MAYBERRY JAMAICAN EQUITIES

2021 Audited Accounts

Financial Year Ended 31 December 2021

Actively Managed

Broadly Diversified

Facilitating Economic Growth

Sustaining our growth, investing in Jamaica, land we love

2021 Performance Highlights

For The Year Ended December 31, 2021

Represented in $US

TOTAL ASSETS

19.8%

INCREASE OVER 2020

2021: US$119.6M
2020: US$99.8M

TOTAL EQUITY TO SHAREHOLDERS

16%

INCREASE OVER 2020

2021: US$97.3M
2020: US$83.8M

NET BOOK VALUE PER SHARE

14.3%

INCREASE OVER 2020

2021: US$0.08
2020: US$0.07

TOTAL COMPREHENSIVE INCOME

130%

INCREASE OVER 2020

2021: US$13.9M
2020: US($45.8)M

CLOSING SHARE PRICE

12.8%

INCREASE OVER 2020

2021: J$9.01
2020: J$7.99

EARNINGS PER SHARE

158%

INCREASE OVER 2020

2021: US$0.014
2020: (US$0.024)

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MAYBERRY INVESTMENTS LTD

MANAGEMENT DISCUSSION & ANALYSIS

Year Ended December 31, 2021

(represented in US$)

Economic And Business Environment

The Jamaica economy grew 5.8% for the July to September 2021 quarter compared to the same quarter of 2020, as the economy showed signs of recovery from the negative impacts of COVID-19. The growth resulted from an expansion in both the Services and Goods Producing industries of 7.1% and 2.4% respectively. The calendar inflation rate as of December 2021 was 9.1%, while the rate for the month of December was 0.8%. The movement was primarily attributed to the 4.7% increase in the index for the 'Housing, Water, Electricity, Gas and Other Fuels' division. The inflation rate for the review period, however, was tempered by the 0.5% decrease in the index for the heaviest weighted division, 'Food and Non-Alcoholic Beverages' due to the improved supply of some agricultural produce. This resulted in a 0.6% decline in the index for the group 'Food'. The fiscal year-to date inflation rate was 8.6%, while the point-to-point rate was 7.3% as at December 2021.

Local and global stock markets continued to be impacted negatively by the novel Corona virus (COVID – 19), which was declared a pandemic by the World Health Organisation on March 9, 2020. Prior to the novel Coronavirus, Jamaica's unemployment rate was at record lows. As at October 2021, Jamaica's unemployment was 7.1%, this was 3.7 percentage points lower than the 10.8% out-turn for the corresponding period in October 2020. Confidence among both businesses and consumers improved in the fourth quarter (Q4) of 2021, reaching their highest levels for last year, but are still below where they were before the COVID-19 pandemic began. The consumer confidence index for Q4 of 2021 increased by 24% over the previous quarter, and by 21% over Q4 of 2020, according to the latest Jamaica Chamber of Commerce (JCC) Conference Board's Survey of Consumer Confidence.

Represented in US$

Moody's Investors Service affirmed the Government of Jamaica's credit rating at B2 with the outlook remaining stable. The decision to affirm the rating reflects expectations that the deterioration in Jamaica's debt metrics, caused by the effects of the pandemic, are temporary given Jamaica's strong commitment to fiscal consolidation. Moody's expects Jamaica debt burden to begin declining in 2021/22 with the programmed primary balance of 6.0% of GDP this fiscal year.

For the period January to December 2021, the JSE Main Market Index rose by 540.70 points or 0.14% from 395,614.91 to 396,155.61 points. The JSE Junior Market enjoyed greater growth in its index which closed December 2021 at 3,428.30 points when compared to 2,643.38 points as at December 31, 2020, a 29.7% increase over the twelve-month period.

Business Objective

Mayberry Jamaican Equities Limited (MJE) is an investment company whose objective is to achieve long term capital appreciation, while preserving capital, by investing in public equity securities in Jamaica ("Jamaican equities"). The company employs a value - based approach to identifying and investing in high quality public businesses. This approach is designed to compound book value per share over the long term. While the company will seek attractive risk-adjusted returns, it will at all times seek downside protection and attempt to minimize loss of capital.

Financial Highlights

Significant Accounting Policy Changes

During 2021, the company made accounting policy changes which have been given effect in the 2021 audited financial results. The material changes include the reclassification of four portfolio investments to investments in associates based on the material proportion of ordinary shares held in in the entities as well as the assessment that the companies though not controlled by MJE, may be subject to significant influence by it.

The company also elected the IAS 28 exemption from applying the equity method of accounting to measure its investments in associates and instead to measure them at fair value through profit and loss (FVTPL) in accordance with IFRS 9. This had the effect of reclassifying one of these associates which was previously measured at fair value through other comprehensive income (FVTOCI) to FVTPL, and the unrealized losses and gains for this investment in prior years being reclassified to the profit and loss account from fair value reserves in equity.

The financial results for 2020 have been restated to conform with the current year presentation of the financial results. Please refer to notes 2, 3 and 24 to the audited financial statements for the year ended December 31, 2021 for further details on the changes to the company's accounting policies and financial statement restatements.

Overview

Net profit for the year ended December 31, 2021 grew by 158% to US$16.5 million compared to a net loss of US$28.6 million in the prior year. This performance mainly resulted from increased net gains on FVTPL investments of US$45.9 million and a 14.5% increase in dividend income to approximately US$2.6million when compared to the same period in 2020. Total operating expenses for the year ended December 31, 2021 increased by $963K to US$2.0 million when compared to the corresponding period in the prior year. This resulted in an earnings per share (EPS) of US$0.014 (2020: loss per share (LPS) US$0.024).

For the year ended December 31, 2021, the business recorded a significantly improved total comprehensive income of US$13.9 million, compared to a total comprehensive loss of US$45.8 million for the corresponding period in 2020, an increase of US$59.7 million or 130%. This was due mainly to higher net investment revaluation gains resulting from favourable price movements for stocks in the equity portfolio as the market rebounded in 2021.

Financial Results

Year Ended 31 December 2021

Represented in US$

Operating Performance

- Dividend income increased by 14.5% to US$2.6 million compared to US$2.3 million in the prior year. The largest contributor to the portfolio's dividend revenues was Supreme Ventures Limited with dividends of US$2.2 million.
- Net gains on FVTPL investments increased by US$45.9 million or 159% reflecting capital appreciation on equities with the year over year increases in market prices.
- Interest expense on financial liabilities closed 2021 at US$1.4 million compared to US$1.3 million for 2020. The increase noted is attributable to additional borrowings via a promissory note entered into in September 2021. Interest expense related to debt securities in issue accounts for 77% of the total cost of funds.
- Total operating expenses of US$2.0 million increased by US$963K versus $1.1 million for the prior year. This was mainly driven by increases for computer licensing fees, investment management fees and legal and professional fees. Investment management fees increased following the improvement in the Net Asset Value (NAV) under management. No incentive fees were paid to the Investment Manager as the NAV had not yet returned to previous levels attained pre COVID-19.
- Other comprehensive loss for the year ended December 31, 2021, improved by US$14.6M or 85% from a loss of US$17.2 million to a loss of US$2.5 million. This was attributable to significant increases in net investment gains on equity investments at FVTOCI and a 20% reduction in foreign currency translation losses arising from the conversion from functional currency (JMD) to presentation currency (USD).

