MAYBERRY
INVESTMENTS LIMITED
Established 1985

2021
Audited Accounts
Financial Year Ended 31 December 2021

Transforming lives positively through lasting relationships

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

2021 Performance Highlights

Mayberry Group (Consolidated)

EARNINGS PER SHARE

323%

INCREASE OVER 2020

2021: J$1.72

2020: (J$0.77)

TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE

235%

INCREASE OVER 2020

2021: J$2.6B

2020: (J$1.9B)

TOTAL ASSETS

15%

INCREASE OVER 2020

2021: J$41.5B

2020: J$35.9B

TOTAL EQUITY TO SHAREHOLDERS

16%

INCREASE OVER 2020

2021: J$15.3B

2020: J$13.2B

NET BOOK VALUE PER SHARE

16%

INCREASE OVER 2020

2021: J$12.77

2020: J$11.00

SALES INQUIRIES
sales@mayberryinv.com

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(876) 929-1501

GENERAL & SALES INQUIRIES
(876) 929-1908-9

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MAYBERRYINVJA

@MAYBERRYINVJA

MAYBERRY INVESTMENTS LTD

MAYBERRY GROUP

MANAGEMENT DISCUSSION & ANALYSIS

YEAR ENDED DECEMBER 31, 2021

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.

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.

Financial Highlights – Mayberry Group

Significant Accounting Policy Changes

During 2021, the company made several accounting policy changes and restatements which have been given effect in the 2021 audited financial results. The material restatements include:

(i) the reclassification of four portfolio investments to investments in associates and the application of elections under IAS 28 - Investments in Associates and Joint Ventures exempting the application of the equity method and instead to measure the associates at FVTPL in accordance with IFRS 9.

(ii) the recognition of an investment in joint venture operations utilising the equity method of accounting.

(iii) the recognition of investment property in accordance with IAS 40, and

(iv) the recognition of the unrealized foreign exchange gains or losses arising on the translation of a subsidiary with functional currency other than the Jamaican dollar in other comprehensive income and a separate translation reserve.

Please refer to notes 3 and 44 of the audited financial statements for the year ended December 31, 2021, for further details on the changes to the company's accounting policies and restatements.

Financial Results

For The Year Ended December 31, 2021 (Audited)

Overview

For the year ended December 31, 2021, the Mayberry group recorded net interest income and other revenues of $4.5 billion, an increase of 346.9% or $6.3 billion when compared to the prior year. Total operating expenses increased by $524.4 million or 36% to $2.0 billion when compared to 2020. Group profits before share of profit from joint venture totalled $2.5 billion representing a $5.8 billion increase over the loss of $3.3 billion in 2020. Group profits before tax for the year ending December 31, 2021 increased by $5.1 billion or 223.5% to $2.8 billion. Other major highlights of the group's performance include:

- The group's after-tax profit attributable to shareholders increased by $3 billion or 324.5% to $2.1 billion compared to an after-tax loss of $919.8 million for 2020.
- Earnings per share (EPS) increased by $2.49 or 323% to $1.72 for the year versus a loss per share (LPS) of $0.77 for the 2020 financial period.
- Total assets reported for the year ended December 31, 2021 grew to $41.5 billion compared to $35.9 billion for the comparative period for 2020. This represents a $5.5 billion or 15% increase in our asset base.
- As at December 31, 2021, net book value per share increased to $12.77, a $1.76 increase over the corresponding period in 2020. This was partially attributable to price appreciations which positively impacted the value of Investment securities, investment properties and investment in associates by $4.5 billion.

The group enjoyed a good year of financial performance reflecting a significant turnround in the market valuations of our quoted equity investments as well as creditable performances in our other major fee income lines notwithstanding the continued impact of the COVID-19 pandemic on businesses, counterparties and clients.

Operating Performance

- Profits of the parent company were at historic levels to close 2021 at $1.4 billion. However, the overall group results were buoyed by the significant unrealized gains of $2.6 billion in the subsidiary, Mayberry Jamaican Equities Limited reflecting the notable recovery of the stock market and the capital appreciation on Jamaican equities with the year over year increases in market prices. The contribution from Widebase Limited included $326 million in share of profit from our joint venture operation which continued its uptick in recent years consistent with our investment strategy.
- Net unrealized gains on investments at FVTPL increased by $6.7 billion or 164% to $2.6 billion during 2021 from the group's investment in associates and financial instruments, reflecting capital appreciation on equities with the year over year increases in market prices.
- Net interest income declined during 2021 to $170 million compared to $488 million for 2020. This resulted primarily from the collection of $290 million of interest in 2020 which had been in arrears for several years, core net interest declined marginally over prior year.
- Dividend income increased by 16.2% or $55 million representing higher pay-outs from corporates for quoted securities held.
- Consulting fees & commission income grew by $37.4 million or 10.5% to $392.4 million as the advisory business continues to provide optimised capital raising solutions to existing and new clients. This is in addition to increased transaction volumes for equities and strong growth of 21% from asset management fees as more customers invested in the Mayberry USD Corporate portfolio during 2021.
- Net foreign exchange gains grew by 42% or $120.6 million to $406.8 million during 2021 as despite the competitive landscape during the year, the cambio unit maintained profits at similar levels to 2020 with effective spread management. This was complimented by lower unrealized losses of approximately $34 million from the revaluation of foreign currency balance sheet positions.
- Unrealized gains on investment properties contributed $338 million to the group's revenues. This represented a decline over the appreciations recognised in 2020 based on property valuation changes.

Financial Results

For The Year Ended December 31, 2021 (Audited)

- Total operating expenses for the year ended 2021 increased by $524.4 million to $2 billion compared to $1.5 billion for 2020. Higher provisions for expected credit losses of $302 million were reported for 2021, reflecting the group's continuous assessment of increases in credit risk, whilst for the 2020 financial period, there was a net recovery of bad debts of $82.6 million. Other areas reflecting increases over last year included: salaries and other staff costs higher by 18% due to inflation and increased staff levels, sales and marketing expenses up 51%, while investment management fees increased by 31% for investment management services due to improvements in the market valuation of the underlying investments managed. The write-off of a computer application and related contract termination fees of $111 million served to increase operating costs during the year as we transitioned to a more optimised solution. This was offset by reduced expenses incurred for legal and professional fees and computer expenses which fell by 47% and 27% respectively.
- The share of profit from joint venture amounted to $326.1 million versus $1.0 billion for the corresponding period for 2020. The group's investment in real estate development has yielded significant returns on investment in recent years reflecting the appreciation in the market valuation of land and buildings being developed in Kingston.
- Total comprehensive income for the year ended 2021 amounted to $3.8 billion compared to total comprehensive loss of $3.5 billion for the corresponding period of 2020. This was mainly due to increased unrealized fair value gains on investments at FVTPL and FVTOCI of approximately $8.7 billion.
- Total liabilities increased marginally from $19.1 billion to $20.1 billion. This was driven by increases in securities sold under repurchase agreements of $1.2 billion, and higher client payables resulting in an increase for accounts payable of $1.4 billion. This was offset by a decrease in margin loans of $1.6 billion.
- Funds under management grew by 3.8% or $774 million to $21.3 billion, up from $20.5 billion. This increase was mainly attributable to the growth in the Mayberry USD Corporate portfolio.
- Mayberry group's capital base showed robust growth in 2021, with shareholders' equity growing by $4.5 billion or 27% to $21.4 billion from $16.8 billion in 2020.

Dividends

- Mayberry returned to shareholders a dividend of $0.32 per ordinary share for the financial year, which amounted to $384 million. This compares to $150 million or $0.125 per ordinary share in 2020 representing an increase of 156%.

It is anticipated that the general economic challenges caused by the impact of COVID-19 will continue in the near term notwithstanding local and international economies showing signs of improvement, some with projected growth in 2022. The outlook for growth for the global economy is expected to remain at softer levels as countries continue to experience the impacts of COVID-19 variants and high inflation.

We wish to thank our clients, shareholders and staff for their commitment and contribution to the successful milestones of the company and we remain committed to transforming lives positively.

Top Ten Shareholders and Connected Persons

31 December 2021

Description	Shareholdings
Pwl Bamboo Holdings Limited	469,982,571
Konrad Berry	427,710,047
Gary Peart	45,566,665
Vdwsd Limited	29,990,000
Konrad Limited	28,607,890
The Mayberry Foundation Limited	12,600,996
Christine Wong	8,103,167
Mayberry Investments Limited Pension Scheme	6,481,590
Mayberry Jamaican Equities	6,292,862
Sagicor Select Funds Limited - Class B - Financial	5,206,681

Connected Persons	Shareholdings
Apex Pharmacy	3,568,916
Mayberry Managed Clients Account	1,971,879
Mayberry Individual Retirement Scheme	1,000,000
Doris Berry	732,262
A+ Plus Medical Centre	500,000
Mayberry Staff Investment Club	115,772
Est. Maurice Berry	10

Shareholdings of Directors and Senior Management

31 December 2021

Directors	Shareholdings	Connected Persons
Christopher Berry	-	478,899,271
Konrad Berry**	427,710,047	35,357,224
Gary Peart**	45,566,665	30,911,455
Erwin Angus	1,200,000	
Gladstone Lewars **	2,431,500	
Alok Jain	-	
Walter Scott	-	

Managers	Shareholdings	Connected Persons
Kayree Berry-Teape**	3,860,749	31,080
Andrea HoSang**	2,388,519	
Kristen Raymore-Reynolds	1,100,000	
Dan H. Theoc	2,740	
Karen Mitchell	1,000,000	
Josephine Bennett-Darmand	1,000,000	
Dionne Marie Harrison	1,000,000	
Rachel Kirlew	1,000,000	
Jason Martinez	1,002,833	
Rene Mitchell	180,000	
Andrea Whittaker	1,000,000	
Damian Whylie	1,000,000	
Okelia Parredon	1,752,654	

** Includes holdings in joint accounts

Financial Statements

Financial Year ended 31 December 2021

MAYBERRY
INVESTMENTS LIMITED
Established 1985

Mayberry Investments Limited

Financial Statements
31 December 2021

Independent auditor's report

To the Members of Mayberry Investments Limited

Report on the audit of the consolidated and stand-alone financial statements

Our opinion

In our opinion, the consolidated financial statements and the stand-alone financial statements give a true and fair view of the consolidated financial position of Mayberry Investments Limited (the Company) and its subsidiaries (together 'the Group') and the stand-alone financial position of the Company as at 31 December 2021, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and with the requirements of the Jamaican Companies Act.

What we have audited

The Group's consolidated and stand-alone financial statements comprise:

- the consolidated statement of financial position as at 31 December 2021;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the company statement of financial position as at 31 December 2021;
- the company statement of profit or loss for the year then ended;
- the company statement of comprehensive income for the year then ended;
- the company statement of changes in equity for the year then ended;
- the company 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 *Auditor's responsibilities for the audit of the consolidated and stand-alone 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 Group 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.

Our audit approach

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and stand-alone 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.

How we tailored our group audit scope

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

The context of the audit is set by the Group's major business occurrences and business activities for 2021 and the adjustment of opening balances for various financial statement line items . The recovery of the equities markets in 2021 resulted in increases in asset values and valuation gains in 2021.

We determined the scope of our audit by first considering the internal organisation of the Group and then identifying the components of the audit that have the most significant impact on the audit on the financial statements. The Group comprised three reporting components. We performed full scope audits on all three. The audit work performed covered 100% of the Group's total assets and total revenues. All components were audited by PwC.

