	909,488	975,654	2,339,180	794,890	23,898,969	36,921,728
Total liabilities	8,595,661	1,769,629	4,961,637	1,366,053	-	-	16,692,980
<b>Total interest rate sensitivity gap</b>	<b>( 592,114)</b>	<b>( 860,141)</b>	<b>(3,985,983)</b>	<b>973,127</b>	<b>794,890</b>	<b>23,898,969</b>	<b>20,228,748</b>
<b>Cumulative interest rate sensitivity gap</b>	<b>( 592,114)</b>	<b>(1,452,255)</b>	<b>(5,438,238)</b>	<b>(4,465,111)</b>	<b>(3,670,221)</b>	<b>20,228,748</b>	

1. Fair value through other  
comprehensive income - FOCI

2. Fair value through Profit or Loss - FVPL

# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 34. FINANCIAL RISK MANAGEMENT (CONT'D):

#### (c) Interest rate risk (cont'd)

	Company						Total \$'000
	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non- Interest Bearing \$'000	
	<b>Assets</b>						
Cash resources	1,303,321	-	-	-	-	-	1,303,321
Investment securities at amortised cost	-	782	122	556,505	272,926	4,671	835,006
Investments Securities FOCI (1)	-	-	-	-	-	799,930	799,930
Investment securities FVPL (2)	-	1,572	241,214	1,524,727	910,826	39,571	2,717,910
Reverse repurchase agreements	1,025,265	998,482	502,374	-	-	-	2,526,121
Promissory notes	3,396,702	-	883,345	-	-	( 270,543)	4,009,504
Interest receivable	-	38,500	-	-	-	-	38,500
Due from subsidiaries	-	-	-	-	-	488,141	488,141
Loans and other receivables	3,184,985	-	-	-	-	-	3,184,985
Other	-	-	-	-	-	2,725,343	2,725,343
<b>Total assets</b>	<b>8,910,273</b>	<b>1,039,336</b>	<b>1,627,055</b>	<b>2,081,232</b>	<b>1,183,752</b>	<b>3,787,113</b>	<b>18,628,761</b>
<b>Liabilities</b>							
Bank overdraft	255,976	-	-	-	-	-	255,976
Securities sold under repurchase agreements	1,640,707	1,221,391	731,114	-	-	-	3,593,212
Interest payable	14,301	-	200,578	-	-	-	214,879
Loans	2,198,372	150,950	-	2,725,000	200,000	-	5,274,322
Other	4,782,381	-	-	-	-	431,636	5,214,017
<b>Total liabilities</b>	<b>8,891,737</b>	<b>1,372,341</b>	<b>931,692</b>	<b>2,725,000</b>	<b>200,000</b>	<b>431,636</b>	<b>14,552,406</b>
<b>Total interest rate sensitivity gap</b>	<b>18,536</b>	<b>( 333,005)</b>	<b>695,363</b>	<b>( 643,768)</b>	<b>983,752</b>	<b>3,355,477</b>	<b>4,076,355</b>
<b>Cumulative interest rate sensitivity gap</b>	<b>18,536</b>	<b>( 314,469)</b>	<b>380,894</b>	<b>( 262,874)</b>	<b>720,878</b>	<b>4,076,355</b>	
<b>As at 31 December 2020</b>							
Total assets	7,467,785	909,488	956,373	2,339,180	794,890	5,320,333	17,788,049
Total liabilities	6,323,478	1,977,252	4,543,113	1,366,053	-	-	14,209,896
<b>Total interest rate sensitivity gap</b>	<b>1,144,307</b>	<b>(1,067,764)</b>	<b>(3,586,740)</b>	<b>973,127</b>	<b>794,890</b>	<b>5,320,333</b>	<b>3,578,153</b>
<b>Cumulative interest rate sensitivity gap</b>	<b>1,144,307</b>	<b>76,543</b>	<b>(3,510,197)</b>	<b>(2,537,070)</b>	<b>(1,742,180)</b>	<b>3,578,153</b>	

1. Fair value through other comprehensive income - FOCI

2. Fair value through Profit or Loss - FVPL



# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 34. FINANCIAL RISK MANAGEMENT (CONT'D):

#### (c) Interest rate risk (cont'd)

The table below summarises the effective interest rate by major currencies for financial instruments of the Group and the Company.

	<u>JAS</u>	<u>US\$</u>
	%	%
<b>Assets</b>		
Investment securities	3.46	6.48
Reverse repurchase agreements	2.41	2.21
Promissory notes	<u>8.14</u>	<u>8.72</u>
<b>Liabilities</b>		
Securities sold under repurchase agreements	2.07	1.77
Loans	6.30	2.60
Corporate papers	<u>7.38</u>	<u>0.00</u>

The management of interest rate risk is supplemented by monitoring the sensitivity of the group's financial assets to various standard and non-standard interest rate scenarios. Standard scenarios that are considered include a 100 basis point (bp) parallel rise and a 100 basis point (bp) parallel fall in the yield curve applicable to Government of Jamaica local instruments and a 100 bp parallel rise and a 100 basis point (bp) parallel fall in the yield curves applicable to Government of Jamaica global bonds and other sovereign bonds. An analysis of the Group's sensitivity to an increase or decrease in market interest rates and the likely impact on equity and statement of income (fair value through profit or loss account instruments), assuming no asymmetrical movement in the zero coupon yield curves, is as follows:

	<u>2020</u>					
	Daily Return	100 bp parallel increase	100 bp parallel decrease	Daily return (Globals)	100bp parallel increase	100 bp parallel decrease
	JS'000	JS'000	JS'000	JS'000	JS'000	JS'000
<b>At 31 December 2020</b>						
Statement of income						
Domestic - Amortised	299	(24,594)	33,806	-	-	-
Globals - Trading	<u>-</u>	<u>-</u>	<u>-</u>	<u>92</u>	<u>(8,228)</u>	<u>9,815</u>

# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 34. FINANCIAL RISK MANAGEMENT (CONT'D):

#### (c) Interest rate risk (cont'd)

	2019					
	Daily Return	100 bp parallel increase	100 bp parallel decrease	Daily return (Globals)	50bp parallel increase	50 bp parallel decrease
	J\$'000	J\$'000	J\$'000	J\$'000	J\$'000	J\$'000
Statement of income						
Domestic - Amortised	194	(25,892)	14,152	-	-	-
Globals - Trading	-	-	-	156	(47,675)	47,987

#### (d) Currency risk

The group takes on exposure to effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows.

Net exposure is kept to an acceptable level by matching foreign assets with liabilities as far as possible. The following foreign currency balances are included in these financial statements:

	2020			
	GBP	US\$	CAN\$	EURO
	J\$'000	J\$'000	J\$'000	J\$'000
<b>Assets</b>				
Cash resources	24,092	1,267,538	23,058	260
Investment securities	-	1,588,628	-	-
Promissory notes	-	3,544,705	-	-
Interest receivable	261	20,185	22	-
Loans and other receivables	-	31,399	-	-
<b>Total</b>	<b>24,353</b>	<b>6,452,455</b>	<b>23,080</b>	<b>260</b>
<b>Liabilities</b>				
Securities sold under repurchase agreements	-	1,631,820	-	-
Loans and other payables	-	2,506,668	-	-
Interest payable	-	198,396	-	-
<b>Total</b>	<b>-</b>	<b>4,336,884</b>	<b>-</b>	<b>-</b>
<b>Net position</b>	<b>24,353</b>	<b>2,115,571</b>	<b>23,080</b>	<b>260</b>
<b>As at 31 December 2019</b>				
Total Assets	362,659	4,750,233	17,288	59,307
Total Liabilities	386,787	5,287,606	4,148	-
<b>Net Position</b>	<b>( 24,128)</b>	<b>( 537,373)</b>	<b>13,140</b>	<b>59,307</b>





# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 34. FINANCIAL RISK MANAGEMENT (CONT'D):

#### (d) Currency risk (cont'd)

##### Sensitivity analysis

Changes in the exchange rates of the Jamaican dollar (JAS) to the following currencies would have the effects as described below:

Currency:	Change in Currency Rate 2020 %	Effect on Loss before Taxation 2020 \$'000	Change in Currency Rate 2019 %	Effect on Profit before Taxation 2019 \$'000
GBP	-6	1,461	-6	(1,488)
GBP	+2	( 487)	+4	663
US\$	-6	126,934	-6	(32,242)
US\$	+2	( 42,311)	+4	21,495
CAN\$	-6	1,385	-6	788
CAN\$	+2	( 462)	+4	( 526)
EURO	-6	16	-6	3,558
EURO	<u>+2</u>	<u>( 5)</u>	<u>+4</u>	<u>(2,372)</u>

The analysis assumes that all other variables, in particular interest rates, remain constant. It is performed on the basis of 6% weakening and 2% strengthening (2019 - 6% weakening and 4% strengthening) in exchange rates.

#### (e) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's loans and advances to customers, promissory notes and investment securities. For risk management reporting purposes, the group considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

For risk management purposes, credit risk arising on trading securities is managed independently, but reported as a component of market risk exposure.



# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 34. FINANCIAL RISK MANAGEMENT (CONT'D):

#### (e) Credit risk (cont'd)

The Board of Directors has delegated responsibility for the management of credit risk to its ALCO and its Risk Unit. The Risk Unit is responsible for oversight of the company's credit risk, including:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- Establishing the authorization structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit credit officers. Larger facilities require approval by the Board of Directors as appropriate.
- Reviewing and assessing credit risk. The Risk Unit assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances), and by issuer, credit rating band, market liquidity and country (for investment securities).
- Developing and maintaining the Group's risk grading in order to categorise exposures according to the degree of risk of the financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures. The current risk grading framework consists of six grades reflecting varying degrees of risk of default and the availability of collateral or other credit risk mitigation. The responsibility for setting risk grades lies with the final approving executive as appropriate.
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports are provided to the Board of Directors on the credit quality of loan portfolios and appropriate corrective actions taken.
- Providing advice, guidance and specialist skills to business units to promote best practice throughout the Group in the management of credit risk.

Each business unit is required to implement credit policies and procedures, with credit approval authorities delegated by the Board of Directors. In addition, each business unit is responsible for the quality and performance of its credit portfolio and for monitoring and controlling all credit risks in its portfolios.

Regular audits of business units and credit processes are undertaken by Internal Audit.



# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 34. FINANCIAL RISK MANAGEMENT (CONT'D):

#### (e) Credit risk (cont'd)

	<u>Promissory Notes</u>		<u>Loans and Other Receivables</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Carrying amount	<u>4,009,504</u>	<u>1,812,878</u>	<u>3,218,480</u>	<u>3,230,632</u>
Past due but not impaired				
Grade 1 - 3 - Low - fair risk	-	-	-	-
Grade 4 - Medium risk	36,072	11,347	3,184,985	3,211,351
Grade 5 - Medium high risk	<u>81,103</u>	<u>203,499</u>	<u>33,495</u>	<u>19,281</u>
Carrying amount	<u>117,175</u>	<u>214,846</u>	<u>3,218,480</u>	<u>3,230,632</u>
Past due comprises:				
30 - 60 days	657	11,347	2,501,496	2,833,664
60 - 90 days	35,415	-	-	-
90 - 180 days	7,696	4,547	-	-
180 days +	<u>73,407</u>	<u>198,952</u>	<u>716,984</u>	<u>396,968</u>
Carrying amount	<u>117,175</u>	<u>214,846</u>	<u>3,218,480</u>	<u>3,230,632</u>
Neither past due nor impaired				
Grade 1 - 3 - Low - fair risk	-	-	-	-
Grade 4 - Medium - high risk	3,838,788	1,598,032	-	-
Grade 5 - Medium - high risk	<u>53,541</u>	-	-	-
Carrying amount	<u>3,892,329</u>	<u>1,598,032</u>	-	-
Includes accounts with renegotiated terms	-	-	-	-
Total carrying amount	<u>4,009,504</u>	<u>1,812,878</u>	<u>3,218,480</u>	<u>3,230,632</u>

Exposure to credit risk is also managed in part by obtaining collateral, corporate and personal guarantees. It is the policy of the Group to obtain or take possession of or register lien against securities. The Group monitors the market value of the underlying securities which collateralize the related receivable including accrued interest and request additional collateral where deemed appropriate. Other than exposure to Government of Jamaica securities, there is no significant concentration of credit risk.

# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 34. FINANCIAL RISK MANAGEMENT (CONT'D):

#### (e) Credit risk (cont'd)

An estimate of fair value of collateral held against promissory notes is shown below:

	<u>Promissory Notes</u>	
	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
Against past due but not impaired		
Property	277,000	380,800
Equities	-	27,695
Against neither past due nor impaired		
Property	39,922	2,412
Equities	1,239,020	15,087
Other	<u>52,928</u>	<u>10,990</u>
<b>Total</b>	<b><u>1,608,870</u></b>	<b><u>436,984</u></b>

The group monitors concentrations of credit risk by sector and geographic location. An analysis of concentrations of credit risk at the reporting date is shown below:

	<u>Promissory Notes</u>		<u>Loans and Other</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Carrying amount	<u>4,009,504</u>	<u>1,812,878</u>	<u>3,218,480</u>	<u>3,230,632</u>
Concentration by sector				
Corporate	3,816,892	1,432,617	244,770	-
Retail	<u>192,612</u>	<u>380,261</u>	<u>2,973,710</u>	<u>3,230,632</u>
<b>Total</b>	<b><u>4,009,504</u></b>	<b><u>1,812,878</u></b>	<b><u>3,218,480</u></b>	<b><u>3,230,632</u></b>

#### (f) Settlement risk

The company's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of a company to honour its obligations to deliver cash, securities or other assets as contractually agreed.





# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 34. FINANCIAL RISK MANAGEMENT (CONT'D):

#### (f) Settlement risk (cont'd)

For certain types of transactions the company mitigates this risk by conducting settlements through a settlement/clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

#### (g) Regulatory capital management

The company's lead regulator, Financial Services Commission (FSC), sets and monitors capital requirements. The FSC requires the company to maintain a minimum of 10% capital to total risk weighted assets. At year end the company's capital to total risk weighted assets ratio was 16,81% (2019: 17.78%).

The objective of Management is the maintenance of a strong and efficient capital position at all times. Through the capital management framework, the goal is to maintain capital consistent with the company's risk profile, strategic objectives, and applicable regulatory standards and guidelines.

Mayberry is subject to regulatory capital standards issued by the Financial Services Commission which, are largely guided by international criteria set by the Basel Committee on Banking Supervision (BCBS). The Financial Services Commission requires the company to maintain stated minimum of capital to total risk-weighted assets ratio and capital to total assets ratio of 10% and 6%, respectively.

The company remains adequately capitalized above minimum regulatory capital adequacy requirements. As indicated in the table below, Mayberry's capital to total risk-weighted assets ratio and capital to total assets ratios were 16.81% and 15.63%, as of 31 December 2020, respectively, well in excess of the stated minimum requirements under the Financial Services Commission capital regulatory standards. This further underscores the strength and resilience of the business to the increase in regulatory capital requirements and is a key component of the company's growth strategy.

# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 34. FINANCIAL RISK MANAGEMENT (CONT'D):

#### (g) Regulatory capital management (cont'd)

	<u>2020</u> <u>\$'000</u>	<u>2019</u> <u>\$'000</u>
Tier 1 Capital		
Ordinary share capital	1,582,381	1,582,381
Other reserve	51,343	51,343
Retained earnings	<u>1,161,619</u>	<u>1,008,998</u>
Total Tier 1 Capital	2,795,343	2,642,722
Tier 2 Capital - other reserve	<u>26,596</u>	<u>26,596</u>
Total Regulatory Capital	<u>2,821,939</u>	<u>2,669,318</u>
Risk Weighted Assets	<u>16,790,689</u>	<u>15,014,033</u>
Capital Ratio to Risk Weighted Assets Ratio	<u>16.81%</u>	<u>17.78%</u>
Regulatory requirement	<u>10.0%</u>	<u>10.0%</u>
Capital	<u>2,821,940</u>	<u>3,578,151</u>
Total Assets	<u>18,053,390</u>	<u>17,788,046</u>
Capital to Total Assets	<u>15.63%</u>	<u>20.12%</u>
Regulatory Requirement	<u>6.0%</u>	<u>6.0%</u>

In addition, the company is subject to bi-annual Stress Testing by the Financial Services Commission to determine if capital is sufficient to absorb losses during economic and financial market stress as well as effective capital planning processes.