Financial Results

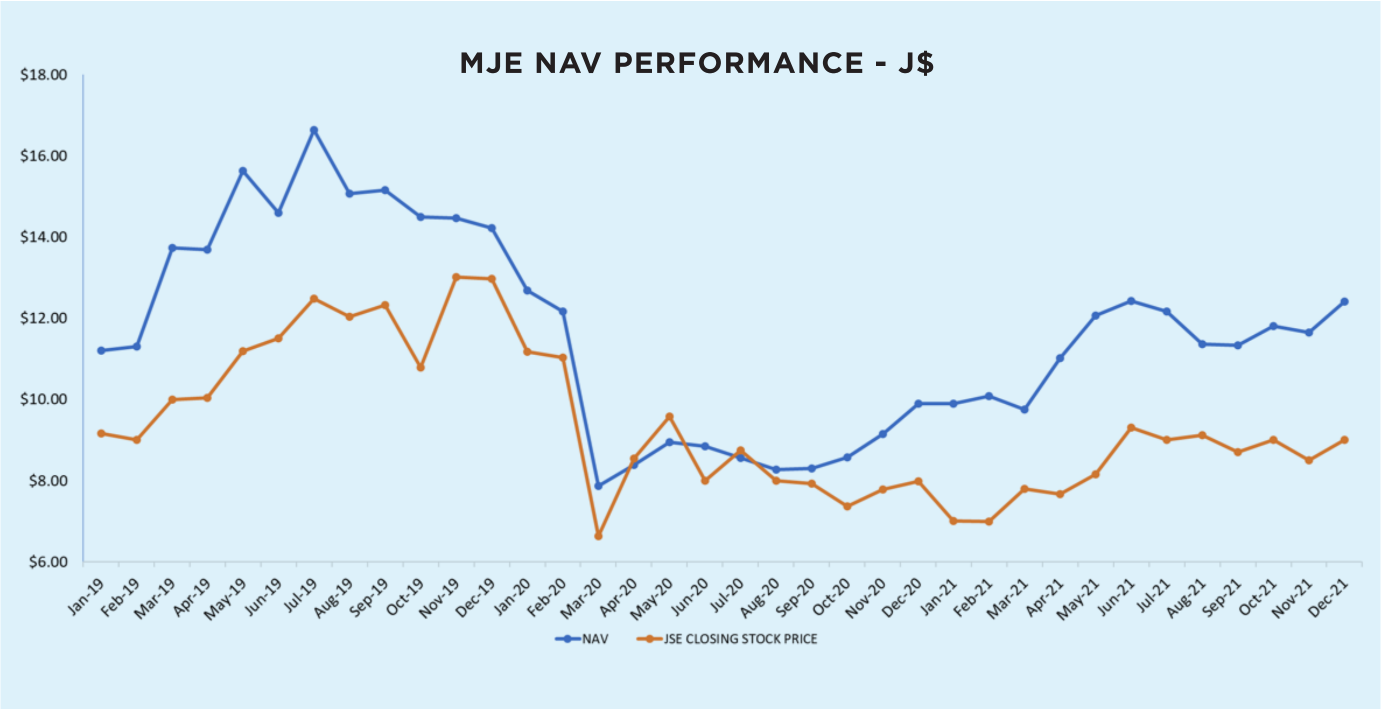
Year Ended 31 December 2021

Represented in US$

Net Asset Value (NAV)

As at December 31, 2021, net book value per share was US$0.08(J$12.46), compared to US$0.07(J$9.89) at December 31, 2020 representing an increase of US$0.01(J$2.57) or a 14.3% increase over the corresponding period in 2020. This resulted from an increase in the market value of investment securities and investments in associates by US$20.2 million when compared to 2020. MJE's stock price closed 13% higher at J$9.01 on December 31, 2021, compared to J$7.99 as at December 31, 2020.

Total assets reported for the year ended December 31, 2021 was US$119.6 million compared to US$99.8 million for the comparative 2020 period. This represents US$19.8 million or a 19.8% increase in our asset base due mainly to the appreciation in values of the quoted equities.



Represented in US$

- Investment securities declined by US$1.9 million or 5%. This was primarily driven by Derrimon Trading Company Limited, Lumber Depot Limited, Caribbean Cement Company Limited, Wigton Windfarm Limited and Honey Bun (1982) Limited.

- Investment in associates of US$82.8 million increased by US$22.1 million or 36%. This was mainly attributable to increases in investments for Caribbean Producers Jamaica Limited of US$14.3 million or 332% and Supreme Ventures Limited of US$8 million or 16%. The balance comprises associates at FVTPL: Supreme Ventures Limited US$58.4 million, Caribbean Producers Jamaica Limited US$18.7 million, Lasco Financial Services Limited US$4.9 million and Ironrock Insurance Company Limited US$805K as at December 31, 2021.

The significant contributors and detractors to the changes in NAV in 2021 were:

Stock ID	US $millions
CPJ	14,866,996
GK	1,275,991
JAMT	871,344
SVL	1,840,746
LASF	403,636
WIG	(1,302,632)
CCC	(1,273,214)
DTL	(597,535)
LUMBER	(1,315,274)

- Total liabilities for the year ended December 31, 2021, increased by US$6.4 million or 40% compared to the corresponding period in 2020 due to the company securing additional funding for its asset base. The main contributor to this increase was a US$6.5 million (net of repayments of US$1.2 million) secured loan facility due to the parent, and increases in accounts payable, which was offset by a reduction of US$1.2 million for debt security in issue primarily due to foreign exchange translation adjustments.

Mayberry Jamaican Equities' capital base remained strong and closed the year at US$97.3 million when compared to US$83.8 million for December 2020. Retained earnings increased to US$102.8 million from US$81.0 million, and fair value reserves closed 2021 at US$8.1 million versus US$9.4 million for 2020. MJE's return on equity to shareholders for the financial period ended December 31, 2021 was 16.9%.

Portfolio Information

Mayberry Jamaican Equities (MJE) recorded net sales in stock units of 148 million for the financial period ended December 31, 2021. During the year, MJE continued to alter the composition of the equities portfolio relying on the experience and expertise of the investment manager, Mayberry Asset Managers Limited (MAM). Some of the criteria that the company and MAM believe to be important when identifying and investing in Jamaican equities are: (i) attractive valuation, (ii) experienced and aligned management and (iii) strong competitive position in their industry. These alongside a constant evaluation of risk and whether the management teams can mitigate the risks. The changes reflect the investment Managers disposal of stocks where the original investment thesis has played out and or where they have identified other investment opportunities which present more attractive risk adjusted return opportunities.

The company currently holds equities in 34 companies listed on the Main and Junior Markets of the Jamaica Stock Exchange (JSE). With the accounting policy changes, four of the company holdings were re-classified to associates at FVTPL: Caribbean Producers Jamaica Limited, Lasco Financial Services Limited, Supreme Ventures Limited and Iron Rock Insurance Company Limited. The reclassification resulted in no change to their market valuation in the portfolio. There was a favourable turnaround in stock prices for most of the securities in the portfolio's Top Ten and reflected improved corporate financial performances as the underlying entities across the financial and manufacturing industries rebounded in the last two quarters of 2021.

- The top ten stocks at December 31, 2021 reflects the addition of Jamaican Teas Limited and removal of Lumber Depot Limited when compared to December 31, 2020.
- There have also been changes in the ranking of top ten stocks as a percentage of the total portfolio due to purchases, sales and relative capital appreciation.
- The following top ten stocks reflect a net sale of units during the financial year: Caribbean Cement Company Limited, Jamaica Broilers Group Limited, Derrimon Trading Company Limited, and Lumber Depot Limited.

Financial Results

Year Ended 31 December 2021

Represented in US$

- The following top ten stocks reflect a net purchase of units during the financial year: Supreme Ventures Limited, Caribbean Producers Jamaica Limited, GraceKennedy Limited, Wigton Windfarm Limited and Jamaican Teas Limited.

During 2021, many sectors (e.g., entertainment) continued to be negatively impacted by a mix of factors related to the lingering impact of COVID-19 including restricted operating hours, depressed consumer demand and higher operating costs which continued to negatively impact company performance and market conditions. However, several sectors showed steady recovery during the period.

TOP TEN PERFORMERS AS AT DECEMBER 31, 2021

	CLOSING SHARE PRICE ($)		
TOP 10	DEC. 2021	DEC. 2020	% CHANGE
CPJ	$13.04	$2.58	405.4%
JAMT	$3.81	$1.97	93.4%
GK	$100.02	$62.68	59.6%
LASF	$3.00	$2.54	18.1%
BPOW	$3.15	$2.78	13.3%
CCC	$69.86	$62.81	11.2%
SVL	$17.79	$17.61	1.0%
JBG	$29.03	$29.46	-1.5%
DTL	$2.30	$2.38	-3.4%
WIG	$0.52	$0.75	-30.7%

TEN LARGEST HOLDINGS (VALUE OF SHARES) AS AT DECEMBER 31, 2021

TOP 10	% OF TOTAL VALUE OF INVESTMENTS
SVL	49.8%
CPJ	15.9%
GK	4.8%
LASF	4.2%
DTL	4.0%
WIG	3.5%
CCC	3.3%
JBG	2.5%
BPOW	1.8%
JAMT	1.8%

TEN LARGEST HOLDINGS (VALUE OF SHARES) AS AT DECEMBER 31, 2020

TOP 10	% OF TOTAL VALUE OF INVESTMENTS
SVL	51.9%
DTL	7.5%
CCC	6.2%
WIG	5.8%
LASF	5.1%
CPJ	4.5%
JBG	3.3%
GK	2.3%
BPOW	2.2%
LUMBER	2.0%

Subsequent to the year end, the government has announced the lifting of all COVID-19 protocols under the Disaster Risk Management Act (DRMA), effective March 18, 2022. The measure comes to an end two years after they were first implemented. The discontinuation of this augurs well for further recovery of economic activity and company performance. Management remains confident that the company is well poised for continued growth in the medium to long term.

Capital Transactions

Financing

On September 1, 2021, the company entered a US$7.9M(J$1.2B) principal amount, secured loan with its parent at a fixed rate of 6.8%. The loan has the option to prepay the facility with notice and US$1.3M was prepaid during the period. The loan was used to fund the acquisition of equity investments during the period and is secured by the quoted equity investments purchased.

Payment of Dividends

On May 31, 2021, a dividend of US$485K was paid following the Board's approval of an ordinary dividend payment of US$0.0004(J$0.06) per share. Payment was made to shareholders on record as at May 17, 2021.