The Group's operations comprise one segment.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and stand-alone financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and stand-alone 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 – Investment in associates, Investment properties, Investment in joint ventures, Opening retained earnings - gain on disposal of shares in subsidiary and Loans and other receivables, accounts payable. *Refer to notes 2 (b), 2 (c), 2 (m), 2 (y). 3 (a) (I), 3 (a)(ii), 3 (a) (iii), 3 (a) (v) and 3 (a) (ix), 7 and (44) to the consolidated and stand-alone financial statements for disclosures of related accounting policies and balances.*	

Investments in associates (Group)
The Group's total investments in associates as at 31 December 2021 was $12.7 billion, 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 Group's 2021 updated accounting policies, management recognises associates as all entities over which the Group has significant influence but not control, generally accompanying a shareholding of 20% of the voting rights. As the Group is deemed to have a similar business model to an investment entity as defined by IFRS 10, the Group 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 follows:
	• Performed inquiries and evaluated management's accounting policies against the requirements of the applicable accounting standards.
	Investments in associates (Group)
	• Read and evaluated management's position papers on the determination of the designation of the investments as associated companies.
	• Independently confirmed shareholdings of related associates with the local securities deposits registry.
	• Corroborated board and sub-committee membership through inspection of published submissions to the Jamaica Stock Exchange.
	• 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;
	  ○ 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.

Key audit matter	How our audit addressed the key audit matter
Investment properties (Group and Company) The Group and Company's total investment properties as at 31 December 2021 was $2.2 billion. These represent various properties that are owned by the Group and that are being held for capital appreciation. As per the Group's 2021 updated accounting policies, management recognises and measures properties transferred on foreclosure as investment properties in accordance with IAS 40, Investment Properties.	**Investment properties (Group and Company)** • Read and evaluated management's position papers on the determination of the designation of the properties as investment properties. • Examined property titles to confirm the Group's ownership of the properties. • With the assistance of an external expert, assessed the opening values of the investment properties recorded in the financial statements. The procedures involved primarily, a comparison of the values determined by management to referenced sales.
Opening retained earnings - gain on disposal of shares in subsidiary (Company) Gains on partial disposal of subsidiary amounted to $1.1 billion in the Company's opening retained earnings. As per the Group's 2021 updated accounting policies, the Company recognises any gains/(losses) on the partial disposal of a subsidiary in the statement of profit or loss in the books of the Company, in accordance with IAS 27, Separate Financial Statements.	**Investment in joint ventures (Group)** • Read and evaluated management's position papers on the determination of the designation of the investments as investments in joint ventures. • Examined share certificates to confirm the Group's ownership of the investments. • Examined the shareholders' agreement between the Group and Other Shareholder to evaluate management's assertion that the entity is jointly controlled.

Key audit matter	How our audit addressed the key audit matter
Loans and other receivables and Accounts payable (Group and Company) The Group and Company's loans and other receivables as at 31 December 2021 was $5.1 billion and $5.0 billion respectively, and accounts payable as at 31 December 2021 was $9.0 billion and $8.7 billion respectively. As per the Group's 2021 updated accounting policies, financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a 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, in accordance with IAS 32, Financial Instruments: Presentation. 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 standards and level of required judgement applied by management.	**Opening retained earnings - gain on disposal of shares in subsidiary (Company)** • Challenged management's assertion that IAS 27, Separate Financial Statement is the applicable accounting standard, by reading and evaluating management's position papers on the determination of the accounting treatment for the gain on disposal. • Examined transaction details supporting the partial disposal and recalculated the gain on disposal. **Loans and other receivables and accounts payable (Group and Company)** • Selected a sample of customer contracts and agreed the underlying terms and conditions to management's accounting records. In addition, assessed the right of offset against the requirements of the relevant accounting standards. 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 the related balances as further described in note 45 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 consolidated and stand-alone financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

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

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

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

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 25 March 2021, expressed an unmodified opinion on those statements.

Responsibilities of management and those charged with governance for the consolidated and stand-alone financial statements

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

In preparing the consolidated and stand-alone financial statements, management is responsible for assessing the Group and 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 Group or the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor’s responsibilities for the audit of the consolidated and stand-alone financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and stand-alone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and 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 Group or Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated and stand-alone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 consolidated and stand-alone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public 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.

Report on other legal and regulatory requirements

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

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

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

PricewaterhouseCoopers

Chartered Accountants
12 May 2022
Kingston, Jamaica

Mayberry Investments Limited
Consolidated Statement of Financial Position
31 December 2021
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 Restated $'000	2019 Restated $'000
ASSETS				
Cash resources	13	1,282,456	1,592,658	1,556,248
Investment securities	14	9,620,410	9,583,270	12,074,929
Investment in associates	21	12,740,921	8,594,096	12,559,355
Investment in joint ventures	22	2,654,808	2,142,092	517,539
Reverse repurchase agreements	15	3,681,300	2,556,071	3,499,851
Promissory notes	16	2,940,903	4,054,135	1,812,878
Loans and other receivables	17	5,094,893	4,863,522	3,319,672
Investment properties	19	2,174,302	1,852,402	1,217,626
Property, plant and equipment	18	108,605	122,229	145,365
Right of use assets	20(a)	109,557	114,701	133,459
Taxation recoverable		127,325	128,263	120,759
Deferred tax asset	27	216,920	-	-
Intangible asset	33	708,987	389,007	58,103
Total Assets		41,461,387	35,992,446	37,015,784
LIABILITIES				
Bank overdraft	13	375,633	255,976	329,875
Securities sold under repurchase agreements		4,819,396	3,607,520	4,239,528
Loans	26	5,825,050	7,468,552	7,187,610
Accounts payable	28	8,964,785	7,595,020	4,611,980
Lease liabilities	20(b)	124,090	128,579	140,236
Deferred taxation	27	-	85,731	304,511
Total Liabilities		20,108,954	19,141,378	16,813,740
EQUITY				
Share capital	29	1,582,382	1,582,382	1,582,382
Fair value reserves	30	1,174,016	1,400,809	2,526,639
Translation Reserve		119,536	4,625	(5,665)
Other reserves	31	77,939	77,939	77,939
Retained earnings	32	12,381,758	10,151,123	11,240,072
Equity Attributable to Shareholders of the Parent		15,335,631	13,216,878	15,421,367
Non-Controlling Interest	36	6,016,802	3,634,190	4,780,677
Total Equity		21,352,433	16,851,068	20,202,044
Total Equity and Liabilities		41,461,387	35,992,446	37,015,784

Approved for issue by the Board of Directors on May 12, 2022 and signed on its behalf by:

DocuSigned by:
9AAA2384C383463

Christopher Berry
Chairman

DocuSigned by:
4C1E2790002E46E

Gary Peart
Chief Executive Officer/Director

Mayberry Investments Limited

Consolidated Statement of Profit or Loss

Year Ended 31 December 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 Restated $'000
Net Interest Income and Other Revenues			
Interest income	4	736,374	959,046
Interest expense	4	(566,414)	(470,826)
Net interest income	4	169,960	488,220
Consulting fees and commissions	5	392,400	355,037
Dividend income	6	393,568	338,582
Net trading gains	7	125,393	169,118
Net unrealized gains/(losses) on financial assets measured at fair value through profit or loss		67,117	(1,351,183)
Net unrealized gains/(losses) on investment in associates measured at fair value through profit or loss		2,551,857	(2,746,804)
Net foreign exchange gains		406,809	286,227
Other income		40,703	1,874
Unrealised gains on investment properties		337,900	634,701
		4,485,707	(1,824,228)
Operating Expenses			
Salaries, statutory contributions and other staff costs	8	806,676	681,318
Provision for credit losses	14/16/17	219,535	(82,557)
Depreciation and amortisation		68,566	57,013
Other operating expenses		907,478	822,045
	9	2,002,255	1,477,819
Operating profit/(loss)		2,483,452	(3,302,047)
Share of profit of joint venture		326,147	1,026,474
Profit/(Loss) before taxation		2,809,599	(2,275,573)
Taxation credit	10	251,630	111,604
Net Profit/(Loss) for the Year	11	3,061,229	(2,163,969)
Attributable to:			
Stockholders of the parent		2,064,765	(919,767)
Non-controlling interest	36	996,464	(1,244,202)
		3,061,229	(2,163,969)
		$	**$**
EARNINGS PER STOCK UNIT – BASIC AND DILUTED	12(a)	1.72	(0.77)

Mayberry Investments Limited

Consolidated Statement of Comprehensive Income

Year Ended 31 December 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 Restated $'000
Net Profit/ (Loss) for the Year		3,061,229	(2,163,969)
Other Comprehensive Income Net of Taxation:			
Items that will not be reclassified to profit or loss			
Net unrealized gains/(losses) on financial instruments – fair value through other comprehensive income		669,100	(1,360,870)
Item that may be reclassified to profit or loss			
Foreign currency translation adjustments		114,911	10,290
Other comprehensive income, net of taxes		784,011	(1,350,580)
Total Comprehensive Income for the Year		3,845,240	(3,514,549)
Total Comprehensive Income Attributable to:			
Stockholders of the parent		2,574,175	(1,912,328)
Non–controlling interest	36	1,271,065	(1,602,221)
		3,845,240	(3,514,549)
		$	**$**
COMPREHENSIVE INCOME PER STOCK UNIT- BASIC AND DILUTED	12(b)	2.14	(1.59)

Mayberry Investments Limited

Consolidated Statement of Changes in Equity

Year ended 31 December 2021

(expressed in Jamaican dollars unless otherwise indicated)

	No. of Shares	Share Capital	Fair Value Reserves	Translation Reserve	Other Reserves	Retained Earnings	Non controlling Interest	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 31 December 2019	1,201,149,291	1,582,381	7,415,719	-	77,939	6,372,032	4,780,677	20,228,748
Correction of errors (net of tax) (see Note 44)	-	1	(4,889,080)	(5,665)	-	4,868,040		(26,704)
Balance at 31 December 2019 (Restated)	1,201,149,291	1,582,382	2,526,639	(5,665)	77,939	11,240,072	4,780,677	20,202,044
Total Comprehensive Income								
Net loss for the year (restated - see Note 44)	-	-	-	-	-	(919,767)	(1,244,202)	(2,163,969)
Other comprehensive income (restated - see Note 44)	-	-	(1,002,851)	10,290	-	-	(358,019)	(1,350,580)
Total comprehensive income (restated - see Note 44)	-	-	(1,002,851)	10,290	-	(919,767)	(1,602,221)	(3,514,549)
Transfer Between Reserves								
Realised gains on fair value through other comprehensive income investments	-	-	(92,500)	-	-	92,500	-	-
Transaction with Owners								
Dividends paid by subsidiary to non-controlling interests	-	-	-	-	-	-	(19,827)	(19,827)
Dividend paid (Note 35)	-	-	-	-	-	(150,144)	-	(150,144)
Change in ownership interest in subsidiary			(30,479)	-	-	(111,538)	475,561	333,544
	-	-	(30,479)	-	-	(261,682)	455,734	163,573
Balance at 31 December 2020	1,201,149,291	1,582,382	1,400,809	4,625	77,939	10,151,123	3,634,190	16,851,068
Total Comprehensive Income								
Net profit	-	-	-	-	-	2,064,765	996,464	3,061,229
Other comprehensive income	-	-	394,499	114,911	-	-	274,601	784,011
Total comprehensive income	-	-	394,499	114,911	-	2,064,765	1,271,065	3,845,240
Transfer Between Reserves								
From fair value reserves	-	-	(877,232)	-	-	877,232	-	-
Transactions with Owners								
Dividends paid by subsidiary to non-controlling interests	-	-	-	-	-	-	(20,861)	(20,861)
Dividend paid (Note 35)	-	-	-	-	-	(384,368)	-	(384,368)
Change in ownership interest in subsidiary	-	-	255,940	-	-	(326,994)	1,132,408	1,061,354
	-	-	255,940	-	-	(711,362)	1,111,547	656,125
Balance at 31 December 2021	1,201,149,291	1,582,382	1,174,016	119,536	77,939	12,381,758	6,016,802	21,352,433