The company's capital adequacy ratios have passed all individual and combined shocks applied to its balance sheet data in the bi-annual stress tests. Passing the bi-annual stress tests underscores the company's commitment to a sustained capital planning process that satisfies the expectations of our stakeholders. A key focus for the year ahead will be to ensure that the company remains adequately capitalized and positioned to respond to higher capital requirements prescribed by the regulatory authority.





# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 34. FINANCIAL RISK MANAGEMENT (CONT'D):

#### (g) Regulatory capital management (cont'd)

The company's policy is to maintain a strong capital base to ensure investor, creditor and market confidence and to sustain the future development of the business. The impact of the level of capital on shareholders' return is also recognised and the company recognises the need to maintain a balance between higher returns that might be possible with greater leverage and the advantages and security afforded by a sound capital position.

The company has complied with all regulatory capital requirements throughout the period. There have been no material changes in the management of capital during the period.

#### Capital Allocation

Although maximization of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the company to operations or activities, it is not the sole basis used for decision making. Account is also taken of synergies with other operations and activities, availability of management and other resources, and the fit of the activity with the company's longer term strategic objectives. Capital management and allocation are reviewed regularly by the Board of Directors.

### 35. FAIR VALUES OF FINANCIAL INSTRUMENTS:

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. Market price is used to determine the fair value of a financial instrument. However, market prices are not available for some of the financial assets held by the Group. Therefore, for financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at the end of the reporting period.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

- (i) Investment securities classified as fair value through profit or loss and fair value through other comprehensive income are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models or discounted cash flows or other recognized valuation techniques.



# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 35. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D):

- (ii) The fair values of liquid assets and other assets maturing within one year are assumed to approximate their carrying amount. This assumption is applied to liquid assets and short term elements of all financial assets and financial liabilities.
- (iii) The fair values of variable rate financial instruments are assumed to approximate their carrying amounts.
- (iv) The fair values of fixed rate loans are estimated by comparing market interest rates when the loans were granted with the current market rate offered on similar loans. For match-funded loans the fair value is assumed to be equal to their carrying value, as gains and losses offset each other. Changes in the credit quality of loans within the portfolio are not taken to account in determining gross fair values as the impact of credit risk is recognized separately by deducting the amount of the provisions for credit losses from both book and fair values.
- (v) Equity securities for which fair values cannot be measured reliably are recognized at cost less impairment.

The Group uses the following hierarchy in determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.



# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 35. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D):

The following table shows an analysis of financial instruments held at the date of the statement of financial position that, subsequent to initial recognition, are measured at fair value. The financial instruments are grouped into levels of the fair value hierarchy:

	<u>The Group</u>			
	<u>Level 1</u> <u>\$'000</u>	<u>Level 2</u> <u>\$'000</u>	<u>Level 3</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
31 December 2020				
Financial assets -				
Debt securities				
- Government of Jamaica	-	17,865	-	17,865
- Foreign government	-	202,522	-	202,522
- Corporate bonds	-	2,459,897	-	2,459,897
Quoted equity securities	14,583,803	-	-	14,583,803
Unquoted equity securities	-	-	1,135,760	1,135,760
	<u>14,583,803</u>	<u>2,680,284</u>	<u>1,135,760</u>	<u>18,399,847</u>

	<u>The Group</u>			
	<u>Level 1</u> <u>\$'000</u>	<u>Level 2</u> <u>\$'000</u>	<u>Level 3</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
31 December 2019				
Financial assets -				
Debt securities				
- Government of Jamaica	-	15,529	-	15,529
- Foreign government	-	188,895	-	188,895
- Corporate bonds	-	2,015,186	1,480,547	3,495,733
Quoted equity securities	19,016,798	-	-	19,016,798
Unquoted equity securities	-	-	1,115,595	1,115,595
	<u>19,016,798</u>	<u>2,219,610</u>	<u>2,596,142</u>	<u>23,832,550</u>

# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 35. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D):

	<u>The Company</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
31 December 2020				
Financial assets -				
Debt securities				
- Government of Jamaica	-	17,865	-	17,865
- Foreign government	-	202,522	-	202,522
- Corporate bonds	-	2,459,897	-	2,459,897
Quoted equity securities	<u>857,305</u>	<u>-</u>	<u>-</u>	<u>857,305</u>
	<u>857,305</u>	<u>2,680,284</u>	<u>-</u>	<u>3,537,589</u>

	<u>The Company</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
31 December 2019				
Financial assets -				
Debt securities				
- Government of Jamaica	-	15,529	-	15,529
- Foreign government	-	188,895	-	188,895
- Corporate bonds	-	2,015,186	1,480,547	3,495,733
Quoted equity securities	<u>75,553</u>	<u>-</u>	<u>-</u>	<u>75,553</u>
	<u>75,553</u>	<u>2,219,610</u>	<u>1,480,547</u>	<u>3,775,710</u>

As at 31 December 2020, the fair value of the financial instruments valued at amortized cost is detailed below:

	<u>Group</u>		<u>Company</u>	
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
	<u>Carrying</u>	<u>Fair</u>	<u>Carrying</u>	<u>Fair</u>
	<u>Value</u>	<u>Value</u>	<u>Value</u>	<u>Value</u>
Fair value of financial instruments at amortized cost	<u>411,887</u>	<u>443,822</u>	<u>441,887</u>	<u>443,822</u>





# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 36. PENSION SCHEME:

The company operates a defined contribution pension scheme for employees who have satisfied certain minimum service requirements. The scheme is funded by equal contributions of employer and employees of 5% of pensionable salaries and an option for employees to contribute an additional 10%. The company's contribution for the year amounted to \$12,878,000 (2019: \$14,629,000).