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

Christopher Berry
Chairman

Top Ten Shareholders and Connected Persons

31 December 2021

Names	Shareholdings
MAYBERRY INVESTMENT LIMITED	757,204,567
PWL BAMBOO HOLDINGS LIMITED	99,179,638
KONRAD BERRY	84,044,294
VDWSD LIMITED	47,252,400
MAYBERRY ASSET MANAGERS LIMITED	41,122,865
MANWEI INTERNATIONAL LIMITED	40,251,196
THE MAYBERRY FOUNDATION LIMITED	10,554,868
KMB HOLDINGS INC	6,957,740
SAGICOR SELECT FUNDS LIMITED - CLASS B - FINANCIAL	6,482,385
KONRAD LIMITED	6,432,031

Connected Persons	Shareholdings
A+ MEDICAL CENTRE	641,141

Shareholdings of Directors and Senior Management

MAYBERRY JAMAICAN EQUITIES

31 December 2021

Directors	Shareholdings	Connected Persons
Christopher Berry	-	117,978,024
Konrad Berry	84,044,294	7,362,345
Natalie Augustin	253,300	-

MAYBERRY JAMAICAN EQUITIES

Financial Statements

Financial Year ended 31 December 2021

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Independent auditors’ report

To the Members of Mayberry Jamaican Equities Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mayberry Jamaican Equities Limited (the Company) as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company’s financial statements comprise:

- the statement of financial position as at 31 December 2021;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in shareholders’ equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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Our audit approach

Audit scope

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

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

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.

Key audit matter	How our audit addressed the key audit matter
Audit of opening balances - Investments in Associates *Refer to notes 2 (b), 3 (a), (7) and (24) to the financial statements for disclosures of related accounting policies and balances.*	
The Company's total investments in associates was US $83 million as at 31 December 2021 and US $61million as at 1 January 2021, representing holdings in certain investment securities, which range between 18% to 20% of the issued share capital and where there is board and/or board sub-committee representation. As per the Company's 2021 updated accounting policies, management recognises associates as all entities over which the Company has significant influence but not control, generally accompanying a shareholding of 20% of the voting rights. As the company is deemed to have a similar business model to an investment entity as defined by IFRS 10, the Company has elected the exemption from applying the equity method in IAS 28 for its investments in associates and accounts for its investments in associates at FVTPL in accordance with IFRS 9.	We performed the following procedures, amongst others, over the opening balances as it pertains to Investments in Associates as follows: ● Performed inquiries and evaluated management's accounting policies against the requirements of the applicable accounting standards; ● Read and evaluated management's position papers on the determination of the designation of the investments as associated companies; and ● Independently confirmed shareholdings of related associates with the local securities deposits registry.

Key audit matter	How our audit addressed the key audit matter
We focused our audit efforts on these opening balances due to their material impact on the financial statements both in the current year and in respect of the opening balances. The determination of the applicable accounting standard being IAS28 Investment in Associated Companies and Joint Ventures versus IFRS 9 Financial Instruments involved a level of applied judgement by management.	• Corroborated board and subcommittee membership through inspection of published submissions to the Jamaica Stock Exchange; and • Challenged management's assertion that it qualifies for the exemption from equity accounting under IAS 28 paragraph 18 by assessing the following: ○ The nature of the Company's operations; ○ How the business is managed; and ○ How the performance of the Company is assessed and management of the Company is remunerated. and compared the underlying information to the types of entities that IAS 28 describes as being eligible for exemption. Based on the results of our audit procedures, we identified that adjustments were required to correct the financial statements related to the recognition, valuation and presentation of Investments in Associates, as further described in Note 24 to the financial statements.

Other information

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

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

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

Other matter

The financial statements of the company for the year ended 31 December 2020 were audited by another firm of auditors whose report, dated 1 March 2021, expressed an unmodified opinion on those statements.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Company to cease to continue as a going concern.

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

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, actions taken to eliminate threats or safeguards applied.

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.

The engagement leader on the audit resulting in this independent auditors' report is Tonya Graham.

PricewaterhouseCoopers

Chartered Accountants
Castries, St. Lucia
1 April 2022

Statement of Financial Position

31 December 2021

(expressed in United States dollars unless otherwise indicated)

	Note	2021 $	2020 Restated* $	2019 Restated* $
Assets				
Cash and bank balances	4	2,310,575	2,334,921	4,084,268
Investment securities	6	34,299,736	36,217,902	48,651,074
Investments in associates	7	82,776,256	60,646,088	95,743,648
Other receivables		239,012	236,368	146,985
Due from parent company	8(b)	-	-	1,610,519
Taxation recoverable		1,851	18,417	-
Intangible asset	9	10,188	380,664	442,933
Total Assets		119,637,618	99,834,360	150,679,427
Liabilities				
Due to parent company	8(b)	170,408	114,210	-
Accounts payable	10	1,408,451	275,964	3,085,994
Deferred taxation	11	-	124,089	699,889
Taxation payable		-	-	37,813
Debt security in issue	13	14,272,342	15,484,054	16,696,735
Promissory note payable	12	6,522,299	-	-
Total Liabilities		22,373,500	15,998,317	20,520,431
Equity				
Share capital	15	20,556,260	20,556,260	20,556,260
Fair value reserve	16	8,138,917	9,425,881	18,393,716
Translation reserve	17	(34,239,323)	(27,169,398)	(18,302,872)
Retained earnings		102,808,264	81,023,300	109,511,892
Total Equity		97,264,118	83,836,043	130,158,996
TOTAL LIABILITIES AND EQUITY		119,637,618	99,834,360	150,679,427

*See note 24 for details regarding the restatement as a result of an error.

The accompanying notes on pages 10 – 36 form an integral part of these financial statements.

Approved for issue by the Board of Directors on 1 April 2022 and signed on its behalf by:

Konrad Mark Berry — Director

Richard Surage — Director

Statement of Profit or Loss and Other Comprehensive Income

31 December 2021

(expressed in United States dollars unless otherwise indicated)

	Note	2021 $	2020 Restated* $
Income			
Dividend income		2,583,849	2,257,325
Net unrealized gains/(losses) on financial instruments at FVTPL		153,377	(9,943,726)
Net unrealized gains/(losses) on investments in associates at FVTPL		16,930,920	(19,332,778)
Interest income	18	6,655	12,326
Net trading gains		43,341	438,774
Net foreign exchange gains/(losses)		134,476	(81,860)
Total operating income/(loss)		19,852,618	(26,649,939)
Interest expense	18	(1,387,270)	(1,299,053)
Net operating income/(loss)		18,465,348	(27,948,992)
Expenses			
Audit fees		(23,284)	(20,224)
Other expenses	19	(2,009,441)	(1,049,031)
		(2,032,725)	(1,069,255)
Profit/(Loss) before Taxation		16,432,623	(29,018,247)
Taxation credit	20	17,446	391,117
Net Profit/(Loss) for the Year		16,450,069	(28,627,130)
Other Comprehensive Income, net of taxes -			
Item that will not be reclassified to profit or loss:			
Changes in the fair value of equity investments at FVTOCI		4,533,241	(8,312,872)
Item that may be subsequently reclassified to profit or loss:			
Foreign currency translation adjustments		(7,069,925)	(8,866,526)
Total Comprehensive Income for the Year		13,913,385	(45,806,528)
Earnings/(Loss) per stock unit (Basic and fully diluted)	21(a)	0.014	(0.024)

*See note 24 for details regarding the restatement as a result of an error.

The accompanying notes on pages 10 – 36 form an integral part of these financial statements.

Statement of Changes in Shareholders' Equity

Year ended 31 December 2021

(expressed in United States dollars unless otherwise indicated)

	Number of Shares	Share Capital $	Fair Value Reserve $	Translation Reserve	Retained Earnings $	Total $
Balance at 1 January 2020	1,201,149,292	20,556,260	68,892,906	-	40,709,830	130,158,996
Correction of error (net of tax) (see note 24)	-	-	(50,499,190)	(18,302,872)	68,802,062	-
Restated total equity at the beginning of the financial year	1,201,149,292	20,556,260	18,393,716	(18,302,872)	109,511,892	130,158,996
Net loss for the year (restated - see note 24)	-	-	-	-	(28,627,130)	(28,627,130)
Other comprehensive income (restated - see note 24)	-	-	(8,312,872)	(8,866,526)	-	(17,179,398)
Total comprehensive income (restated - see note 24)	-	-	(8,312,872)	(8,866,526)	(28,627,130)	(45,806,528)
Transfer of gain on disposal of equity investments at FVTOCI to retained earnings	-	-	(654,963)	-	654,963	-
Transactions with owners - Dividends	-	-	-	-	(516,425)	(516,425)
Balance at 31 December 2020 (restated – see note 24)	1,201,149,292	20,556,260	9,425,881	(27,169,398)	81,023,300	83,836,043
Net profit for the year	-	-	-	-	16,450,069	16,450,069
Other comprehensive income	-	-	4,533,241	(7,069,925)	-	(2,536,684)
Total comprehensive income	-	-	4,533,241	(7,069,925)	16,450,069	13,913,385
Transfer of gain on disposal of equity investments at FVTOCI to retained earnings	-	-	(5,820,205)	-	5,820,205	-
Transactions with owners - Dividends	-	-	-	-	(485,310)	(485,310)
Balance at 31 December 2021	**1,201,149,292**	**20,556,260**	**8,138,917**	**(34,239,323)**	**102,808,264**	**97,264,118**

The accompanying notes on pages 10 – 36 form an integral part of these financial statements.