Mayberry Investments Limited

Consolidated Statement of Cash Flows

Year ended 31 December 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 Restated $'000
Cash Flows from Operating Activities			
Profit/(loss) before taxation		2,809,599	(2,275,573)
Adjustments for:			
Items not affecting cash:			
Adjustments to reconcile net profit to net cash provided by operating activities.	23	(1,419,455)	1,778,398
Interest received		732,864	1,015,415
Interest paid		(574,490)	(508,279)
Taxation paid		-	(7,562)
Cash provided by operating activities		1,548,518	2,399
Cash Flows from Investing Activities			
Net purchase of intangible asset		(372,355)	(335,064)
Purchase of property, plant and equipment		(21,425)	(6,333)
Proceeds from sale of investment properties		16,000	-
Cash used in investing activities		(377,780)	(341,397)
Cash Flows from Financing Activities			
Loans received		1,171,100	550,225
Loans repaid		(2,817,171)	(273,287)
Proceeds from partial disposal of subsidiary		1,253,281	400,058
Purchase of additional shares in in subsidiary		(191,927)	(184,234)
Dividend payment		(405,229)	(169,971)
Lease payment	20	(29,546)	(11,657)
Cash (used in)/provided by financing activities		(1,019,492)	311,134
Net Increase/(Decrease) in Cash and Cash Equivalents		151,246	(27,864)
Exchange gain on foreign cash balances		163,409	138,173
Cash and cash equivalents at beginning of year		3,365,929	3,255,620
Cash and Cash Equivalents at End of Year	13	3,680,584	3,365,929

Mayberry Investments Limited
Company Statement of Financial Position
31 December 2021
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 Restated $'000	2019 Restated $'000
ASSETS				
Cash resources	13	968,554	1,303,321	1,061,127
Investment securities	14	4,201,753	4,381,073	5,644,851
Reverse repurchase agreements	15	3,681,300	2,556,071	3,499,851
Promissory notes	16	3,944,815	4,054,135	1,812,878
Due from subsidiaries	34	1,154,076	1,033,189	448,848
Loans and other receivables	17	4,960,958	4,737,469	3,212,525
Property, plant and equipment	18	108,605	122,229	145,365
Investment properties	19	2,174,302	1,852,402	1,217,626
Right of use assets	20(a)	109,557	114,701	133,459
Investments in subsidiaries	24	1,230,001	1,209,121	1,086,002
Intangibles		707,419	335,064	-
Taxation recoverable		124,737	125,719	125,719
Deferred tax asset		216,920	-	-
Total Assets		23,582,997	21,824,494	18,388,251
LIABILITIES				
Bank overdraft	13	375,633	255,976	329,875
Securities sold under repurchase agreements		4,819,396	3,607,520	4,239,528
Loans	26	3,628,251	5,274,322	4,997,384
Deferred taxation	27	-	68,146	212,702
Accounts payable	28	8,744,587	7,554,763	4,204,627
Lease liabilities	20(b)	124,090	128,579	140,236
Due to subsidiary		-	-	211,263
Total Liabilities		17,691,957	16,889,306	14,335,615
EQUITY				
Share capital	29	1,582,382	1,582,382	1,582,382
Fair value reserves	30	688,078	702,236	892,727
Other reserves	31	77,939	77,939	77,939
Retained earnings	32	3,542,641	2,572,631	1,499,588
Total Equity		5,891,040	4,935,188	4,052,636
Total Equity and Liabilities		23,582,997	21,824,494	18,388,251

Approved for issue by the Board of Directors on May 12, 2022 and signed on its behalf by:

DocuSigned by:
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Christopher Berry

Chairman

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Gary Peart

Chief Executive Officer/Director

Mayberry Investments Limited
Company Statement of Profit or Loss
Year ended 31 December 2021
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 Restated $'000
Net Interest Income and Other Revenues			
Interest income		782,403	978,350
Interest expense		(404,354)	(307,312)
Net interest income	4	378,049	671,038
Consulting fees and commissions	5	392,400	355,037
Dividend income	6	55,333	70,102
Net trading gains	7	1,201,095	445,720
Net unrealized gains on investment revaluation		4,486	61,622
Net foreign exchange gains		384,087	248,306
Other income		62,703	1,874
Unrealised gains on investment properties		337,900	634,701
		2,816,053	2,488,400
Operating Expenses			
Salaries, statutory contributions and other staff costs	8	802,187	681,318
Provision for credit losses		219,535	(82,557)
Depreciation and amortization		61,144	48,166
Other operating expenses		627,809	674,321
	9	1,710,675	1,321,248
Profit before Taxation		1,105,378	1,167,152
Taxation credit		249,000	56,035
Net Profit for the Year		1,354,378	1,223,187

Mayberry Investments Limited
Company Statement of Comprehensive Income
Year ended 31 December 2021
(expressed in Jamaican dollars unless otherwise indicated)

	2021 $'000	2020 Restated $'000
Net Profit for the Year	1,354,378	1,223,187
Other Comprehensive Income Net of Taxation:		
Item that will not be reclassified to profit or loss		
Net unrealized losses on financial instruments – fair value through other comprehensive income	(14,158)	(190,491)
Total Comprehensive Income for the Year	1,340,220	1,032,696

Mayberry Investments Limited
Company Statement of Changes in Equity
Year ended 31 December 2021
(expressed in Jamaican dollars unless otherwise indicated)

	No. of Shares	Share Capital	Fair Value Reserves	Other Reserves	Retained Earnings	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2019	1,201,149,291	1,582,381	908,833	77,939	1,008,998	3,578,151
Correction of errors (net of tax) (see Note 44)	-	1	(16,106)		490,590	474,485
Balance at 31 December 2019	1,201,149,291	1,582,382	892,727	77,939	1,499,588	4,052,636
Profit for the year (restated - see Note 44)					1,223,187	1,223,187
Other comprehensive income (restated - see Note 44)	-	-	(190,491)	-	-	(190,491)
Total comprehensive income (restated - see Note 44)	-	-	(190,491)	-	1,223,187	1,032,696
Transaction with Owners						
Dividend paid (Note 35)	-	-	-	-	(150,144)	(150,144)
Balance at 31 December 2020	1,201,149,291	1,582,382	702,236	77,939	2,572,631	4,935,188
Profit for the year	-	-	-	-	1,354,378	1,354,378
Other comprehensive income	-	-	(14,158)	-	-	(14,158)
Total comprehensive income	-	-	(14,158)	-	1,354,378	1,340,220
Transactions with Owners						
Dividend paid (Note 35)	-	-	-	-	(384,368)	(384,368)
Balance at 31 December 2021	1,201,149,291	1,582,382	688,078	77,939	3,542,641	5,891,040

Mayberry Investments Limited

Company Statement of Cash Flows

Year ended 31 December 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 Restated $'000
Cash Flows from Operating Activities			
Profit before taxation		1,105,378	1,167,152
Adjustments for:			
Items not affecting cash:			
Adjustments to reconcile net profit to net cash provided by operating activities.	23	64,355	(1,629,173)
Interest received		773,034	1,013,664
Interest paid		(414,999)	(323,709)
Cash provided by operating activities		1,527,768	227,934
Cash Flows from Investing Activities			
Additions to intangible assets		(372,355)	(335,064)
Additions to property, plant and equipment	18	(21,425)	(6,333)
Proceeds from sale of investment properties		16,000	-
Proceeds from partial disposal of subsidiary	24	1,253,281	400,058
Purchase of additional shares in subsidiary	24	(191,927)	(184,234)
Cash provided by/(used in) investing activities		683,574	(125,573)
Cash Flows from Financing Activities			
Dividend payment	35	(384,368)	(150,144)
Lease principal payment	20	(29,546)	(11,657)
Loans received		1,171,100	550,225
Loans repaid		(2,817,171)	(273,287)
Cash (used in)/provided by financing activities		(2,059,985)	115,137
Net Increase in Cash and Cash Equivalents		151,357	217,498
Exchange gain on foreign cash balances		138,733	98,595
Cash and cash equivalents at beginning of year		3,076,592	2,760,499
Cash and Cash Equivalents at End of Year	13	3,366,682	3,076,592

1. Identification and Principal Activities

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

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

The principal activities of its subsidiaries, associated companies and joint venture operation comprise the investing and trading of Jamaican equity securities, the investing in unquoted securities, money services, general insurance business, the distribution of food and beverages and gaming and lottery operations.

The company its subsidiaries, associates and joint venture operations are referred to as “the Group”.

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 several accounting policy changes and correction of prior period errors regarding:(i) investments in associates and the application of elections under IAS 28 - *Investments in Associates and Joint Ventures* (ii) investments in joint ventures utilising the equity method of accounting (iii) investments in investment property per IAS 40, (iv) non recognition of the gains on the partial disposal of a subsidiary at the company level in the profit or loss, and (v) the non-recognition of the unrealised foreign exchange gains or losses arising on the translation of a subsidiary with functional currency other than the Jamaican dollar in other comprehensive income resulting in restatements, see notes 2(c), 2(n), 3, 19, 21 and 44.

(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”), investment properties and certain financial assets and liabilities at FVTPL. The Group has determined that one of its subsidiaries is a similar entity to an investment entity as defined in IFRS 10 and that it continues to meet this definition (see note 2 (c)). They are also prepared in accordance with requirements of the Jamaican Companies Act.

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

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

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

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

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

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 Group. The standards, amendments and interpretations relevant to the Group are discussed below. These standards, amendments or interpretations are not expected to have a material impact on the Group 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 2023). 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.

***Amendment to IAS 12 - Deferred Tax*,** related to assets and liabilities arising from a single transaction (effective for annual periods beginning on or after 1 January 2023). These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

***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.

The Group is currently assessing the impact of these amendments.

Mayberry Investments Limited
Notes to the Financial Statements
31 December 2021
(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(b) Basis of consolidation

A subsidiary is an entity which is controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are considered. The consolidated financial statements comprise those of the company and its 59.8% (2020- 69.41%) owned subsidiary, Mayberry Jamaican Equities Limited and its wholly owned subsidiary, Widebase Ltd., presented as a single economic entity. Intra-group transactions, balances and unrealized gains and losses are eliminated in preparing the consolidated financial statements. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

On consolidation, transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. At the company level, the gains or losses are recorded in the profit or loss account.

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Entity	**Country of incorporation and place of business**	**Nature of Business**	**Proportion of ordinary shares held by the parent company %**	**Proportion of ordinary shares held by non-controlling interests %**
Mayberry Jamaican Equities Limited	St. Lucia	Investing in Jamaican equities	59.8	40.2
WIdebase Limited	St. Lucia	Investing in unquoted equities	100	-

2. Significant Accounting Policies (Continued)

(c) Investment in Associates and Joint Ventures

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of 20% of the voting rights. Joint ventures are entities over which the Group has joint control and has rights to the net assets of the investment. The Group has determined that its subsidiary Mayberry Jamaican Equities Limited (MJE) business model and operations are similar to that of an "investment entity" as defined by IFRS 10.