### 37. FUNDS UNDER MANAGEMENT:

The company provides custody, investment management and advisory services for both institutions and individuals which involve the company making allocation and purchases and sales decisions in relation to quoted shares and government financial instruments on a non-recourse basis. Those assets that are held in a fiduciary capacity are not included in these financial statements. At the end of the reporting period, the company had financial assets under management of approximately \$20,532,436,000 (2019: \$18,758,739,000).

### 38. SEGMENT INFORMATION:

The company is a licensed Securities Dealer (note 1).

Based on the information presented to and reviewed by the CODM, the entire operations of the group are considered as one operating segment.

Financial information related to the operating segment results from continuing operations for the two years ended 31 December 2020, can be found in the consolidated statement of income. There are no differences in the measurement of the reportable segment results and the group's results.

Details of the segment assets and liabilities for the two years ended 31 December 2020, can be found in the consolidated statement of financial position and related notes. There are no differences in the measurement of the reportable segment assets and liabilities and the group's assets and liabilities.

Entity-wide disclosure:

The revenue from operations can be found in the consolidated statement of income.



# MAYBERRY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

### 39. COVID-19 IMPACT:

The COVID-19 outbreak was declared a pandemic on 11 March 2020 and the Government of Jamaica declared the island a disaster area two days later on 13 March 2020. The measures implemented to control the impact of the virus resulted in disruptions to economic activity, business operations and asset prices. In response to the pandemic, Mayberry's management implemented several measures to enhance its monitoring mechanisms as it kept a close eye on the health crisis, on the economic impact and the contagion effect on the industries in sovereigns in which it has key interests. Those measures include:

- The establishment of a cross-functional COVID Response Team that focuses on mitigating Occupational Health and Safety, Marketing and Sales, Supply Chain Monitoring and Communications risks. The team also focuses on reducing the financial impact of the coronavirus on the company's operations. The work of the COVID Response Team complements the work of the Asset and Liability Committee (ALCO). The COVID Response Team and the ALCO met weekly and monthly respectively to discuss strategies and plans for managing the liquidity and the capital needs of the entire Mayberry Group during the pandemic.
- A Liquidity Recovery Plan was also implemented, as per the recommendations of our Regulators. The key aspects of the plan include:
  - Continued measures to assist external clients during this crisis, such as:
    1. Restructuring current notes outstanding with clients to more favourable terms
    2. Providing continuing advisory services to current clients
    3. Providing alternative financing options to clients seeking to raise capital from the equity market
  - On-going Monitoring of Capital which included sensitivity analyses to determine:
    1. The impact of a downward adjustment in asset values on regulatory ratios
    2. The impact of a downward adjustment in asset values on the projected profitability; and
    3. The level of capital shortfall, if any, and how additional capital could be raised to address any projected shortfall.
    4. The company held monthly asset and liabilities committee meetings to address any shortfall, and cashflow projections were monitored more frequently to ensure the company was able to meet its financial obligations.
  - Increased efficiency and improved communication:

On-going weekly management meetings fostered a solution driven environment and improved communication between departments.

Despite the challenges faced by the company due to the deterioration of market conditions, management remains confident that the company is well poised for recovery and growth in the medium to long term. However, management is aware that a long duration of the pandemic and the associated containment measures could have a material adverse effect on the company.





1985 - 2021  
**36**  
CELEBRATING 36 YEARS

# PUBLIC ADVISORY

## NOTICE OF COURT HEARING TO HOLD ANNUAL GENERAL MEETING

Mayberry Investments Limited (MIL) has advised that a formal order was obtained from the Supreme Court of Judicature of Jamaica, in Claim Number SU 2021 CD 00196 in the matter of an application by the Jamaica Stock Exchange appointed as the representative party pursuant to Rule 21.1 of the Civil Procedures Rules, 2002 for directions, in relation to the Company's application to host its virtual general meetings in 2021, 2022 and 2023 in light of the outbreak of the SARS-CoVs (Coronavirus COVID-19) or for so long as Jamaica remains or is designated a disaster area pursuant to the Disaster Risk Management Act, whichever period is longer by either.

The copies of the Fixed Claim Form, Formal Order and Affidavit of Support can be accessed by visiting our website at [www.mayberryinv.com](http://www.mayberryinv.com).