Statement of Cash Flows

Year ended 31 December 2021

(expressed in United States dollars unless otherwise indicated)

	Note	2021 $	2020 Restated* $
Cash flows from operating activities			
Profit/(Loss) before taxation		16,432,623	(29,018,247)
Adjustments for:			
Interest income on financial assets at amortised cost	18	(6,655)	(12,326)
Amortisation of intangible asset	9	49,240	62,269
Write-off of intangible asset	19	299,674	-
Net trading (gains)/losses		(43,341)	(438,774)
Net foreign exchange (gains)/losses		(134,476)	81,860
Interest expense on financial liabilities at amortised cost	18	1,387,270	1,299,053
Net unrealised (gains)/losses on investments in associates at FVTPL		(16,930,920)	19,332,778
Net unrealized (gains)/losses on financial instruments - FVTPL		(153,377)	9,943,726
		900,038	1,250,339
Decrease in investment securities		3,722,533	(105,575)
Increase in investments in associates		(10,582,204)	240,209
Decrease/(Increase) in other receivables		(7,528)	(57,677)
Increase/(Decrease) in accounts payable		411,931	(3,065,930)
Due to/from related parties		642,876	1,861,354
		(4,912,354)	122,720
Taxation paid		-	(53,225)
Interest received		6,592	12,326
Interest paid		(1,235,638)	(1,299,053)
Net cash used in operating activities		(6,141,400)	(1,217,232)
Cash flows from financing activities			
Proceeds from promissory note		7,953,480	-
Repayment of promissory note		(1,325,823)	-
Dividend paid		(485,310)	(516,425)
Net cash generated from/(used in) financing activities		6,142,347	(516,425)
Decrease in cash and cash equivalents		947	(1,733,657)
Exchange gain on foreign cash and cash equivalents		(3,334)	971
Cash and cash equivalents at beginning of the period		2,041,767	3,774,453
Cash and cash equivalents at the end of the period	4	2,039,380	2,041,767

*See note 24 for details regarding the restatement as a result of an error.

The accompanying notes on pages 10 – 36 form an integral part of these financial statements.

1. Identification and Principal Activities

Mayberry Jamaican Equities Limited (the Company) is a public limited liability company which is listed on the Jamaica Stock Exchange. It is incorporated in St. Lucia under the *International Business Companies Act* and its registered office is located at Bourbon House, Bourbon Street, Castries, St. Lucia. On January 5, 2018, the Company changed its name from Mayberry West Indies Limited to Mayberry Jamaican Equities Limited under the International Business Companies Act, Cap 12.14.

Mayberry Investments Limited is the Company's parent and on July 31, 2018, 10% of the Company's ordinary shares were listed on the Main Market of the Jamaica Stock Exchange through an Initial Public Offering (IPO). The parent owns 59.78% (2020 - 68%) of Mayberry Jamaican Equities Limited as at December 31, 2021.

The Company is an investment company whose objective is to achieve long term capital appreciation, while preserving capital, by investing in and trading public equity securities in Jamaica ("Jamaican equities").

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for all the years presented unless otherwise stated. During 2021, there were accounting policy changes regarding investments in associates and the application of elections under IAS 28 *Investments in Associates and Joint Ventures* resulting in a restatement, see notes 2(b), 3 and 24. Where necessary, prior year comparatives have been reclassified to conform to the current year's presentation.

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment securities at fair value through other comprehensive income ("FVTOCI"), investments in associates at fair value through profit or loss ("FVTPL") and financial assets and liabilities at FVTPL. The company has determined that it is a similar entity to an investment entity as defined in IFRS 10 and it continues to meet this definition (see note 2 (b)).

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

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Company has assessed the relevance of all such new standards, interpretations and amendments and has concluded that there are no new standards, interpretations and amendments which are relevant to its operations.

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

New, revised and amended standards and interpretations not yet effective and not early adopted by the Company

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Company. The standards, amendments and interpretations relevant to the Company are discussed below. These standards, amendments or interpretations are not expected to have a material impact on the Company entity in the current or future reporting periods and on foreseeable future transactions.

Amendments to IAS 1, Presentation of financial statements', on classification of liabilities, (effective for annual periods beginning on or after 1 January 2024). These narrow-scope amendments to IAS 1 *Presentation of financial statements*, 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 a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8, (effective for annual periods beginning on or after 1 January 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

(b) Investment in Associates

An entity that meets the IFRS 10 *Consolidated Financial Statements* definition of an investment entity is required to measure its investments at FVTPL in accordance with IFRS 9 *Financial Instruments*. This is because using fair value results in more relevant information than, for example, consolidation for subsidiaries or the use of the equity method for interests in associates or joint ventures. The Company has determined that its business model and operations are similar to that of an 'investment entity' as defined in IFRS 10.

An investment entity is an entity that obtains funds from one or more investors for the purpose of providing them with investment management services, commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both, and measures and evaluates the performance of substantially all of its investments on a fair value basis. The company has met and continues to meet the substantive definition of an investment entity and is therefore considered similar to this type of entity, as its strategic objective of investing in Jamaican equities and providing investment management services to investors for the purpose of generating returns in the form of long term capital appreciation, remains unchanged. The company has no subsidiaries but has investments in associates.

The Company may from time to time seek to liquidate its positions in any of its Jamaican equities. The circumstances under which the company may sell some or all of its investments include: (i) where the company believes that the Jamaican equities are fully valued or that the original investment thesis has played out; or (ii) where the company has identified other investment opportunities which it believes present more attractive risk-adjusted return opportunities and additional capital is needed to make such alternative investments.

For its Jamaican equities, the company's exit strategies may include selling the investments through private placements, hedge funds or in public markets. While most stocks are traded daily, some anchor holdings have a 10 – 15 year horizon for the full growth potential anticipated to be realised (See note 3(a)).

2. Significant Accounting Policies (Continued)

(b) Investment in Associates (continued)

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of 20% of the voting rights. As the company is deemed to have a similar business model to an investment entity as defined by IFRS 10, the company has elected the exemption from applying the equity method in IAS 28 for its investments in associates and accounts for its investments in associates at FVTPL in accordance with IFRS 9.

The Company's associates are as follows:

Name of Entity	Accounting Year-end	Nature of Business	The Company's proportion of ordinary shares held (%) 2021	2020
Lasco Financial Services Ltd	March 31	Money Services	20	20
Caribbean Producers (Jamaica) Limited	June 30	Food trading	20	20
Iron Rock Insurance Limited	December 31	General insurance	19	18
Supreme Ventures Limited	December 31	Betting, gaming and lottery	18	15

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Company is Jamaican dollars based on its primary operating and regulatory environment.

The financial statements are presented in United States Dollars, the Company's presentation currency in accordance with its Articles of Association.

(ii) Transactions and balances

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

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 recognised in the statement of profit or loss and other comprehensive income.

Translation differences on non-monetary financial assets and liabilities are a component of the change in their fair value. Translation differences on non-monetary financial assets and liabilities such as equities held at FVTPL, are recognised in the statement of profit or loss as part of the fair value gain or loss. Translation differences, on non-monetary financial assets such as equities classified as FVTOCI are recognised in other comprehensive income.

(iii) Translation from functional to presentation currency

Assets and liabilities for the balance sheet are translated into the presentation currency at the closing rate at the date of the balance sheet. Income and expenses are translated at exchange rates at the dates of the transactions. All resulting exchange differences are recognised in other comprehensive income.

2. **Significant Accounting Policies (Continued)**

(d) Intangible assets

Acquired computer software licenses and proprietary developed systems are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over the estimated useful life of the software, which ranges from 5 to 10 years.

Impairment

Intangible assets 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 carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's fair value less costs to sell and value in use.

(e) Financial assets

i. Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. This includes regular way purchases of financial assets and liabilities that require delivery of assets within the time frame generally established by regulation or convention in the market place.

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, plus or minus directly attributable transaction costs for all instruments except in the case of financial assets recorded at FVTPL. All other financial instruments including instruments designated at FVTPL are measured at fair value, and transaction costs are expensed in the statement of profit and loss and comprehensive income.

ii. Classification and subsequent measurement

The Company classifies all of its financial assets based on the business model for managing the assets and the assets contractual terms. The following measurement categories are used in accordance with the requirements of IFRS 9:

- those to be measured at fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL), and
- those to be measured at amortised cost.

iii. Business model assessment

IFRS 9 requires an assessment of the nature of the Company's business model at a level that best reflects how it manages portfolios of financial assets. The business model reflects how the company manages the assets in order to generate cash flow; this is, whether the company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g., financial assets are held for trading purposes), then the financial assets are classified as "Other" business model and measured at FVTPL.

2. **Significant Accounting Policies (Continued)**

(e) Financial assets (continued)

iii. Business model assessment (continued)
Factors considered by the company in determining the business model for a group of assets include:
1. How the asset's performance is evaluated and reported to key management personnel;
2. How risks are assessed and managed; and
3. How managers are compensated.

The company has determined that it has two business models:
Hold-to-collect business model: This comprises, cash and cash equivalents accounts receivable. These financial assets are held to collect contractual cash flows.