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.

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. MJE 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.

As MJE is deemed to have a similar business model to an investment entity as defined by IFRS 10, the Group 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 *Financial Instruments*.

The Group's investment in joint ventures is accounted for using the equity method of accounting and are initially recognised at cost. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investee's share of profit or loss and other comprehensive income after the date of acquisition. IAS 28 requires investment in joint ventures to include goodwill identified on acquisition, net of any accumulated impairment loss where present.

If the ownership interest in a joint venture is reduced but significant influence or joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Mayberry Investments Limited
Notes to the Financial Statements
31 December 2021
(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(c) Investment in Associates and Joint Ventures (continued)

The Group's share of its joint venture's post-acquisition profit or loss is recognised in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income are recognised in other comprehensive income. These cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of loss in a joint venture equal or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

The Group determines at each reporting date whether there is any objective evidence that investments in joint ventures are impaired. If this is the case, the Group recognises an impairment charge in the statement of profit or loss for the difference between the recoverable amount of the joint venture and it's carrying value. The Company's associates and joint venture operations are as follows:

Name of Entity	Accounting Year-end	Nature of Business	Nature of Relationship	The Company's Proportion of ordinary shares held (%)	
				2021	2020
Cherry Hills Development Limited	31December	Real Estate Development	Joint Venture	50	50
Lasco Financial Services Ltd	31 March	Money Services	Associate	20	20
Caribbean Producers (Jamaica) Limited	30 June	Food trading	Associate	20	20
Iron Rock Insurance Limited	31 December	General insurance	Associate	19	18
Supreme Ventures Limited	31 December	Betting, gaming and lottery	Associate	18	15

2. Significant Accounting Policies (Continued)

(d) Foreign currency translation

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

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

Exchange differences resulting from the settlement of transactions at rates different from those at the dates of the transactions, and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognized in the statement of profit or loss.
Translation differences on non-monetary financial assets are a component of the change in their fair value. Depending on the classification of a non-monetary financial asset, exchange differences are either recognized in the statement of profit or loss (applicable for financial assets at fair value through profit or loss), or within other comprehensive income if non-monetary financial assets are equity instruments which are designated as fair value through other comprehensive income.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that balance sheet.
- Income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on transaction dates, in which case income and expenses are translated at the dates of the transactions) and;
- All resulting exchange differences are recognized in other comprehensive income.

(e) Impairment of Non-Financial Assets

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

(f) Intangible Assets

Computer Software
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.

2. Significant Accounting Policies (Continued)

(g) Revenue recognition

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

Consulting fees and commission income:

Consulting fees and commission income are recognized on an accrual basis when the performance obligations are satisfied, that is over time or at a point in time. Where a customer contract contains multiple performance obligations, the transaction price is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services being provided to the customer.

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

The Group recognizes contract liabilities in respect of contracts with customers for consideration received before the Group transfers the service to the customer.

2. Significant Accounting Policies (Continued)

(h) Repurchase and reverse repurchase agreements

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

(i) Loans and receivables and provisions for credit losses

The Group recognizes loss allowances for expected credit losses (ECL) on the following financial instruments: loans and other receivables, promissory notes, debt instruments carried at amortised cost, and debt instruments carried at FVTOCI. Loans are recognized when cash is advanced to borrowers. They are initially recorded at cost, which is the cash given to originate the loan including any transaction costs, and subsequently measured at amortized cost using the effective interest rate method.

The Group applies the “three stage model under IFRS 9 in measuring the ECL on loans and receivables, and makes estimations about likelihood of defaults occurring, associated loss ratios, changes in market conditions, and expected future cash flows. This is measured using the Probability of Default (PD), Exposure at Defaults (EAD) and Loss Given Default (LGD) for a portfolio of assets.

- Probability of Default - This represents the likelihood of a borrower defaulting on its financial obligation either over the next 12 months (12-month PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- Exposure at Default - This represents the expected balance at default, taking into account the repayment of principal and interest from the statement of financial position date to the default event together with any expected drawdowns of committed facilities.
- Loss Given Default – The LGD represents expected losses on the EAD given the event of default, taking into account the mitigating effect of collateral value at the time it is expected to be realised and also the time value of money.

The ‘three stage’ model is used to categorise financial assets according to credit quality as follows:

- Stage 1 – financial assets that are not credit impaired on initial recognition or are deemed to have low credit risk. These assets generally abide by the contractual credit terms. The ECL is measured using a 12-month PD, which represents the probability that the financial asset will default within the next 12 months.
- Stage 2 – financial assets with a significant increase in credit risk (SICR) since initial recognition, but are not credit impaired. The ECL is measured using a lifetime PD.
- Stage 3 – credit impaired financial assets. The ECL is measured using a lifetime PD.

Transfer between stages

Financial assets can be transferred between the different categories depending on their relative increase in credit risk since initial recognition. Financial instruments are transferred out of stage 2 if their credit risk is no longer considered to be significantly increased since initial recognition. Financial instruments are transferred out of stage 3 when they no longer exhibit any evidence of credit impairment. This assessment is done on a case-by-case basis.

2. Significant Accounting Policies (Continued)

(i) Loans and receivables and provisions for credit losses (continued)

The Group considers forward-looking information in determining the PDs of financial assets.

Significant Increase in Credit Risk (SICR)

The assessment of SICR is performed for individual loans, taking into consideration the sector grouping of the individual exposures, and incorporates forward-looking information. It also considers qualitative criteria specific to the borrower's risk rating, early signs of cash flow/liquidity problems and expected significant adverse change in the financial condition of the borrower. However, this assessment will differ for different types of lending arrangements.

Backstop
Irrespective of the above qualitative assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. The Group has monitoring procedures in place to assess whether the criteria used to identify SICR continue to be appropriate.

The ECL is determined by projecting the PD, LGD and EAD, which are multiplied together and discounted back to the reporting date. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

A loan is classified as impaired when, in management's opinion there has been deterioration in credit quality to the extent that there is no longer reasonable assurance of timely collection of the full amount of principal and interest.

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

2. Significant Accounting Policies (Continued)

(j) Financial assets

i. Initial recognition and measurement

Financial assets are recognised when the Group 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. For financial instruments measured at FVTPL transaction costs are expensed in the statement of profit and loss.

ii. Classification and subsequent measurement

The Group 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 Group'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.

Factors considered by the Group 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 Group has determined that it has three business models:

- Hold-to-collect (HTC) business model: This comprises, cash and cash equivalents debt securities, promissory notes, loans and other receivables, reverse repurchase agreements and accounts receivables. These financial assets are held to collect contractual cash flows.
- Hold -to-collect- and –sell (HTCS): where both collecting and contractual cash flows and cash flows arising from the sale of assets are the objective of the business model.
- Other business model: This comprises equity investments. These financial assets are managed and their performance is evaluated, on a fair value basis.

Solely payments of principal and interest (SPPI) assessment.

Instruments held within HTC or HTCS business model are assessed to evaluate if their contractual cash flows are SPPI. SPPI payments are those which would typically be expected from basis lending arrangements. Principal amounts include par repayments from lending and financing arrangements, and interest primarily relates to basic lending returns, including compensation for credit risk and the time value of money associated with the principal amount outstanding over a period of time. Interest can also include other basic lending risks and costs (for example, liquidity risk, servicing or administrative costs) associated with holding the financial asset for a period of time, and a profit margin.

2. Significant Accounting Policies (Continued)

(j) Financial assets (continued)

iv. Debt Instruments

Debt instruments include cash and bank balances, loans and other receivables, investment securities, guarantees and other assets. Classification and subsequent measurement of debt instruments depend on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Debt instruments are measured at amortised cost if they are held for collection of contractual cash flows where those cash flows represent SPPI. Interest income from these financial assets is included in interest income using the effective interest method. Any gain or loss arising on de-recognition is recognized directly in profit or loss together with foreign exchange gains or losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

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

Debt instruments are measured at FVTOCI if they are held for collection of contractual cash flows and for selling the financial assets, where the financial assets' cash flows represent payments of principal and interest. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in (losses)/gains on investment activities. Interest income from these financial assets is recognized in interest income using the effective interest rate method. Foreign exchange gains or losses are presented in gains in foreign exchange translation and trading and impairment losses are presented as a separate line item in the statement of profit or loss.
Debt instruments are measured at FVTPL are those which were either acquired for generating a profit from short term fluctuations in price or dealers' margin, or are securities included in a portfolio in which a pattern of short term profit taking exists or which fail the SPPI test.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the period.

v. Equity Instruments

Financial assets measured at FVTOCI
Where the Group has made an irrevocable election to classify equity investments at fair value through other comprehensive income, 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 and losses to profit or loss following the derecognition of the investment, these realised gains are reclassified directly to retained earnings.

Financial assets measured at FVPL
This category comprises financial instruments which are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of profit or loss in the "financial instruments – FVPL" line. The Group has equity investments held for trading which it has classified as being at fair value through profit and loss.

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2. Significant Accounting Policies (Continued)

(j) Financial assets (continued)

vi. Impairment

Credit loss allowance are measured on each reporting date according to a three-stage expected credit loss impairment model. Changes in the required credit loss allowance are recorded in profit or loss for the period at each reporting date.

Expected credit losses (ECL) are established for all financial assets, except for financial assets classified or designated as FVPL and equity securities designated as FVOCI, which are not subject to impairment assessment. Financial assets subject to impairment assessment include loans and advances, debt securities, promissory notes and other assets. Loans, promissory notes and debt securities carried at amortised cost are presented net of ECL on the statement of financial position. ECL on debt securities measured at FVOCI is recognised in profit or loss with a corresponding entry in OCI.

The Group assesses on a forward looking basis the ECL associated with its financial assets classified at amortised cost and FVOCI.The estimation of credit exposure for risk management purposes requires the use of complex models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of defaults correlations between counterparties. The Group measures risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

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 Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

2. Significant Accounting Policies (Continued)

(j) Financial assets (continued)

vii. De-recognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset have expired, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that qualify for de-recognition that is created or retained by the Group is recognized as a separate asset or liability in the statement of financial position. On de-recognition of a financial asset, the difference between the carrying amount of the asset (or carrying amount allocated to the portions of the asset transferred), and the sum of (i) the consideration received (including any new assets obtained less any new liability assumed) and (ii) any cumulative gain/loss recognized in OCI in respect of equity investment securities but transferred from OCI to retained earnings on disposal.

viii. Revenue

Interest income and expense are recognised in arriving at net profit or loss for all interest-bearing instruments on the accrual basis using the effective yield method based on the actual purchase price. Interest income includes coupons earnings on fixed income investments and accrued discounts or premiums on instruments.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Group estimates cash flows considering the contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts.

When a loan is classified as impaired it is written down to its recoverable amount and interest income on the loans is thereafter recognized based on the rate of interest that was used to discount the future cash flows for measuring the recoverable amount.

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

(k) 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 over the period to repayment is a constant rate on the balance of the liability carried in the statement of financial position.

The Group’s financial liabilities comprise primarily amounts due to banks, repurchase agreements, accounts payable, debt security in issue and amounts due to related companies.