## **FIXED DATE CLAIM FORM**

**IN THE SUPREME COURT OF JUDICATURE OF JAMAICA**

**IN THE COMMERCIAL DIVISION**

**CLAIM NO. SU 2021 CD 00196**



**IN THE MATTER OF THE COMPANIES ACT OF JAMAICA**

**AND**

**IN THE MATTER OF AN APPLICATION BY THE  
JAMAICA STOCK EXCHANGE FOR DIRECTIONS  
PURSUANT TO SECTION 130(2) OF THE COMPANIES  
ACT OF JAMAICA**

The Claimant, **THE JAMAICA STOCK EXCHANGE** of 40 Harbour Street, in the parish of Kingston, claims for the following relief:

1. An order that notwithstanding the provisions of the Companies Act, the provisions of each of their articles of incorporation regarding the holding of annual general meetings and any notice of an annual meeting, information circular or other documents that may be or already have been disseminated by the companies identified in the list exhibited to the Affidavit in support of this Fixed Date Claim Form ("the Companies") may call and conduct their next general meetings ("the General Meetings", which term includes annual general meetings and/or extraordinary general meetings or any of them conducted following an adjournment or postponement) in accordance with this order and the General Meetings called or held in accordance with this order shall be valid.
2. An order that the Companies are permitted to conduct their General Meetings for the years 2021, 2022 and 2023 or for so long as Jamaica remains or is designated a disaster area pursuant to the Disaster Risk Management Act (whichever period is longer) by either:



- (a) Holding a meeting with one or more shareholders present at a physical venue with a live stream or broadcast of the meeting by electronic means or software (including webcasting, videoconferencing, teleconferencing, a combination of these and/or other electronic means) which allows all shareholders access to see and hear the proceedings, ask questions in such reasonable order and manner as the chairman may allow, and to vote electronically including before the meeting or by a proxy chosen from among the persons the company indicates will be physically present at the meeting; or
  - (b) Holding a meeting entirely by live stream or broadcast of the meeting by electronic means or software (including webcasting, videoconferencing, teleconferencing, a combination of these and/or other electronic means) which allows all shareholders access to see and hear the proceedings, ask questions in such reasonable order and manner as the chairman may allow, and to vote electronically including before the meeting.
3. An order that the Companies are permitted to provide their shareholders with notices of the General Meetings, resolutions, draft resolutions proposed to be passed, circulars, proxy forms, financials including profit and loss accounts, balance sheets and auditor's reports and any other documents necessary or relevant for the conduct of an annual general meeting by one or more of the following means: electronic mail, pre-paid mail, posting links to access the documents on their respective websites and/or the Jamaica Stock Exchange's website.
4. A declaration that any notice or document delivered in accordance with this order shall satisfy all requirements for serving documents for the General Meetings notwithstanding any provision to the contrary in the Companies Act or the Companies' articles of incorporation.



5. An order that the failure or inability of a shareholder to attend or remain in the General Meetings held in accordance with paragraph 2 above as a result of mistake or of events beyond the control of a Company shall not constitute a defect in the calling of the General Meetings and shall not invalidate any resolutions passed or proceedings taken at that General Meeting.
6. Liberty to apply.
7. Such further and other relief as this Honourable Court deems appropriate or which may be necessary to give effect to the orders sought.

**The Claimant is seeking the orders on the following grounds:**

- (1) The Claimant is a company incorporated under the Companies Act. Its objects include mobilizing capital to facilitate the growth and development of companies and promoting the development of the Jamaican stock market.
- (2) The Companies are listed on the stock exchange operated by the Claimant and the Claimant acts on their behalf in these proceedings.
- (3) On March 13, 2020, the Prime Minister of Jamaica, the Most Hon. Andrew Holness, by the Disaster Risk Management (Enforcement Measures) Order declared Jamaica a disaster area due to the effects of the novel Coronavirus COVID-19.
- (4) This order, which was made pursuant to the Disaster Risk Management Act, imposed various restrictions including restricting the size of public gatherings.





- (5) Since that date the Government has implemented several measures to limit the spread of COVID-19 by the promulgation of a series of orders under the Disaster Risk Management Act.
- (6) On April 13, 2021 the Disaster Risk Management (Enforcement Measures) (No. 5) Order, 2021 (“the Order”) was brought into effect extending the period for which Jamaica is deemed a disaster area to June 30, 2021.
- (7) The Order prohibits public gatherings exceeding 10 persons including specifically annual general meetings and extraordinary general meetings.
- (8) The Order also maintains the prohibition against persons over the age of sixty years from leaving their place of residence except for specified purposes.
- (9) Given the nature of COVID-19 it is likely that there will be further extensions and orders and even if there are no further extensions, the medical advisory is for persons to limit social contact, including public gatherings, as much as possible.
- (10) Section 126(1) of the Companies Act provides that **“Every company shall in each year hold a general meeting as its annual general meeting...; and not more than fifteen months shall elapse between the date of one annual general meeting of a company and that of the next”**
- (11) Most of the Companies are required to hold their annual general meetings prior to December 2021.
- (12) At General Meetings, all shareholders are entitled to attend, be heard and vote.



- (13) The membership of each of the Companies is greater than 300 and, in some cases, exceeds 5,000 to more than 29,000, and there is no suitable venue which is an appropriate size to accommodate all shareholders entitled to attend at the required physical distance.
- (14) In relation to directors' meetings in relation to which section 141 of the Companies Act provides that "a director may if all the directors of the company, consents, participate in a meeting of directors of the company or of a committee of the directors by means of such telephone or other communicating facilities as permit all persons participating in the meeting to hear each other".
- (15) There are no similar provisions in relation to General Meetings and the Companies Act therefore does not appear to allow them to be held or conducted by electronic means.
- (16) General Meetings must therefore generally be held at a physical venue where shareholders attend in person.
- (17) In the circumstances, it is not feasible for the Companies to safely hold their next General Meetings as required by the Companies Act and their Articles of Incorporation in a manner that properly facilitates participation by their large number of shareholders.
- (18) Section 130(2) of the Companies Act provides that "If for any reason it is impracticable to call a meeting of a company in any manner in which meetings of that company may be called, or to conduct the meeting of the company in a manner prescribed in the company's articles, the Court may, either of its own motion or on the application of any director of the company or of any member of the company who would be entitled to vote at the meeting, order a meeting of the company to be called, held and conducted in such manner as the Court thinks fit, and where any such order is made may give such ancillary or consequential directions as it thinks expedient, and any meeting called, held and conducted in

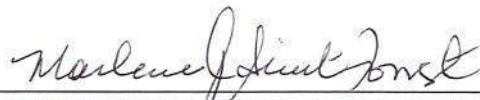


accordance with any such order shall for all purposes be deemed to be a meeting of the company duly called, held and conducted”.