Other business model: This comprises equity investments. These financial assets are managed and their performance is evaluated, on a fair value basis.

iv. Equity Instruments
Financial assets measured at FVTOCI
Where the company has made an irrevocable election to classify equity investments at FVTOCI, they are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the related fair value reserve. There is no subsequent reclassification of fair value gains/losses to profit or loss. Following the derecognition of the investment, these realised gains/losses are transferred to retained earnings.

Financial assets measured at FVTPL
This category comprises equity investments which are held for trading and are carried in the statement of financial position at fair value with changes in fair value recognised in profit or loss.

Dividend income
When representing a return on such equity investments, dividend income is recognised in profit or loss when the Company's right to receive payments is established.

v. Financial assets measured at amortised cost
Financial assets that are held to collect the contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) are measured at amortised cost. Any gain or loss arising on derecognition is recognised directly in profit or loss together with foreign exchange gains or losses. 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 company's financial assets measured at amortised cost comprise cash and cash equivalents, and other receivables in the statement of financial position.

Cash and cash equivalents include cash in hand, bank balances and other short term highly liquid investments with original maturities of three months or less.

(expressed in United States dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(e) Financial assets (continued)

vi. Impairment

Expected credit losses ("ECL") are established for all financial assets, except for financial assets classified or designated as FVTPL and equity securities designated as FVTOCI, which are not subject to impairment assessment. The impact of ECLs on other financial assets is considered immaterial as this comprises primarily cash and cash equivalents.

The Company assesses on a forward looking basis the ECL associated with its financial assets classified at amortised cost. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not been increased significantly since initial recognition of the financial asset, twelve month ECLs along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime ECLs along with interest income on a net basis are recognised. The company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company assumes that there is no significant increase in credit risk for instruments that have a low credit risk. This assumption is used primarily for cash and cash equivalents.

vii. Derecognition

Regular way sales of financial assets are recognised on trade date, being the date on which the Company commits to sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(f) Financial liabilities

Financial liabilities are initially recognised at fair value, being their issue proceeds, net of transaction costs directly attributable to the issue of the instrument. Borrowings are subsequently carried at amortised cost using the effective interest rate method, which ensures that any interest expense recognised in the statement of profit or loss and other comprehensive income over the period to repayment is a constant rate on the balance of the liability carried in the statement of financial position.

The Company's financial liabilities comprise promissory note payable, accounts payable, debt security in issue and due to related companies.

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

(g) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an unconditional and legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

(h) Borrowings

Borrowings 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 profit or loss and other comprehensive income over the period of the borrowings using the effective yield method.

(i) Provisions

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

2. Significant Accounting Policies (Continued)

(j) Revenue Recognition

Interest income is recognised in the statement of profit or loss and other comprehensive income for all interest-bearing instruments on the accrual basis using the effective yield method based on the actual purchase price. Interest income includes coupons earned on fixed investments and discount or premium on financial instruments.

(k) Income Taxes

Taxation expense in the statement of profit or loss and other comprehensive income comprises current and deferred tax charges.

Current tax charges are based on taxable profit for the year, which differs from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The Company's liability for current tax is calculated at tax rates that have been enacted or substantively enacted at the statement of financial position date. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

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 profit and other comprehensive 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

(l) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds, net of tax. Incremental costs directly attributable to the issue of new ordinary stock units are included in the cost of acquisition as part of the purchase consideration.

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 profit or loss and other comprehensive income as interest expense.

(m) Segment reporting

The Board of directors considers the Company to have a single operating segment. The Board of Directors' asset allocation decisions are based on a single, integrated investment strategy and the Company's performance is evaluated on an overall basis which is as per the primary financial statements of the Company.

(n) Dividend distributions

Dividends are recognized as an appropriation in the Company's financial statements, in the period which the dividends are approved.

Dividends for the year that are declared after the reporting date are dealt with in the subsequent events note.

3. Critical Accounting Judgements and Estimates

(a) Critical judgements in applying the Company's accounting policy

The preparation of the financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. This note provides an overview of the areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year. 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. Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of an error and changes to previous estimates:

i. Investment Entity Business Model
With the Company's listing in 2018, there was considerable deliberation and consideration given to the Company's business model and objectives which were also associated with the unavailability of licenses for certain types of collective investment schemes in Jamaica. Management is of the view that its business model is, and always has been, similar to that of an "investment entity" as defined in IFRS 10 having consideration to the following key matters amongst other facts:

1. The Company provides investment management services to multiple investors who have invested in the Company via the JSE to take advantage of the management of a portfolio of Jamaican equities on their behalf.
2. The Company's principal objective is solely to invest in Jamaican equities for returns from capital appreciation and investment income.
3. The company manages and evaluates performance on the Jamaican equities on a fair value basis. A Net Asset Value (NAV) is tracked daily and communicated to the Company's investors and potential investors via the JSE and the Company's website. Additionally, the Company's Investment Manager is compensated based on the fair value appreciation of the portfolio over time (note 8(b (ii))).

The purpose and design of the company is therefore similar to that of an investment entity per IFRS 10.

ii. Investments in associated companies
During 2021, the Company also reviewed the accounting principles for accounting for its equity investments. It included a review of the requirements of IAS 28 which expounds on the accounting requirements for entities that while not controlled or jointly controlled by the reporting entity, are subject to significant influence by it and are deemed associates. The standard indicates that a holding of 20% or more of the voting power of the investee is presumed to give rise to significant influence, unless it can be clearly demonstrated that this is in fact not the case. Conversely, a holding of less than 20% of the voting power is presumed not to give rise to significant influence, unless it can be clearly demonstrated that there is in fact significant influence. The Company's management has reassessed that it has four investments which meet the criteria of having influence based on management's representation on the Board of directors which places it in a position to contribute to policy formation and participate in decisions about dividends and other distributions.

Some of the directors of the Company and its parent are members of the Board of Directors of Lascelles Financial Services Limited, Caribbean Producers Group Ltd, Supreme Ventures Limited and Iron Rock Insurance Limited and are able to participate in all significant financial and operating decisions. Based on the foregoing, the Company has determined that it has significant influence over these entities though some shareholdings are below 20%.

3. **Critical Accounting Judgements and Estimates (Continued)**

(a) Critical judgements in applying the Company's accounting policy (continued)

ii. Investments in associated companies (continued)
The Company also has shareholdings of 20% in Blue Power Limited, however the Company has never sat on the Board of Directors, nor any key operational committees and Management is not of the view they exercise any significant influence over this entity's activities. This entity has therefore been accounted for as a financial investment.

Consequently, the financial statements for the years these investments have been held with similar facts prevailing have been restated to classify these investments as associates in accordance with IAS 28. The Company has also elected the IAS 28 exemption from applying the equity method of accounting to measure its investments in associates and instead measure them at FVTPL in accordance with IFRS 9. Management is of the view that fair value measurement provides more useful information for users of the financial statements. This election is consistent with the determination by Management that the Company is an entity of similar type to an investment entity defined in IFRS 10 as discussed above.

Though the Company's business model had been clearly articulated in the financial statement in previous years, management had not applied the provisions of relevant accounting standards (IFRS 10 and IAS 28) and the elections based on the Company's business model.

The changes described above re the reclassification of the four associated companies and the election to measure those associates at FVTPL resulted in a material understatement of losses recognised for 2020 and unrealised gains earned in prior financial years in the statement of profit or loss and other comprehensive income for associates previously measured as FVTOCI. There would have also been an understatement of fair value reserves for 2020 and an overstatement of fair value reserves for prior financial years in the statement of changes in shareholders' equity for associates previously classified as FVTOCI. The error has been corrected by restating each of the affected financial statement lines for the prior periods as disclosed in note 24.

(b) Key Sources of estimation uncertainty

Fair value of financial instruments
Substantially all the Company's financial assets and some liabilities included in the company's financial statements require measurement at, and/or disclosure of fair value. Management uses its judgment in selecting appropriate valuation techniques to determine fair value of investment securities.

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. 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:

(expressed in United States dollars unless otherwise indicated)

3. **Critical Accounting Judgements and Estimates (Continued)**

(b) Key Sources of estimation uncertainty (continued)

Fair value of financial instruments (continued)

(i) Investment securities classified as FVTPL and FVTOCI are measured at fair value by reference to quoted market prices when available re last bid, ask and trade prices. 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.

The fair values of liquid assets and other assets maturing within one year are assumed to approximate their carrying amount. The assumption is applied to liquid assets and short term elements of all financial assets and liabilities.

(ii) The fair values of variable rate financial instruments are assumed to approximate their carrying amounts.

The company uses the following three level fair value hierarchy in accordance with IFRS 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 is 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.

Transfers of items between levels are recognised in the period they occur.

The company measures its investment securities at fair value using level 1 inputs.

Income Taxes

There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for actual and anticipated tax audit issues based on estimates of whether additional taxes will be due. In determining these estimates, Management considers the merit of any tax audit issues raised, based on their interpretation of the taxation laws, and their knowledge of any precedents established by the taxation authorities. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences could materially impact the current tax and deferred tax provisions in the period in which such determination is made. The Company also recognises deferred tax assets on tax losses carried forward where it anticipates making future taxable income to offset these losses.