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

2. Significant Accounting Policies (Continued)

(l) Property, plant and equipment

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

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

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

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

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

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

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

(m) Investment properties

Investment properties, principally comprising land and buildings from foreclosed assets, are held for capital appreciation and sale and are treated as long-term investments. They are measured initially at cost, including related transaction costs and are subsequently carried at fair value with changes in the carrying amount recognised in profit or loss. The carrying amount includes the cost of the investment property at the time that cost is incurred only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to income during the financial period in which they are incurred.

Fair value is determined periodically by an independent registered valuer. Fair value is based on current prices in an active market for similar properties in the same location and condition.

Some of these properties are used as collateral for the Group's corporate paper (note 26)

2. Significant Accounting Policies (Continued)

(n) Investments in subsidiaries

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

(o) Borrowings

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

(p) Share capital

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

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

(q) Employee benefits

(i) Pension scheme costs

The Group operates a defined contribution pension scheme (note 40), the assets of which are held in a separate trustee administered fund. Contributions to the scheme are fixed and are made on the basis provided for in the rules. Contributions are charged to the statement of profit or loss when due. The Group has no legal or constructive obligation beyond paying these contributions.

(ii) Profit-sharing and bonus plan

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

(iii) Other employee benefits:

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

2. Significant Accounting Policies (Continued)

(r) Leases

The Group leases various offices, and vehicles. Rental contracts are typically made for fixed periods of 1 to 25 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

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

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

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

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

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

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

2. Significant Accounting Policies (Continued)

(s) Taxation

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

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset will be realized or the liability will be settled based on enacted rates.

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 or loss except where it relates to items charged or credited to equity, in which case deferred tax is also accounted for in equity. The principal temporary differences arise from depreciation of property, plant and equipment, revaluation of certain financial assets and tax losses carried forward.

(t) Provisions

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

(u) Cash and cash equivalents

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

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

2. Significant Accounting Policies (Continued)

(v) Funds under management

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

(w) Dividends

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

(x) Segment reporting

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

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

(y) 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.

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 Group 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. The errors have been corrected by restating each of the affected financial statement lines for the prior periods as disclosed in note 43.

3. Critical Accounting Judgements and Estimates (Continued)

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

i. Investment Entity Business Model

The Group has determined that the business model of its subsidiary MJE 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:

i. MJE 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.
ii. MJE's principal objective is solely to invest in Jamaican equities for returns from capital appreciation and investment income.
iii. MJE 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 MJE's website. Additionally, MJE's Investment Manager is compensated based on the fair value appreciation of the portfolio over time (note34)

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

3. Critical Accounting Judgements and Estimates (Continued)

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

ii. Investments in associated companies
During 2021, the Group reviewed the accounting principles for accounting for equity investments held by its subsidiary Mayberry Jamaican Equities Limited. It included a review of the requirements of IAS 28 - Investments in associates and joint ventures which expound 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 Group's management has reassessed that it has four investments which meet the criteria of having influence based on management's has 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 Group 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 Group has determined that it has significant influence over these entities though some shareholdings are below 20%.

The Group also has shareholdings of 20% in Blue Power Limited, however the Group 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 Group 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 MJE is an entity of similar type to an investment entity defined in IFRS 10 as discussed above.

Though MJE'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 its 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.

3. Critical Accounting Judgements and Estimates (Continued)

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

iii. Investment property

In prior years, the company and the Group categorised property transferred during foreclosures on certain non performing loans as Other assets on the statement of financial position and not all revaluation of the properties being accounted for in the statement of profit or loss. These assets should have been classified as investment property in accordance with IAS 40. This resulted in the unrealised gains on market appreciation and the carrying value of the investment property for the company and the Group being understated in prior years.

iv. Investment in joint venture

The Group through its subsidiary Widebase Ltd. holds equity in a joint venture operation. In prior years this joint venture was classified as an investment security with fair value gains booked to the statement of profit or loss and other comprehensive income. This joint venture should have been accounted for in accordance with IAS 28 – *Investments in associates and joint ventures* and accounted for under the equity method. This resulted in an understatement of income from share of profits of the joint venture in prior years and the carrying amount of the investment.

v. Loans and other receivables

In prior years, the company and the Group's client payables were reported net of client receivable. This resulted in an understatement of client payable and client receivable reported. This has been restated to reflect client balances receivable gross in Loans and other receivables.

vi. Intangible Asset

In prior years, the company and the Group's investments in the development of an integrated computer system was reported in Other receivables. This resulted in an understatement of intangible assets and an overstatement of other receivables. This has been corrected to reflect the investment as work in progress on intangible asset.

vii. Investment in joint venture

In prior year, the capitalisation of a loan balance plus the associated interest outstanding due to the company and the Group and its conversion to additional shares in a joint venture operation was not reflected in the 2020 financial results. This resulted in an understatement of interest income for that year as well as an understatement of the investment in the joint venture.

viii. Foreign currency translation

In prior years the Group did not recognise the unrealised foreign exchange gains or losses arising on the translation of a subsidiary with functional currency other than the Jamaican dollar in OCI. The separate translation reserve to hold these amounts in equity was also not created and the amounts included in retained earnings. This resulted in a misstatement of OCI, retained earnings and translation reserves.

ix. Investment in subsidiary

In prior year the company realised gains on the partial disposal of shares in MJE. These gains are to be recognised in profit or loss. This resulted in an understatement of net trading gains on securities for the company.

3. Critical Accounting Judgements and Estimates (Continued)

(b) Key Sources of estimation uncertainty

(i) Impairment losses on loans, investments and receivables

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

(ii) Income taxes

There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group 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 Group 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 Group, while others will be effective in 2022. These are discussed in note 44.

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3. Critical Accounting Judgements and Estimates (Continued)

(b) Key Sources of estimation uncertainty (continued)

(iii) Fair value of financial assets
A significant amount of financial assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of fair value. Management uses its judgment in selecting appropriate valuation techniques supported by appropriate assumptions to determine fair value of investment securities (note 40).

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 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:

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

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

Level 1 quoted prices in active markets for identical assets or liabilities

Level 2 other techniques for which all inputs which have a significant effect on the recorded fair value 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.

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4. Net Interest Income

	The Group		The Company	
	2021 $'000	2020 Restated $'000	2021 $'000	2020 Restated $'000
Interest income -				
Investment securities measured at FVTPL	136,934	61,670	136,934	61,670
Investments, loans and promissory notes at amortised cost	599,440	897,376	645,469	916,680
	736,374	959,046	782,403	978,350
Interest expense -				
Margin loans with Brokers	29,530	39,572	29,530	39,572
Securities sold under repurchase agreements	122,365	81,914	122,365	81,914
Corporate papers and notes	390,276	315,698	228,216	173,239
Other	24,243	33,642	24,243	12,587
	566,414	470,826	404,354	307,312
	169,960	488,220	378,049	671,038

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5. Consulting Fees and Commissions

	The Group		The Company	
	2021 $'000	2020 Restated $'000	2021 $'000	2020 Restated $'000
Services transferred at a point in time -				
Brokerage fees and commissions	235,680	218,464	235,680	218,464
Structured financing fees	44,009	43,522	44,009	43,522
	279,689	261,986	279,689	261,986
Services transferred over time -				
Portfolio management	112,711	93,051	112,711	93,051
	392,400	355,037	392,400	355,037

6. Dividend Income

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Subsidiaries	-	-	51,207	52,242
Investments in associates measured at FVTPL	342,738	320,721	-	-
Equity securities measured at FVTPL	-	2,821	-	118
Equity securities measured at FVTOCI	50,830	15,040	4,126	17,742
	393,568	338,582	55,333	70,102

7. Net Trading Gains

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 Restated $'000
Gains on partial disposal of subsidiary	-	-	1,082,234	338,943
Gains/(Losses) on disposal of investment securities measured at FVTPL	26,556	59,793	20,024	(2,548)
Gains on disposal of investment securities measured at amortised cost	98,837	109,325	98,837	109,325
	125,393	169,118	1,201,095	445,720

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8. Salaries, Statutory Contributions and Staff Costs

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Wages and salaries	608,614	587,297	604,125	587,297
Profit share and bonus	100,000	-	100,000	-
Statutory contributions	56,243	52,996	56,243	52,996
Pension contributions	12,268	12,878	12,268	12,878
Training and development	23,595	19,755	23,595	19,755
Staff welfare	5,956	8,392	5,956	8,392
	806,676	681,318	802,187	681,318

The number of employees at year-end was 128 (2020 – 114).

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9. Expenses by Nature

	The Group		The Company	
	2021 $'000	2020 Restated $'000	2021 $'000	2020 Restated $'000
Sales, marketing, and public relations	121,086	80,018	113,992	78,221
Auditors' remuneration	13,481	12,682	8,800	8,400
Computer expenses	74,572	102,883	41,624	63,657
Depreciation (Note 18)	30,943	29,408	30,943	29,408
Amortisation of intangibles (Note 33)	7,422	8,847	-	-
Amortization – right- of- use assets (Note 20)	30,201	18,758	30,201	18,758
Provision for credit losses	219,535	(82,557)	219,535	(82,557)
Insurance	16,872	13,814	16,872	13,814
Licensing fees	84,744	78,254	84,744	78,254
Short term lease expense	8,123	9,636	8,123	9,636
Legal and professional fees	113,694	217,410	94,243	191,696
Registrar and broker fees	27,330	39,596	20,634	32,808
Directors fees	26,337	26,763	26,337	26,763
Bank charges	17,191	18,078	17,008	17,742
Repairs and maintenance	17,165	9,786	17,165	9,786
Investment, incentive and management fee	89,999	68,529	-	-
Salaries, statutory contributions and staff costs (Note 8)	806,676	681,318	802,187	681,318
Security	17,136	13,882	17,136	13,882
Travelling and motor vehicles expenses	28,584	16,256	28,584	16,256
Assets tax	37,339	37,221	37,339	37,221
Loss on disposal of property, plant and equipment	4,106	-	4,106	-
Write-off of intangible asset	44,953	-	-	-
Contract termination fees	66,318	-	-	-
Utilities	62,027	48,188	62,027	48,188
Other operating expenses	36,421	29,049	29,075	27,997
	2,002,255	1,477,819	1,710,675	1,321,248

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10. Taxation

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

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Current year income tax at 33 1/3%	982	-	982	-
Current year income tax at 1%	11,114	-		-
Under provision of prior year tax	-	(426)		
Deferred tax charge/(credit) (Note 27)	(263,726)	(111,178)	(249,982)	(56,035)
Taxation charge/(credit)	(251,630)	(111,604)	(249,000)	(56,035)

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

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Profit/(Loss) before taxation	2,809,599	(2,275,573)	1,105,378	1,167,152
Tax calculated at a tax rate 33 1/3%/1%	(3,298)	245,527	368,456	389,047
Adjustments for the effects of:				
Under provision of prior year	-	(426)	-	-
Expenses not deductible for tax	17,895	13,030	17,895	13,030
Income not subject to tax	(96,727)	(258,981)	(494,468)	(250,273)
Share of Joint arrangement	(3,261)	(10,265)	-	-
Effect of Changes in Tax rates	(25,352)	-	-	-
Other adjustments	(140,887)	(100,489)	(140,883)	(207,839)
Taxation charge/(credit)	(251,630)	(111,604)	(249,000)	(56,035)

(c) Subject to agreement with Tax Administration Jamaica, the company has tax losses of approximately $931 million (2020 - $961 million) available for set-off against future taxable profits. The Group's subsidiaries have no tax losses (2020 - NIL) available for set–off against future taxable profits.