- (19) In the absence of an order of the court allowing for General Meetings by electronic means it would not be possible or feasible for the Companies to hold General Meetings during the period the Order applies (including any likely extension).
- (20) The Claimant has been appointed as a representative party for the Directors and the Companies in applying to this Court pursuant to section 130(2) of the Companies Act.
- (21) The relief sought in this claim is therefore appropriate and necessary so that the Companies may comply with both the Order and the requirements of the Companies Act to hold General Meetings.

I certify that I believe that the facts stated in this Fixed Date Claim Form are true.

Dated the 3<sup>rd</sup> day of May 2021



**MARLENE STREET FORREST**  
*Managing Director*  
**THE JAMAICA STOCK EXCHANGE**

**SETTLED**



**KEVIN O. POWELL**

**HYLTON POWELL**  
**ATTORNEYS-AT-LAW FOR THE CLAIMANT**

PER   
**KERRI-ANNE MAYNE**

**NOTICE OF HEARING:**

**THE FIRST HEARING** of this claim will take place at The Supreme Court, Public Buildings, King Street, Kingston, on the 31 day of May 2021 at 12:00 a.m./p.m. for 1/2 hours.

If you do not attend at that hearing, judgment may be entered against you in accordance with the claim.

A Particulars of Claim or an Affidavit giving full details of the Claimant's claim should be served on you with this Claim Form. If this has not been done and there is no order permitting the Claimant not to serve the Particulars of Claim or Affidavit you should contact the court immediately. You should complete the form of Acknowledgement of Service served on you with this Claim Form and deliver it to the registry (address below) so that they receive it within **FOURTEEN (14) days** of service of this Claim Form on you. The form of Acknowledgement of Service may be completed by you or an Attorney-at-Law, acting for you. See Rules 9.3(1) and 9.4(3).

**You should consider obtaining legal advice with regard to this claim. See notes in form 2A served with this Claim Form.**

**This Claim Form has no validity if it is not served within six months of the date below unless it is accompanied by an order extending that time. See Rule 8.14(1).**

[SEAL]

The Registry is at King Street, Kingston, telephone numbers (876) 922-8300 – 9, fax (876) 967-0669. The office is open between 9:00a.m. and 4:00p.m. Mondays to Thursdays and 9:00 a.m. to 3:00p.m. on Fridays except on Public Holidays.

DATED THE            DAY OF MAY 2021

**FILED** by **HYLTON POWELL**, Attorneys-at-Law, 11A Oxford Road, Kingston 5 in the parish of Saint Andrew. Attorneys-at-Law for the Claimant whose address for service is that of its said Attorneys-at-Law (Attention: Kerri-Anne Mayne 5683). Telephone: 926-1672; Facsimile: 929-7587. Email: [kamayne@gmail.com](mailto:kamayne@gmail.com)





**FORMAL ORDER**

**IN THE SUPREME COURT OF JUDICATURE OF JAMAICA**

**IN THE COMMERCIAL DIVISION**

**CLAIM NO. SU 2021 CD 00196**



**IN THE MATTER OF THE COMPANIES ACT OF JAMAICA**

**AND**

**IN THE MATTER OF AN APPLICATION BY THE JAMAICA  
STOCK EXCHANGE LIMITED FOR DIRECTIONS PURSUANT  
TO SECTION 130(2) OF THE COMPANIES ACT OF JAMAICA**

**IN CHAMBERS VIA VIDEO CONFERENCE**

**ON THE 10<sup>th</sup> DAY OF MAY 2021**

**BEFORE THE HONOURABLE MR JUSTICE DAVID BATTS**

**UPON** the Applicant's *Without Notice* Application to Appoint Representative Party and for Service by Specified Method filed May 5, 2021 coming on for hearing **AND** after hearing **KEVIN O. POWELL** and **KERRI-ANNE MAYNE** instructed by Hylton Powell, Attorneys-at-law for the Applicant,

**IT IS HEREBY ORDERED THAT:**

1. The Applicant, the Jamaica Stock Exchange Limited, is appointed as the representative party pursuant to Rule 21.1 of the Civil Procedure Rules, 2002 for the conduct of Claim SU 2021 CD 00196 on behalf of the public companies and their directors listed in the Appendix to this order.

2. The first date hearing of the Fixed Date Claim is fixed for 12:00 noon on the 31<sup>st</sup> of May 2021.
3. The personal service of the Fixed Date Claim is dispensed with.
4. The Applicant to serve the Fixed Date Claim Form, the Affidavit in Support of the Fixed Date Claim Form, this Order and any other process by:
  - a) Posting the said documents on the Applicant's website and the websites, if any, of the individual companies represented; and
  - b) By a notice published in a Sunday edition of a newspaper with national circulation at least 7 days before the hearing of the Fixed Date Claim and indicating that the documents may be viewed on the Applicant's website.
5. This order shall be prepared, filed and served in the manner provided for above by the Applicant's Attorneys-at-law.