The St. Lucian tax authorities had enacted certain tax laws in 2012 and 2019 containing certain grandfathering provisions re implementation where specific criteria were met. Some of those changes came into effect during 2021 for the Company, while others will be effective in 2022. These are discussed in note 25.

4. **Cash and Bank Balances**

	2021	**2020**
	$	**$**
Cash and cash equivalents (as per statement of cash flows)	2,039,380	2,041,767
Restricted deposit account	271,195	293,154
	2,310,575	2,334,921

(expressed in United States dollars unless otherwise indicated)

5. Reconciliation of Liabilities arising from Financing Activities

The table below details the movement in debt for each of the periods presented. Financing activities represent debt security issued and other loans.

	Debt security in issue		Promissory note payable	
	2021 $	2020 $	2021 $	2020 $
At 1 January 2020	15,484,054	16,696,735	-	-
Interest payable	(28,699)	(27,744)	-	-
	15,455,355	16,668,991	-	-
Loans received	-	-	7,953,480	-
Principal repayments	-	-	(1,325,823)	-
Interest payable	19,873	28,699	25,418	-
Amortisation of borrowing costs	23,733	25,243	-	-
Currency translation adjustments	(1,226,619)	(1,238,879)	(130,776)	-
At 31 December 2021	**14,272,342**	**15,484,054**	**6,522,299**	**-**

6. Investment Securities

	2021 $	2020 Restated $
Equity securities at FVTOCI	31,625,471	34,055,691
Equity securities at FVTPL	2,674,265	2,162,211
	34,299,736	36,217,902

7. Investments in Associates

i) Details of each of the Company's material associates at FVTPL at the end of the reporting period are as follows:

	2021 $	2020 Restated $
Supreme Ventures Limited	58,369,859	50,347,679
Caribbean Producers Jamaica Limited	18,651,405	4,316,498
Lasco Financial Services Limited	4,949,736	4,946,153
Ironrock Insurance Company Limited	805,256	1,035,758
	82,776,256	60,646,088

(expressed in United States dollars unless otherwise indicated)

8. Related Party Transactions and Balances

	2021 $	2020 $
(a) Transactions with related parties		
Interest expense (i)	312,046	148,194
Investment management fee and incentive fee (ii)	597,123	482,327
Dividend income	2,273,979	1,920,217
Administrative support fees	103,862	5,800
Key management compensation	29,829	-
Directors' emoluments	44,549	-
(b) Year-end balances arising from transactions with related parties		
Due to -		
Parent company – Mayberry Investments Limited (i)	6,692,707	114,210
Mayberry Asset Managers Limited (included in note 10) (ii)	809,647	244,313
	7,502,354	358,523

(i) This comprises a promissory note payable as discussed in note 12, and an outstanding inter-company balance of $170,408 (2020 - $114,210) which attracts interest at a rate of 10% per annum. The inter-company balance of $170,408 has no fixed repayment terms.

(ii) On February 15, 2017, the Company entered into an agreement with Mayberry Asset Managers Limited, a company incorporated in St. Lucia that is controlled by two of the Company's directors, Christopher Berry and K. Mark Berry. The 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:

1. A management fee calculated as 0.50% of the net asset value; and
2. An incentive fee calculated as 8.00% of the increase in the comprehensive income.

The management fee is accrued and charged quarterly in arrears.

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. The incentive fee is accrued and charged on December 31 of each year.

The amount of $597,123 (2020 - $482,327) in note 8(a) above represents the investment management fee of $597,123 (2020 - $483,590) and incentive fees of $nil (2020 - $ nil) charged for the period January 1, 2021 to December 31, 2021 (note 19).

(expressed in United States dollars unless otherwise indicated)

9. Intangible Asset

	2021 $
Cost	
At December 2019 and 2020	475,242
Amounts written off during the period (note 10)	(431,581)
At December 2021	43,661
Accumulated depreciation-	
At December 2019	32,309
Charge for the year	62,269
At December 2020	94,578
Charge for the year	49,240
Relieved on write-off	(110,345)
At December 2021	33,473
Net book value	
At December 2021	10,188
At December 2020	380,664

10. Accounts Payable

	2021 $	2020 $
Audit fee payable	20,634	18,000
Contract termination fees payable (i)	440,000	-
Investment management fee (note 8 (b))	809,647	244,313
Other payables	138,170	13,651
	1,408,451	275,964

(i) A computer application previously used for the Company's operations was discontinued during the year. This represents amounts provided for the early termination of the contract with the vendor.

(expressed in United States dollars unless otherwise indicated)

11. Deferred Taxation

Movement on the Company's deferred tax liability is as follows: -

	2021 $	2020 Restated $
Balance beginning of year	124,089	699,889
Deferred tax credit (note 20)	(91,186)	(388,113)
Deferred tax credit to other comprehensive income on investment securities	(32,903)	(187,687)
Balance- end of year	-	124,089
Deferred tax assets:		
Tax losses carried forward	-	(128,310)
	-	(128,310)
Deferred tax liabilities:		
Investment securities at FVTPL	-	188,880
Investment securities at FVTOCI	-	63,519
	-	252,399
	-	124,089

	Investment securities & Associates $	Tax Losses $	Total $
At 1 January 2020 (Restated)	699,889	-	699,889
Charged/(Credit)			
- to profit or loss	(259,803)	(128,310)	(388,113)
- to other comprehensive income	(187,687)	-	(187,687)
At 31 December 2020 (Restated)	**252,399**	**(128,310)**	**124,089**
Charged/Credit			
- to profit or loss	(219,496)	128,310	(91,186)
- to other comprehensive income	(32,903)	-	(32,903)
At 31 December 2021	**-**	-	**-**

At December 31, 2020 the Company had unused tax losses of $12,831,000 available for offset against future profits. A deferred tax asset had been recognised in respect of $128,310 of such losses. At the reporting date no deferred taxes have been calculated and all opening balances reversed as with certain laws coming into effect July 1, 2021 in St. Lucia, it is not considered probable that there will be future taxable profits for the foreseeable future based on the Company's primary sources of revenue being external to St. Lucia (note 25).

(expressed in United States dollars unless otherwise indicated)

12. Promissory Note Payable

On September 1, 2021, the Company entered into a loan facility with MIL, executed via a promissory note, amounting to $7,953,480 (J$1.2 billion) at a fixed rate of 6.80% per annum with quarterly interest payments. The note matures in 2026, however the loan can be prepaid upon giving the requisite notice without premium or penalty and shall be made with the accrued interest on the amount prepaid. Interest payable included in the balance at year end amounted to $25,418 (2020 – nil).

The note is secured by some of the Company's investments in associated companies included in note 14. The loan is subject to a material adverse change in financial condition clause.

13. Debt Security in Issue

	2021	2020
	$	$
Corporate Bond Holders	14,252,469	15,455,355
Interest payable	19,873	28,699
Total Debt Security in issue	**14,272,342**	**15,484,054**

On September 24, 2018 the Company completed a secured corporate bond issue amounting to $17,349,489 (J$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 JCSD Trustee Services Limited.

The bond is secured by some of the Company's quoted equity investments, included in note 14, in various entities that are being traded on the Jamaica Stock Exchange. The following financial covenants are required to be maintained:

i. Interest coverage ratio must be at least 1.5x;
ii. Total debt to equity ratio must not exceed 40%, and;
iii. Carrying value of the quoted equity investments must be at least 1.5x the carrying amount of the debt security in issue.

The company has complied with these covenants.

14. Pledged Securities

The carrying amounts of assets pledged as security for current and non–current borrowings are:

	2021	2020
	$	$
Restricted deposit	271,195	293,154
Investment securities at FVTOCI	9,009,179	9,226,639
Investments in associates at FVTPL	80,075,507	59,061,915
Total assets pledged as collateral	**89,355,881**	**68,581,708**

15. Share Capital

	No. of Shares	2021 $	No. of Shares	2020 $
Authorised:				
1 special rights preference share of $1,000 par value				
4,000,000 ordinary shares $0.01 par value				
Issued and fully paid				
Preference share	1	1,000	1	1,000
Ordinary shares	1,201,149,291	20,555,260	1,201,149,291	20,555,260
	1,201,149,292	20,556,260	1,201,149,292	20,556,260

On January 19, 2018 a resolution was passed by the Board that each of the issued ordinary shares of the Company be sub-divided into 100 ordinary shares of $0.01 each and also creating a single special rights preference share of $1,000 per value. After the subdivision of shares, the parent company, Mayberry Investments Limited (MIL), surrendered 854,376,709 units of its shareholdings to the Company.

On February 28, 2018, MIL issued a dividend in specie to its shareholders by transferring 10% or 120,114,929 units of Mayberry Jamaican Equities Limited's issued share capital to all MIL shareholders on record as at February 16, 2018.

On July 31, 2018, 120,114,929 of MIL's shares in the Company were issued through an IPO for a value of $908,292,799 and an additional 60,057,465 shares at a value of $81,077,577 were transferred by MIL to Mayberry Asset Managers Limited on September 28, 2018, to be placed in Mayberry Investments Limited Employee Share Incentive Plan.