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10. Taxation (Continued)

(d) Tax charge relating to components of other comprehensive income is as follows:

	The Group					
	2021 $'000			2020 $'000		
	Before tax	Tax credit/ (charge)	After tax	Before tax	Tax charge	After tax
Net unrealized losses on financial instruments - FVOCI	630,175	38,925	669,100	(1,468,472)	107,602	(1,360,870)
Foreign currency translation adjustments	114,911	-	114,911	10,290	-	10,290
Other Comprehensive Income for the Year	745,086	38,925	784,011	(1,458,182)	107,602	(1,350,580)
Deferred taxation (Note 27)		38,925			107,602	

	The Company					
	2021 $'000			2020 $'000		
	Before tax	Tax charge	After tax	Before tax	Tax charge	After tax
Item that will not be reclassified to profit or loss						
Net unrealized losses on financial instruments - FVOCI	(49,242)	35,084	(14,158)	(279,012)	88,521	(190,491)
Other Comprehensive Income for the Year	(49,242)	35,084	(14,158)	(279,012)	88,521	(190,491)
Deferred taxation (Note 27)		35,084			88,521	

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11. Net Profit/(Loss)

	2021 $'000	2020 Restated $'000
Dealt with in the financial statements of:		
The Company	1,354,378	1,223,187
Subsidiaries	2,840,292	(2,995,971)
	4,194,670	(1,772,784)
Dividends received from subsidiaries (Note 6)	(51,207)	(52,242)
Gains on partial disposal of subsidiary included in equity on consolidation (Note 7)	(1,082,234)	(338,943)
	3,061,229	(2,163,969)
Attributable to:		
Stockholders of the parent	2,064,765	(919,767)
Non-controlling interest	996,464	(1,244,202)
	3,061,229	(2,163,969)

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12. Financial Ratios

(a) Earnings per stock unit:

Earnings-per-stock unit is calculated by dividing the net (loss)/profit attributable to stockholders of the parent by the weighted average number of ordinary stock units in issue during the year. There are no dilutive potential instruments.

	2021	**2020 Restated**
Net profit/(loss) attributable to stockholders of the parent ($'000)	2,064,765	(919,767)
Number of ordinary stock units in issue ('000)	1,201,149	1,201,149
Basic earnings per stock unit	$1.72	($0.77)
Fully diluted earnings per stock unit	$1.72	($0.77)

(b) Comprehensive income per stock unit:

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

	2021	**2020 Restated**
Comprehensive income attributable to stockholders of the parent ($'000)	2,574,175	(1,912,328)
Number of ordinary stock units in issue ('000)	1,201,149	1,201,149
Comprehensive income per stock unit – basic and fully diluted	$2.14	($1.59)

(c) Net book value per stock unit:

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

	2021	**2020 Restated**
Stockholders' equity attributable to stockholders of the parent ($'000)	15,335,631	13,216,878
Number of ordinary stock units in issue ('000)	1,201,149	1,201,149
Net book value per stock unit	$12.77	$11.00

(d) Market value of ordinary stock units:

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

	2021	**2020 Restated**
Closing bid price per stock unit as at 31 December	$8.00	$5.55
Number of ordinary stock units in issue ('000)	1,201,149	1,201,149
Market value of ordinary stock units ($'000)	9,609,194	6,666,379

13. Cash Resources

	The Group		The Company	
	2021	2020 Restated	2021	2020 Restated
	$'000	$'000	$'000	$'000
Current accounts - Jamaican dollar	172,938	272,859	168,406	268,215
Current accounts - Foreign currencies	1,107,760	1,318,224	798,390	1,033,531
Jamaican dollar deposits	1,488	1,488	1,488	1,488
Cash in hand	270	87	270	87
	1,282,456	1,592,658	968,554	1,303,321

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

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Cash resources	1,282,456	1,592,658	968,554	1,303,321
Investment securities with 90-day maturity	2,773,761	2,029,247	2,773,761	2,029,247
Bank overdraft	(375,633)	(255,976)	(375,633)	(255,976)
	3,680,584	3,365,929	3,366,682	3,076,592

The bank overdraft resulted from un-presented cheques at year-end. National Commercial Bank Jamaica Limited (NCB) holds as security, Government of Jamaica Global Bond with a nominal value of US$219,000 (2020 - US$100,000), to cover its overdraft facility of $300,000,000. NCB also holds as security Government of Jamaica Benchmark Notes with a nominal value of $11,800,000 (2020 - $3,800,000) and a lien over idle cash balances to cover 10% of the un-cleared effects limit of $60,000,000 i.e. $6,000,000.

A revolving credit line facility of $575,000,000 was granted in February 2020, by Sagicor Bank Jamaica Limited to assist with the working capital requirements of the company. This overdraft facility is unsecured at a current effective interest rate of 7.50% per annum. The facility is reviewed on an annual basis.

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14. Investment Securities

	The Group		The Company	
	2021	2020 Restated	2021	2020 Restated
	$'000	$'000	$'000	$'000
Investment securities at FVTPL -				
Debt securities				
Government of Jamaica bonds	18,500	17,865	18,500	17,865
Foreign government bonds	17,089	202,522	17,089	202,522
Corporate bonds	2,708,905	2,458,205	2,708,906	2,459,745
Equities	589,324	415,982	39,301	37,626
Total FVTPL	3,333,818	3,094,574	2,783,796	2,717,758
Investment securities at FVTOCI -				
Equities	5,591,997	5,645,060	723,362	819,679
Total FVTOCI	5,591,997	5,645,060	723,362	819,679
Investment securities at amortised cost, net of ECL -				
Debt securities				
Government of Jamaica bonds	561,472	450,901	561,472	450,901
Foreign government bonds	214	395	214	395
Corporate bonds	106,122	383,711	106,122	383,711
Less ECL	(15,352)	(25,604)	(15,352)	(25,604)
Total investment securities at amortised cost, net of ECL	652,456	809,403	652,456	809,403
	9,578,271	9,549,037	4,159,614	4,346,840
Accrued interest	42,139	34,233	42,139	34,233
Total investment securities	9,620,410	9,583,270	4,201,753	4,381,073

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14. Investment Securities (Continued)

The movement in the ECL is as follows:

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Balance at beginning of year	25,604	54,747	25,604	54,747
Write offs	-	(34,792)	-	(34,792)
Net increase/(decrease) included in provision for credit losses	(10,252)	5,649	(10,252)	5,649
Balance at end of year	15,352	25,604	15,352	25,604

The Government and Corporate bonds are used as collateral for the Group's demand loans received from, Oppenheimer and Co. Inc., Raymond James and Morgan Stanley (Note 26).

15. Reverse Repurchase Agreements

The company enters into repurchase and reverse repurchase agreements collateralised by Government of Jamaica debt securities. These agreements may result in credit exposure in the event that the counterparty to the transaction is unable to fulfil its contractual obligations.

	The Group and Company	
	2021	2020
	$'000	$'000
Reverse repurchase agreements	3,649,887	2,526,121
Interest receivable	31,413	29,950
	3,681,300	2,556,071

Included in reverse repurchase agreements is $3,649,887,000 (2020: $2,526,121,000) which matures within the next 12 months, of which $1,590,140,000 (2020: $1,253,109,000) with original maturities of 90 days or less, are regarded as cash and cash equivalents for the purposes of the statement of cash flows.

16. Promissory Notes

	The Group and Company	
	2021	2020 Restated
	$'000	$'000
Gross loans	4,209,301	4,280,047
Less: Allowance for credit losses	(274,160)	(225,912)
Interest receivable	9,674	-
	3,944,815	4,054,135

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

The movement in the allowance for credit losses is as follows:

	The Group and Company	
	2021	2020
	$'000	$'000
Balance at beginning of year	225,912	352,664
Amounts written off during the period	(50,123)	-
Net increase/(decrease) included in provision for credit losses	98,371	(126,752)
Balance at end of year	274,160	225,912

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17. Loans and other Receivables

	The Group		The Company	
	2021	2020 Restated	2021	2020 Restated
	$'000	$'000	$'000	$'000
Client margins	2,130,133	1,670,949	2,130,133	1,670,949
Client receivables	1,877,917	2,191,203	1,877,917	2,191,203
Due from broker	400,279	9,832	400,279	9,832
Current account with joint venture	277,789	272,909	222,377	221,894
Withholding tax recoverable	194,036	204,150	194,036	204,150
GCT recoverable	27,441	19,549	27,441	19,549
Prepayments	89,023	83,862	76,074	53,948
Other receivables	268,467	449,844	202,893	404,720
	5,265,085	4,902,298	5,131,150	4,776,245
Less: Allowance for credit losses	(170,192)	(38,776)	(170,192)	(38,776)
	5,094,893	4,863,522	4,960,958	4,737,469

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

The movement in the allowance for credit losses is as follows:

	The Group and Company	
	2021	2020
	$'000	$'000
Balance at beginning of year	38,776	230
Net increase included in provision for credit losses	131,416	38,546
Balance at end of year	170,192	38,776

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18. Property, Plant and Equipment

	Leasehold Improvements $'000	Computer Equipment $'000	Office Equipment $'000	Furniture, Fixtures & Fittings $'000	Motor Vehicles $'000	Total $'000
Cost -						
At 1 January 2020	79,897	233,850	30,107	63,351	28,244	435,449
Additions	-	3,069	3,064	200	-	6,333
Adjustments	(61)	-	-	-	-	(61)
At 31 December 2020	79,836	236,919	33,171	63,551	28,244	441,721
Additions	-	18,770	2,655	-	-	21,425
Disposals	-	(4,832)	-	-	-	(4,832)
At 31 December 2021	79,836	250,857	35,826	63,551	28,244	458,314
Accumulated Depreciation -						
At 1 January 2020	25,747	173,555	25,693	52,579	12,510	290,084
Charge for the year	1,760	19,872	1,493	2,715	3,568	29,408
At 31 December 2020	27,507	193,427	27,186	55,294	16,078	319,492
Charge for the year	1,760	18,769	1,899	2,568	5,947	30,943
Relieved on disposals	-	(726)	-	-	-	(726)
At 31 December 2021	29,267	211,470	29,085	57,862	22,025	349,709
Net Book Value -						
31 December 2021	50,569	39,387	6,741	5,689	6,219	108,605
31 December 2020	52,329	43,492	5,985	8,257	12,166	122,229

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19. Investment Properties

	The Group and Company	
	2021 **$'000**	**2020 Restated** **$'000**
Balance at beginning of year	1,852,402	1,217,701
Disposal	(16,000)	-
Net gain from fair value adjustment	337,900	634,701
Balance at end of year	2,174,302	1,852,402

Amounts recognised in profit or loss for investment properties

	The Group and Company	
	2021 **$'000**	**2020 Restated** **$'000**
Direct operating expenses from property that did not generate rental income	(255)	-
Fair value gain recognised in other income	337,900	634,701
	337,645	634,701

Some of these properties are used as collateral for the company's corporate paper (note 26)

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20. Leases

(a) Right-of-use assets

	Land & Building $'000	Motor Vehicles $'000	Total $'000
As at December 2019	102,502	30,957	133,459
Amortization	(6,415)	(12,343)	(18,758)
As at December 2020	96,087	18,614	114,701
Addition	13,784	11,273	25,057
Amortization	(13,307)	(16,894)	(30,201)
At 31 December 2021	96,564	12,993	109,557

(b) Lease liabilities

	Land & Building $'000	Motor Vehicles $'000	Total $'000
As at 31 December 2019	106,398	33,838	140,236
Interest expense	7,304	3,296	10,600
Lease payments	(7,800)	(14,457)	(22,257)
As at 31 December 2020	105,902	22,677	128,579
Interest expense	8,147	2,498	10,645
Lease payments	(18,988)	(21,203)	(40,191)
Addition	13,784	11,273	25,057
At 31 December 2021	108,845	15,245	124,090

(c) Amount recognised in the income statement

	2021 $'000	2020 $'000
Amortization charge of right-of-use assets	30,201	18,758
Interest expense	10,645	10,600
Short term lease expense	8,123	9,636

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21. Investment in Associates

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

	2021 $'000	2020 Restated $'000
Supreme Ventures Limited	8,984,289	7,134,719
Caribbean Producers Jamaica Limited	2,870,824	611,687
Lasco Financial Services Limited	761,863	700,914
Ironrock Insurance Company Limited	123,945	146,776
	12,740,921	8,594,096

22. Investment in Joint Venture

i) Details of the Group's material joint venture accounted for using the equity method at the end of the reporting period are as follows:

	2021 $'000	2020 Restated $'000
Cherry Hill Limited:		
Balance at 1 January	2,142,092	517,539
Share of after tax earnings	326,147	1,026,474
Additions/(Disposals) of interest	-	559,154
Translation adjustments	186,569	38,925
Balance at 31 December	2,654,808	2,142,092

ii) Summarised financial information for joint venture.
The tables below provide summarised financial information in respect of the Group's investment in joint venture. The information disclosed reflects the amounts presented in the financial statements of the joint venture in accordance with IFRS standards, and not the Company's share of those amounts.