**BY THE COURT**



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**JUDGE/REGISTRAR**

**Filed by Hylton Powell**, 11A Oxford Road, Kingston 5 in the parish of Saint Andrew, Attorneys-at-Law for and on behalf of the Applicant (Attention: Kerri-Anne Mayne – Attn # 5683), whose address for service is that of its Attorneys-at-law. Telephone: 926-1672 & Fax: 929-7587. Email: [kamayne@hyltonpowell.com](mailto:kamayne@hyltonpowell.com)



## APPENDIX

Company	Director
1. 1834 Investments Limited	Joseph M. Matalon
2. Access Financial Services Limited	Company Secretary
3. AMG Packaging and Paper Company Limited	Peter Chin
4. Berger Paints Jamaica Limited	Adam M. Sabga
5. Caribbean Assurance Brokers Limited	Raymond Walker
6. Derrimon Trading Co. Limited	Derrick Cotterell
7. G West Corporation Limited	Wayne Gentles
8. Iron Rock Insurance Company Limited	R.E.D. Thwaites
9. JMMB Group Limited	Archibald Campbell
10. Jamaica Public Service Company Limited	Bok Hoa Jeong
11. Jamaica Stock Exchange Limited	Marlene Street Forrest
12. Kingston Properties Limited	Nicole Foga
13. Lasco Distributors Limited	John De Silva
14. Lasco Financial Services Limited	Jacinth Hall-Tracey
15. Lasco Manufacturing Limited	James E.D. Rawle
16. Main Event Entertainment Group Limited	Dr. Ian Blair
17. Medical Disposables & Supplies Limited	Nikeisha Boothe
18. Mayberry Investments Limited	Gary H. Peart
19. Radio Jamaica Limited	Christopher Barnes
20. Seprod Limited	Richard Pandohie
21. Supreme Ventures Limited	Gary Peart
22. The Limners and Bards Limited	Michael Bennett
23. tTech Limited	Christopher Reckord
24. Wigton Windfarm Limited	Earl Barrett



Sworn on behalf of: Claimant  
Sworn by: Marlene Street Forrest  
Affidavit No: 2  
Exhibit: "MSF-4", "MSF-5"  
Date Sworn: May 3, 2021  
Date Filed: May , 2021



**AFFIDAVIT OF MARLENE STREET FORREST  
IN SUPPORT OF FIXED DATE CLAIM FORM**

**IN THE SUPREME COURT OF JUDICATURE OF JAMAICA**

**IN THE COMMERCIAL DIVISION**

**CLAIM NO.**

**SU 2021 CD 00196**

**IN THE MATTER OF THE COMPANIES ACT OF JAMAICA**

**AND**

**IN THE MATTER OF AN APPLICATION BY THE  
JAMAICA STOCK EXCHANGE FOR DIRECTIONS  
PURSUANT TO SECTION 130(2) OF THE COMPANIES  
ACT OF JAMAICA**

**I, MARLENE J. STREET-FORREST**, being duly sworn make oath and say  
as follows:

1. I am the Managing Director of the Claimant, the Jamaica Stock Exchange, and my address for the purpose of these proceedings is 40 Harbour Street, in the parish of Kingston.
2. In so far as the facts herein are within my knowledge, they are true and in so far as they are not within my personal knowledge, they are true to the best of my knowledge information and belief.
3. On March 13, 2020, the Prime Minister of Jamaica, the Most Hon. Andrew Holness, by the Disaster Risk Management (Enforcement Measures) Order declared Jamaica a disaster area due to the effects of the novel Coronavirus COVID-19. This order which was made pursuant to the Disaster Risk Management Act, imposed various restrictions including restricting the size of public gatherings.





22. The Claimant has been appointed as a representative of the Directors and the Companies to make an application pursuant to section 130 of the Companies Act on their behalf.
23. The Companies the subject of this application have registered their articles of incorporation with the Office of the Registrar of Companies which maintains a public registry from which the articles may be accessed.
24. I exhibit and mark "MSF-5", an indexed bundle of copies of the articles of incorporation of each of the Companies.
25. In these circumstances, the Claimant seeks orders in the terms of the Fixed Date Claim Form.

Sworn to by **MARLENE J. STREET-FORREST**)

at 40 Harbour Street )  
 in the Parish of Kingston )  
 this 3<sup>rd</sup> day of May, 2021 )  
 before me:- )

*Marlene J. Street-Forrest*  
**MARLENE J. STREET-FORREST**

*Michael B. Johnson*  
**JUSTICE OF THE PEACE FOR THE**  
**PARISH OF Kingston**

**FILED** by **HYLTON POWELL**, Attorneys-at-Law, 11A Oxford Road, Kingston 5 in the parish of Saint Andrew, Attorneys-at-Law for the Applicant whose address for service is that of its said Attorneys-at-Law (Attention: Kerri-Anne Mayne 5683). Telephone: 926-1672; Facsimile: 929-7587. Email: [kamayne@hyltonpowell.com](mailto:kamayne@hyltonpowell.com)



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## NOTES





*"Growth is a spiral process, doubling back on itself, reassessing and regrouping."*

**- Julia Margaret Cameron**





1½ Oxford Road, Kingston 5, Jamaica  
Telephone: +1 (876) 929-1908-9  
[www.mayberryinv.com](http://www.mayberryinv.com)