The rights of the Special Share are set out in section 10A of the amended Articles of Association of the Company and require the consent in writing of the holder of the Special Share to vary some provisions of the Articles.

16. Fair Value Reserve

This represents net unrealized gains on the revaluation of equity securities classified as FVTOCI.

17. Translation Reserve

This represents the foreign currency translation gains or losses arising from the conversion from functional currency (Jamaican dollar) to presentation currency (United States dollar).

18. Interest Income and Interest Expense

	2021 $	2020 $
Interest income on financial assets at amortised cost:	6,655	12,326
Interest expense on financial liabilities at amortised cost:		
Inter-company finance charges (note 8(a))	(312,046)	(148,194)
Debt security in issue	(1,075,224)	(1,150,859)
	(1,387,270)	(1,299,053)

(expressed in United States dollars unless otherwise indicated)

19. Expenses by Nature

	2021 $	2020 $
Legal and professional fees	235,200	158,305
Investment management fee (note 8a)	597,123	482,327
Registrar and brokerage fees	44,419	47,777
Marketing & public relations	47,069	12,648
Amortisation of intangible asset (note 9)	49,240	62,269
Write-off of intangible asset (note 9/10)	299,674	-
Contract termination fees (note 10)	440,000	-
Computer license fee	218,604	276,084
Other	78,112	9,621
	2,009,441	1,049,031

20. Taxation

The taxation charge on net profit/(loss) for the year consists of the following:

	2021 $	2020 Restated $
Current tax	73,740	-
Over provision of prior year tax	-	(3,004)
Deferred tax (note 11)	(91,186)	(388,113)
	(17,446)	(391,117)

The tax on the Company's net profit/(loss) before taxation differs from the theoretical amount that would arise using the applicable tax rates to profits as follows:

	2021 $	2020 Restated $
Profit/ (loss) before taxation	16,432,623	(29,018,247)
Tax at 1%	164,326	(290,182)
Over provision of prior-year tax	-	(3,004)
Non-taxable income	(13,570)	(61,290)
Effect of changes in tax rates (see below)	(168,202)	-
Timing difference reversals	-	(36,641)
	(17,446)	(391,117)

The tax rate has changed effective July 1, 2021 when the Company became subject to the Income Tax Act (ITA) No. 7 of 2012. As of that date, the previous elective of being subject to taxation at the rate of 1% no longer applies and the Company will be taxed at 30% on any income earned from sources within St. Lucia (note 25).

(expressed in United States dollars unless otherwise indicated)

21. Financial Ratios

(a) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit/(loss) attributable to shareholders by the weighted average number of shares in issue during the year.

	2021	2020 Restated
Net profit/(loss) attributable to stockholders ($)	16,450,069	(28,627,130)
Weighted average number of ordinary shares (units)	1,201,149,291	1,201,149,291
Basic earnings per stock unit ($)	0.014	(0.024)
Fully diluted earnings per stock unit ($)	0.014	(0.024)

The following metrics are non - GAAP financial measures which provides additional information on the value of each share. We believe this provides useful information to investors in interpreting the Company's financial results relative to their individual investments.

(b) Net book value per stock unit

Net book value is calculated by dividing the value of the total assets less its total liabilities by the number of ordinary stock share units in issue at the end of the year.

	2021	2020 Restated
Net book value end of year ($)	97,264,118	83,836,043
Number of ordinary shares in issue (units)	1,201,149,291	1,201,149,291
Net book value per stock unit ($)	0.081	0.070

(c) Market value of ordinary stock

Market value of ordinary stock units is calculated by multiplying the closing bid price per share as quoted on the Jamaica Stock Exchange converted into United States dollars by the number of ordinary stock share units in issue at the end of the year.

	2021	2020
Closing bid price per unit as at 31 December ($)	0.052	0.050
Number of ordinary shares in issue (units)	1,201,149,291	1,201,149,291
Market value of ordinary shares ($)	62,429,817	58,061,751

22. Dividends

	2021	2020
Dividends paid	485,310	516,425

On May 03, 2021, an ordinary dividend of US$0.0004 (J$0.06) per share was approved by the Board of Directors for payment on May 21, 2021.

On April 29, 2020, an ordinary dividend of US$0.00043 (J$0.06) per share was approved by the Board of Directors, for payment on June 26, 2020.

(expressed in United States dollars unless otherwise indicated)

23. Financial Risk Management

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

- Credit risk
- Fair value or cash flow interest rate risk
- Foreign exchange risk
- Liquidity risk, and
- Equity price risk

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

In addition to the financial risks outlined above, the Company has also been impacted by the effects of COVID-19 which led to the deterioration in market conditions in the prior year and the resulting decline in market prices and the value of the investments portfolio. However, during 2021 there has been steady recovery in economic activity and corporate financial results have therefore shown improvements resulting in increased dividends payments and market prices. The Company has reviewed the objectives, policies and processes for managing the risks and the methods used to measure them in order to improve the effectiveness of its risk management strategies.

(a) Financial instruments by category

	At amortised cost		FVTOCI		FVTPL	
	2021 $	2020 Restated $	2021 $	2020 Restated $	2021 $	2020 Restated $
Financial Assets						
Cash and bank balances	2,310,575	2,334,921	-	-	-	-
Investment securities	-	-	31,625,471	34,055,691	2,674,265	2,162,211
Investments in associates	-	-	-	-	82,776,256	60,646,088
Other receivables	239,012	236,368	-	-	-	-
Total Financial Assets	2,549,587	2,571,289	31,625,471	34,055,691	85,450,521	62,808,299
Financial Liabilities						
Due to parent company	170,408	114,210	-	-	-	-
Accounts payable	1,408,451	275,964	-	-	-	-
Debt security in issue	14,272,342	15,484,054	-	-	-	-
Promissory note payable	6,522,299	-	-	-	-	-
Total Financial Liabilities	22,373,500	15,874,228	-	-	-	-

23. Financial Risk Management (Continued)

(b) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and bank balances, other receivables, debt security in issue, promissory note payable, due to parent company, and accounts payable.

Due to their short-term nature, the carrying values of cash and bank balances, other receivables, due to parent company, and accounts payable approximate their fair value.

The fair value of debt security in issue is $13,976,705 (2020 - $15,525,759) and the fair value of promissory note payable is $6,248,818 (2020 - nil). The fair values are based on cash flows discounted using a borrowing rate of 8.50% (2020 - 7.25%) and 7.75% (2020 – nil) respectively.

(c) Financial instruments measured at fair value

All of the Company's investment securities and investments in associates that are subsequently measured at fair value are Level 1 instruments. There were no transfers between levels during the period.

(d) Financial risk factors

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, investments of excess liquidity and the impacts of COVID-19.

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

Market risk
Market risk arises from the Company's use of interest-bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Price risk
Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

(expressed in United States dollars unless otherwise indicated)

23. Financial Risk Management (Continued)

(e) Financial risk factors (continued)

Equity price risk

The Company is exposed to equity securities price risk, which arises from the securities held by the Company as part of its investment portfolio. Management monitors equity securities in the Company's investment portfolio, based on expectations. The primary goal of the Company's investment strategy is to maximise investment returns. The company's investments in associates which are not characterised as financial assets are measured at FVTPL and have therefore been included in this sensitivity analysis as they account for a material proportion of equity securities held.

The table below summaries the sensitivity of the Company's net income and comprehensive income to equity price movements as at December 31. The analysis is based on the assumption of a 5% (2020 – 10%) increase or a 10% (2020 – 10%) decrease in equity prices, with all other variables remaining constant.

	Net effect on profit after tax 2021 $	Effect on Other Comprehensive Income 2021 $	Net effect on profit after tax 2020 $	Effect on Other Comprehensive Income 2020 $
5% (2020 – 10%) increase	4,272,526	1,581,274	6,280,830	3,405,569
10% (2020 – 10%) decrease	(8,545,052)	(3,162,548)	(6,280,830)	(3,405,569)

Currency risk

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

Currency risk arises from other receivables, accounts payable, due to/from related companies and cash and cash equivalents. The Company manages this risk by ensuring that the net exposure in foreign assets and liabilities are kept to an acceptable level by monitoring currency positions.

(expressed in United States dollars unless otherwise indicated)

23. Financial Risk Management (Continued)

(e) Financial risk factors (continued)

Currency risk (continued)

The Company is exposed to foreign currency risk in respect of the fluctuation of the United States dollars ("USD") against the Jamaican Dollar ("JMD") as follows:

	2021 $	2020 $
Assets:		
Cash and bank balances	2,009,941	2,008,995
Other receivable	160,000	216,770
Total assets	2,169,941	2,225,765
Liabilities		
Due to parent company	170,408	114,210
Accounts payable	463,823	29,973
Total liabilities	634,231	144,183
Net position	1,535,710	2,081,582

The following table indicates the sensitivity of profit or loss before tax to changes in foreign exchange rates. The change in currency rate below represents Management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated balances listed above, and adjusts their translation at the year-end for 6% (2020 – 6%) depreciation and a 2% (2020 – 2%) appreciation of the USD against the JMD.