Summarised statement of financial position

	2021 $'000	2020 $'000
Current Assets	1,510,591	196,587
Non-current Assets	5,737,580	6,124,073
Total Assets	7,248,171	6,320,660
Current Liabilities	469,692	334,422
Non-current Liabilities	1,500,673	1,727,046
Total Liabilities	1,970,365	2,061,468
Net Assets	5,277,806	4,259,192

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22. Investment in Joint Venture (Continued)

iii) Summarised financial information for joint venture (continued)

Statement of profit or loss and other comprehensive income

	2021 $'000	2020 $'000
Revenue	899,397	2,103,430
Profit from operations	773,556	2,186,835
Net Interest expense	(121,263)	(138,061)
Profit before income tax	652,293	2,048,774
Taxation credit	-	4,174
Profit after tax and Total comprehensive income	652,293	2,052,948

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23. Cash Flows

Adjustments to reconcile net profit to net cash provided by operating activities.

		The Group		The Company	
	Note	**2021 $'000**	**2020 Restated $'000**	**2021 $'000**	**2020 Restated $'000**
Adjustments for non-cash items:					
Provision for credit losses		219,535	(82,557)	219,535	(82,557)
Intangible asset – amortization		7,422	8,847	-	-
Depreciation	18	30,943	29,408	30,943	29,408
Right-of-use assets - amortization	19	30,201	18,758	30,201	18,758
Loss on disposal of fixed assets		4,106	-	4,106	-
Write-off of intangible asset		44,953	-		-
Interest income	4	(736,374)	(959,046)	(782,403)	(978,350)
Interest expense	4	566,414	470,826	404,354	307,312
Interest expense – right-of-use assets		10,645	10,600	10,645	10,600
Realized Gain on trading		(125,393)	(169,118)	(1,201,095)	(445,720)
Unrealised fair value (gains)/losses on Investment in associates		(2,551,857)	2,746,804	-	-
Unrealised fair value (gains)/losses on financial instruments - FVTPL		(67,117)	1,351,183	(4,486)	(61,622)
Unrealised foreign exchange gains		(406,809)	(286,228)	(384,087)	(248,306)
Share of profits in joint venture		(326,147)	(1,026,474)	-	-
Unrealised fair value gains on investment properties		(337,900)	(634,701)	(337,900)	(634,701)
		(3,637,378)	1,478,302	(2,010,187)	(2,085,178)
Changes in operating assets and liabilities:					
Loans and other receivables		(130,501)	(2,081,957)	(109,551)	(1524,944)
Investments		811,035	1,225,435	271,583	1,253,749
Promissory notes		1,014,861	(2,158,700)	10,949	(2,158,700)
Reverse repurchase agreements		(380,715)	957,593	(379,252)	957,592
Investment in associates		(1,594,968)	34,040	-	-
Accounts payable		1,286,335	2,949,897	1,189,824	3,350,124
Due from subsidiary				(120,887)	(584,341)
Due to subsidiary		-		-	(211,263)
Securities sold under repurchase agreements		1,211,876	(626,212)	1,211,876	(626,212)
		(1,419,455)	1,778,398	64,355	(1,629,173)

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24. Investment in Subsidiaries

	2021 $'000	2020 $'000
Balance at beginning of the year	1,209,121	1,086,002
11% disposal through trade over the Jamaica Stock Exchange	(171,047)	-
5% disposal through trade over the Jamaica Stock Exchange	-	(61,115)
1% buy back through trade over the Jamaica Stock Exchange	191,927	184,234
	1,230,001	1,209,121

During 2018, the company disposed of 20% of its ownership in its subsidiary, Mayberry Jamaican Equities Limited, through a 10% dividend in specie to its shareholders and an initial public offering of 10% of its shareholdings in MJEL. A further 5% was transferred to a related party which is to be placed in a Share Incentive Plan. As part of the divestment arrangement, the company received a Special Preference Share in the subsidiary which gave it special rights as set out in section 10A of the amended Articles of Association of that subsidiary and require the consent in writing of the holder of the Special Share to vary some provisions of the Articles.

25. Pledged Assets

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

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Restricted Deposit	41,742	41,543	-	-
Investment securities at FVTOCI	1,386,692	1,307,498,	-	-
Investment property at FVTPL	1,248,450	1,901,310	1,248,450	1,901,310
Investment securities at FVTPL	252,968	706,950	252,968	706,950
Investment securities at amortised cost	185,388	498,055	185,388	498,056
Investments in associates at FVTPL	12,325,218	8,369,605	-	-
Total assets pledged as collateral	15,440,458	12,824,961	1,686,806	3,106,316

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26. Loans

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Demand loans (i) -				
Oppenheimer & Co. Inc.	390,336	551,923	390,337	551,923
Morgan Stanley	-	457,944	-	457,944
Raymond James	577,410	798,479	577,409	798,479
Term loans –				
Corporate paper (unsecured) (ii)	1,976,723	2,725,000	1,976,723	2,725,000
Corporate paper (secured) (ii)	683,782	740,976	683,782	740,976
Corporate bond (iii)	2,196,799	2,194,230	-	-
	5,825,050	7,468,552	3,628,251	5,274,322

(i) The demand loans attract interest at 1.25% (2020 – 2.25%) per annum - Oppenheimer & Co. Inc., 0.83% (2020 - 1.735%) per annum - Morgan Stanley and 2.18% (2020 – 2.667%) per annum – Raymond James. The collaterals for the demand loans are investment securities which were purchased with the proceeds of the loans received from Morgan Stanley, Oppenheimer & Co. Inc. and Raymond James (Note 14).

(ii) The Unsecured Corporate Paper attracts interest at 6.5% per annum (2020 - 6.5%). The Secured Corporate Paper is backed by real estate and attracts a weighted average rate of interest at 7.5% per annum (2020 – 7.5%).

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

The bond is secured by some of the Group's quoted equity investments in various entities that are being traded on the Jamaica Stock Exchange. These shares are required to have a fair value coverage of 1.5 times the principal amount and a maintenance margin of 1.5 times. At the reporting date the company has complied with these covenants.

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27. Deferred Taxation

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

	The Group		The Company	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
Net balance at beginning of year	(85,731)	(304,511)	(68,146)	(212,702)
Deferred tax credit (Note 10)	263,726	111,178	249,982	56,035
Deferred tax charge on investment securities (OCI)	38,925	107,602	35,084	88,521
Net balance at end of year	216,920	(85,731)	216,920	(68,146)

Net deferred income taxation is due to the following items:

	The Group		The Company	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
Deferred income tax assets:				
Interest payable	10,665	71,619	10,665	71,619
Property, plant and equipment	3,712	2,398	3,712	2,398
Provisions	153,235	30,384	153,235	30,384
Tax losses carried forward	352,197	333,842	352,197	315,660
Unrealised foreign exchange loss	76,015	-	76,015	-
Other	14,454	-	14,454	-
	610,278	438,243	610,278	420,061
Deferred income tax liabilities:				
Property, plant and equipment	10,996	11,899	10,996	11,899
Investment securities:				
- Trading	1,495	8,441	1,495	20,513
- Other comprehensive income	344,039	426,962	344,039	379,123
Unrealised foreign exchange gain	-	63,840	-	63,840
Interest receivable	36,828	12,832	36,828	12,832
	393,358	523,974	393,358	488,207
Net deferred tax liability	216,920	(85,731)	216,920	(68,146)

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

27. Deferred Taxation (Continued)

The movement in deferred income taxation is due to the following items:

	The Group						
	Interest payable	**Property, plant and equipment**	**Unrealised foreign exchange loss**	**Other**	**Tax losses carried forward**	**Provisions**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Deferred income tax assets:							
As at 1 January 2020	69,222	1,343	-	-	264,325	13,993	348,883
Credited to profit or loss	2,397	1,055	-	-	69,517	16,391	89,360
As at 31 December 2020	71,619	2,398	-	-	333,842	30,384	438,243
(Charged)/Credited to profit or loss	(60,954)	1,314	76,015	14,454	18,355	122,851	172,035
As at 31 December 2021	10,665	3,712	76,015	14,454	352,197	153,235	610,278

	Interest receivable	**Property, plant and equipment**	**Unrealised foreign exchange gain**	**Unrealised fair value gain**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Deferred income tax liabilities:					
As at 1 January 2020	33,554	21,728	2,582	595,530	653,394
Charged/(Credited) to profit or loss	(20,722)	(9,829)	61,258	(52,525)	(21,818)
Credited to other comprehensive income	-	-	-	(107,602)	(107,602)
As at 31 December 2020	12,832	11,899	63,840	435,403	523,974
Charged/(Credited) to income statement	23,996	(903)	(63,840)	(50,944)	(91,691)
Credited to other comprehensive income	-	-	-	(38,925)	(38,925)
As at 31 December 2021	36,828	10,996	-	345,534	393,358

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27. Deferred Taxation (Continued)

	The Company						
	Interest payable	**Property, plant and equipment**	**Unrealised foreign exchange loss**	**Other**	**Tax losses carried forward**	**Provisions**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Deferred income tax assets:							
As at 1 January 2020	69,222	1,343	-	-	264,325	13,993	348,883
Credited to income statement	2,397	1,055	-	-	51,335	16,391	71,178
As at 31 December 2020	71,619	2,398	-	-	315,660	30,384	420,061
(Charged)/Credited to income statement	(60,954)	1,314	76,015	14,454	36,537	122,851	190,217
As at 31 December 2021	10,665	3,712	76,015	14,454	352,197	153,235	610,278

	Interest receivable	**Property, plant and equipment**	**Unrealised foreign exchange gain**	**Unrealised fair value gain**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Deferred income tax liabilities:					
As at 1 January 2020	33,554	21,728	2,582	503,721	561,585
Charged/(Credited) to the income statement	(20,722)	(9,829)	61,258	(15,564)	15,143
Credited to other comprehensive income	-	-	-	(88,521)	(88,521)
As at 31 December 2020	12,832	11,899	63,840	399,636	488,207
Charged/(Credited) to income statement	23,996	(903)	(63,840)	(19,018)	(59,765)
Credited to other comprehensive income	-	-	-	(35,084)	(35,084)
As at 31 December 2021	36,828	10,996	-	345,534	393,358