The changes below would have no impact on other components of equtiy.

	% Change in Currency Rate 2021	Effect on Profit before tax 31 December 2021	% Change in Currency Rate 2020	Effect on Loss before tax 31 December 2020
Currency:				
USD	-6	92,143	-6	124,895
USD	+2	(30,714)	+2	(41,632)

Cash flow and fair value interest rate risk

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

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

At the reporting date the Company had no material financial assets or liabilities that were subject to cash flow interest rate risk. There are two fixed rate debt instruments: promissory note payable and corporate debt which exposes the Company to fair value interest rate risk. The intention is to hold these instruments to maturity with prepayments where the terms facilitate.

23. Financial Risk Management (Continued)

(e) Financial risk factors (continued)

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises from other receivables, due from related companies and cash and bank balances.

The maximum exposure to credit risk is equal to the carrying amount of other receivables, due from related companies and cash and bank balances in the statement of financial position.

Cash transactions are limited to high credit quality financial institutions. The Company has policies that limit the amount of credit exposure to any one financial institution. The ECL related to other receivables is considered immaterial.

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

Liquidity risk management process
The Company's liquidity risk management process, as carried out within the Company and monitored by the finance department includes:

(i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high-grade collateral which could be used to secure funding if required.

(ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow.

(iii) Optimising cash returns on investments.

(expressed in United States dollars unless otherwise indicated)

23. Financial Risk Management (Continued)

(e) Financial risk factors (continued)

Liquidity risk (continued)

The table below presents the undiscounted cash flows (both interest and principal cash flows) to settle financial liabilities, based on contractual repayment obligation.

	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
	$	$	$	$	$	$
Financial Liabilities 2021						
Accounts payable	20,634	1,387,817	-	-	-	1,408,451
Debt security in issue	-	19,873	1,036,253	15,070,329	-	16,126,455
Promissory note payable	-	134,352	332,854	8,153,053	-	8,620,259
Due to parent company	170,408	-	-	-	-	170,408
Total financial liabilities (contractual maturity dates)	191,042	1,542,042	1,369,107	23,223,382	-	26,325,573

	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
	$	$	$	$	$	$
Financial Liabilities 2020						
Accounts payable	18,000	257,964	-	-	-	275,964
Debt security in issue	-	28,699	1,164,358	19,017,846	-	20,210,903
Due to parent company	114,764	-	-	-	-	114,764
Total financial liabilities (contractual maturity dates)	132,764	286,663	1,164,358	19,017,846	-	20,601,631

(expressed in United States dollars unless otherwise indicated)

24. Effect of Correction of Errors in Applying Accounting Methods

During 2021, Management reviewed the investment portfolio and determined that four investments met the criteria for classification as associated companies. Management also elected to apply the IAS 28 exemption from applying the equity method of accounting and instead measure investment in associates at FVTPL in accordance with IFRS 9 (see Note 3). This reclassification also resulted in changes to the deferred tax calculated on unrealised gains or losses previously measured at FVTPL and FVTOCI and the deferred tax for 2020 was restated accordingly.

In previous years, translation differences arising on the conversion of the Company's net assets from the Jamaican dollar functional currency to the United States dollar presentation currency were reflected net in the fair value reserve and retained earnings reserve respectively, when they should have been recognised in other comprehensive income. A new translation reserve has been created to which the accumulated translation differences have now been reclassified out of the fair value reserve and retained earnings reserve. The reserves are now reflected gross, with a separate translation reserve and no resulting change to net assets.

In prior year, the cash flow statement included an adjustment to profit or loss for the realised gains or losses transferred to retained earnings on FVTOCI investments. This has been restated to adjust for net trading gains on FVTPL investments.

The effect of the change in accounting has been corrected by restating each of the affected financial statement line items for the prior period as follows:

	31 December 2020 $	Increase / (Decrease) $	31 December 2020 (Restated) $	31 December 2019 $	Increase / (Decrease) $	1 January 2020 (Restated) $
Balance sheet (extract)						
Investment securities	96,863,990	(60,646,088)	36,217,902	144,394,722	(95,743,648)	48,651,074
Investments in associates	-	60,646,088	60,646,088	-	95,743,648	95,743,648
Other assets not affected by the restatement	2,970,370	-	2,970,370	6,284,705	-	6,284,705
Total Assets	**99,834,360**	**-**	**99,834,360**	**150,679,427**	**-**	**150,679,427**
Share capital	20,556,260	-	20,556,260	20,556,260	-	20,556,260
Fair value reserve	33,389,769	(23,963,888)	9,425,881	68,892,906	(50,499,190)	18,393,716
Translation reserve	-	(27,169,398)	(27,169,398)	-	(18,302,872)	(18,302,872)
Retained earnings	29,890,014	51,133,286	81,023,300	40,709,830	68,802,062	109,511,892
Total Equity	**83,836,043**	**-**	**83,836,043**	**130,158,996**	**-**	**130,158,996**

	2020 $	Profit Increase / (Decrease) $	2020 (Restated) $
Statement of profit or loss and other comprehensive income (extract)			
Net unrealized loss on investments in associates – FVTPL	-	(19,332,778)	(19,332,778)
Net unrealized loss on financial instruments – FVTPL	(8,518,467)	(1,425,259)	(9,943,726)
Other line items not affected by the restatement	258,257	-	258,257
Loss before tax	**(8,260,210)**	**(20,758,037)**	**(29,018,247)**
Taxation	183,793	207,324	391,117
Loss after tax	**(8,076,417)**	**(20,550,713)**	**(28,627,130)**
Other comprehensive income	(28,884,690)	11,705,292	(17,179,398)
Total comprehensive income for the period	**(36,961,107)**	**(8,845,421)**	**(45,806,528)**

Basic and diluted earnings per share for the prior year have also been restated. The amount of the correction for basic and diluted earnings per share was a decrease of $0.01 per share.

(expressed in United States dollars unless otherwise indicated)

24. Effect of Correction of Errors in Applying Accounting Methods (Continued)

	2020 $	Increase / (Decrease) $	2020 (Restated) $
Statement of cash flows (extract)			
Loss before taxation	(8,260,210)	(20,758,037)	(29,018,247)
Net trading (gains)/losses	1,481,500	(1,920,274)	(438,774)
Net unrealised losses on investments in associates at FVTPL	-	19,332,778	19,332,778
Net unrealized losses on financial instruments - FVTPL	8,518,467	1,425,259	9,943,726
Decrease in investment securities	(1,825,329)	1,719,754	(105,575)
Increase in investments in associates	-	240,209	240,209
Other line items not affected by the restatement	(1,171,349)	-	(1,171,349)
Net cash used in operating actvities	**(1,256,921)**	**39,689**	**(1,217,232)**
(Decrease)/increase in cash and cash equivalents	(1,773,346)	39,689	(1,733,657)
Exchange gain of foreign cash and cash equivalents	23,999	(23,028)	971
Cash and cash equivalents at the beginning of the year	4,084,268	(309,815)	3,774,453
Cash and cash equivalents at the end of the year	**2,334,921**	**(293,154)**	**2,041,767**

25. Tax Laws Coming into Effect

End of Grandfathered Status

As of 1st July 2021, all Grandfathered International Business Corporations (IBC's) incorporated prior to 15th November 2018 became subject to the Income Tax Act (ITA) No. 7 of 2012 which amongst other matters requires additional filing requirements of affected companies. The previous electives of being tax exempt or subject to taxation at the rate of 1% no longer apply and companies will instead be taxed on any income earned from sources within St. Lucia, with all foreign sourced income being tax exempted.

Previously grandfathered IBC's will commence Economic Substance Return ("ESR") filings by 31st March 2022 at earliest.

Economic Substance

In December 2019, Saint Lucia enacted the Economic Substance Act No.33 of 2019, in order to comply with international initiatives and demands. This is a precursor to the Economic Substance Return Form to be introduced for the purpose of proving that companies can demonstrate sufficient substance in its economic activities undertaken, which proof will be measured amongst other things, by looking at, extent of physical presence, place and conduct of meetings of the Directors, and the number of employees engaged commensurate with revenue generated by the Company.

The Company awaits the competent authorities review of its first ESR filing in 2022, to determine if its Core income Generating Activities (CIGA) and operations meet the required standards.

26. COVID-19 Impact

The World Health Organisation (WHO) declared the novel coronavirus, COVID-19 to be a global pandemic on March 11, 2020. The pandemic and the measures to control negatively affected economic activity and business operations worldwide. This caused a higher level of uncertainty, which adversely affected financial markets and business confidence. Management has assessed that this has adversely affected the Company through a decline in share prices and cessation or reduction of dividend payments by some companies.

As operating restrictions in some industries and jurisdictions have been gradually lifted in 2021, Management has seen a recovery in asset prices, closer to pre-pandemic levels. This has resulted in significant fair value gains being recorded for the year, as well as improved year-over-year dividends received.

Notwithstanding the improvements noted above, Management recognises that market prices are subject to a higher degree of estimation and uncertainty. Consequently, there is an expectation that the volatility caused by the pandemic will continue in 2022.