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27. Deferred Taxation (Continued)

The gross amounts shown in the above tables include the following:-

	The Group		The Company	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
Deferred income tax assets:				
Deferred tax assets to be recovered after more than 12 months	509,144	366,624	509,144	348,442
Deferred tax assets to be recovered within 12 months	101,134	71,619	101,134	71,619
	610,278	438,243	610,278	420,061
Deferred income tax liabilities:				
Deferred tax assets to be settled after more than 12 months	10,996	11,899	10,996	11,899
Deferred tax assets to be settled within 12 months	382,362	512,075	382,362	476,308
	393,358	523,974	393,358	488,207
Deferred tax asset/(liabilities), net	216,920	(85,731)	216,920	(68,146)

28. Accounts Payable

	The Group		The Company	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
Accounts payable	539,389	343,407	511,537	337,771
Contract termination fees payable	67,725	-		-
Due to brokers	148,535	65,178	148,535	65,178
Management fee payable	124,621	34,621	-	-
Client payables	8,084,515	7,151,814	8,084,515	7,151,814
	8,964,785	7,595,020	8,744,587	7,554,763

29. Share Capital

	The Group and The Company	
	2021 $'000	**2020 Restated $'000**
Authorized – 2,120,000,000 Ordinary Shares		
- 380,000,000 Redeemable Cumulative Preference Shares		
Issued and fully paid –		
1,201,149,291 Ordinary Shares	1,582,382	1,582,382

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30. Fair Value Reserves

These represent net unrealised gains on the revaluation of equity securities. These unrealised gains are transferred to retained earnings on disposal of the equities. The fair value through other comprehensive income securities are based on short term fluctuations in market prices.

31. Other Reserves

	2021 $'000	2020 $'000
Capital redemption reserve fund	51,343	51,343
Stock option reserve	26,596	26,596
	77,939	77,939

32. Retained Earnings

	2021 $'000	2020 $'000
Reflected in the financial statements of:		
The Company	3,542,641	2,572,631
Subsidiaries	8,839,117	7,578,492
	12,381,758	10,151,123

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33. Intangible Asset

	Group		
	Computer Software $'000	**Work in progress $'000**	**Total $'000**
At Cost –			
1 January 2020	67,346	-	67,346
Additions	-	335,064	335,064
At 31 December 2020	67,346	335,064	402,410
Additions	-	372,355	372,355
Write-off of intangible asset	(60,626)	-	(60,626)
At 31 December 2021	6,720	707,419	714,139
Amortisation –			
1 January 2020	4,556	-	4,556
Charge for the year	8,847	-	8,847
31 December 2020	13,403	-	13,403
Charge for the year	7,422	-	7,422
Relieved on disposal	(15,673)	-	(15,673)
31 December 2021	5,152	-	5,152
Net book value -			
31 December 2021	1,568	707,419	708,987
31 December 2020	53,943	335,064	389,007

Work in progress represents the development of a new integrated client service, customer management, operations management and back office financial management system to digitise the group's operations.

Company

	Work in progress $'000
At Cost –	
1 January 2020	-
Additions	335,064
At 31 December 2020	335,064
Additions	372,355
At 31 December 2021	707,419

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34. Related Party Transactions and Balances

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

(i) The following are the balances with related parties:

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Due from subsidiaries:				
Mayberry Jamaican Equities Limited	-	-	26,229	16,106
Widebase Limited	-	-	1,127,847	1,017,083
	-	-	1,154,076	1,033,189
Loans and other receivables:				
Joint venture	277,306	273,392	221,894	222,377
Directors and key management personnel	42,778	-	42,778	-
Promissory Note				
Mayberry Jamaican Equities Limited	-	-	-	1,003,912
Accounts payable:				
Management fees payable (Mayberry Asset Managers Limited)	124,621	34,621	-	-
Companies controlled by directors	507,649	370,407	507,649	370,407
Directors and key management personnel	4,754	3,622	4,754	3,622

(ii) The following are transactions with related parties				
Dividend Income	342,738	320,721	51,207	52,242
Interest income	-	279,114	47,032	300,225
Other income earned	4,000	-	26,000	-
Investment management fee	89,998	69,353		
Key management compensation				
Salaries and other short term employee benefits	123,155	75,216	120,013	75,216
Directors' emoluments:-				
Fees	41,481	26,763	40,374	26,763
Executive directors' remuneration	96,258	90,108	96,258	90,108
Pension contributions	5,865	-	5,865	-
Other operating expenses			-	-

34. Related Party Transactions and Balances (Continued)

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

(i) A management fee calculated as 0.50% of the net asset value; and

(ii) An incentive fee calculated as 8.00% of the increase in the comprehensive income.

The Management Fee is accrued quarterly in arrears. The amount charged for the year was $89,998,000 (2020 – $68,529,000).

The Incentive Fee is calculated on the last day of each calendar year with reference to the total comprehensive income earned for the calendar year in question. There was nil for 2021 (2020 – nil).

35. Dividends

	The Group	
	2021	**2020**
	$'000	**$'000**
Final dividend to ordinary shareholders – 32 cents per share (2020 – 12.5 cents per share)	384,368	150,144
Payment to minority shareholders	20,861	19,827
	405,229	169,971

A dividend of $0.32 was approved and paid in December 2021 to those shareholders on record as at 20 December 2021.

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36. Non-Controlling Interest

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

	2021 $'000	2020 Restated $'000
Summarized statement of financial position		
Total assets	18,414,622	14,147,420
Total liabilities	(3,443,729)	(2,267,099)
Net assets	14,970,893	11,880,321
Attributable to non-controlling interest	6,016,802	3,634,190
Summarized statement of comprehensive income		
Revenue	2,992,219	(3,786,427)
Profit/(Loss) for the period	2,479,383	(4,067,348)
Other comprehensive income	683,258	(1,170,378)
Total comprehensive income	3,162,641	(5,237,726)
Profit/(Loss) allocated to non-controlling interest	996,464	(1,244,202)
Other comprehensive income allocated to non-controlling interest	274,601	(358,019)
Attributable to non-controlling interest	1,271,065	(1,602,221)
Summarized statement of cash flows		
Cash flows from operating activities	(742,799)	17,088
Interest received	994	1,751
Interest paid	(186,237)	(184,570)
Income tax paid	-	(7,562)
Net cash used in operating activities	(928,042)	(173,293)
Cash flows from financing activities	927,931	(72,069)
Net increase/(decrease) in cash and cash equivalents	(111)	(245,362)
Cash and cash equivalents at the beginning of year	289,337	495,121
Exchange losses on cash and cash equivalents	24,676	39,578
Cash and cash equivalents at end of year	313,902	289,337

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37. 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.

	The Group			
	Loans		Lease liabilities	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
As at 1 January	7,468,552	7,187,611	128,579	140,236
Interest payable	(4,067)	(3,639)	-	-
	7,464,485	7,183,972	128,579	140,236
Loan received	1,171,100	550,225	-	-
Lease additions	-	-	25,057	-
Repayments	(2,817,171)	(273,289)	(29,546)	(11,657)
Amortization of borrowing costs	3,577	3,577		
Interest payable	3,059	4,067	-	-
As at 31 December	5,825,050	7,468,552	124,090	128,579

	The Company			
	Loans		Lease liabilities	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
As at 1 January	5,274,322	4,997,384	128,579	140,236
Loan received	1,171,100	550,225	-	-
Lease additions	-	-	25,057	-
Repayments	(2,817,171)	(273,287)	(29,546)	(11,657)
Interest payable	-	-	-	-
	3,628,251	5,274,322	124,090	128,579

38. Financial Risk Management

Risk Management Framework

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

ALCO places trading limits on the level of exposure that can be taken and monitors risks and adherence to limits. The Group, through its training and management standards and procedures, aims to develop disciplined and constructive control environment, in which all employees understand their roles and obligations. This is supplemented by the Compliance Committee which was established in 2020, to specifically monitor regulatory measures.

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

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

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

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

38. Financial Risk Management (Continued)

Risk Management Framework (continued)

(a) Liquidity risk

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

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

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

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

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38. Financial Risk Management (Continued)

(a) Liquidity risk (continued)

	The Group					
	2021					
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
Financial Liabilities:						
Bank overdraft	375,633	-	-	-	-	375,633
Securities sold under repurchase agreements	1,440,820	2,390,801	1,027,654	-	-	4,859,275
Loans	1,042,947	3059	1,764,562	3,500,049	-	6,310,617
Lease liabilities	2,449	4,900	22,276	50,613	107,572	187,810
Accounts payable	8,534,451	213,613	216,721	-	-	8,964,785
Total liabilities (contractual maturity dates)	11,396,300	2,612,373	3,031,213	3,550,662	107,572	20,698,120

	2020					
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
Financial Liabilities						
Bank overdraft	255,976	-	-	-	-	255,976
Securities sold under repurchase agreements	1,655,044	1,226,754	736,410	-	-	3,618,208
Loans	2,199,223	157,684	324,463	5,438,876	198,460	8,318,706
Lease liabilities	1,834	3,668	16,504	53,140	118,578	193,724
Accounts payables	6,924,717	36,556	200,571	-	433,176	7,595,020
Total liabilities (contractual maturity dates)	11,036,794	1,424,662	1,277,948	5,492,016	750,214	19,981,634

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38. Financial Risk Management (Continued)

(a) Liquidity risk (continued)

	The Company					
	2021					
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
Financial Liabilities						
Bank overdraft	375,633	-	-	-	-	375,633
Securities sold under repurchase agreements	1,440,820	2,390,801	1,027,654	-	-	4,859,275
Loans	1,042,947	-	1,605,062	1,180,424	-	3,828,433
Lease liabilities	2,449	4,900	22,276	50,613	107,572	187,810
Accounts payable	8,527,870	-	216,717	-	-	8,744,587
Total liabilities (contractual maturity dates)	11,389,719	2,395,701	2,871,709	1,231,037	107,572	17,995,738

	2020					
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
Financial Liabilities						
Bank overdraft	255,976	-	-	-	-	255,976
Securities sold under repurchase agreements	1,655,044	1,226,754	736,410	-	-	3,618,208
Loans	2,199,223	153,617	159,463	2,743,876	200,000	5,456,179
Lease liabilities	1,834	3,668	16,504	53,140	118,578	193,724
Accounts payable	6,922,556	-	200,571	-	431,636	7,554,763
Total liabilities (contractual maturity dates)	11,034,633	1,384,039	1,112,948	2,797,016	750,214	17,078,850

38. Financial Risk Management (Continued)

(b) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security, its issuer or factors affecting all securities traded in the market. The Group manages this risk through extensive research and monitors the price movement of securities on the local and international markets. The Group's portfolio is balanced with respect to the duration of the securities included in order to minimize exposure to volatility, based on projected market conditions.

Management of market risks

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

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

Exposure to market risks

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

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38. Financial Risk Management (Continued)

(b) Market risk (continued)

Exposure to market risks (continued)

A summary of the VaR position of the Group's portfolios at 31 December 2021 and during the period is as follows:

	2021			
	31 December $'000	Average $'000	Maximum $'000	Minimum $'000
Foreign Currency Risk	27,682	26,709	36,497	18,868
Interest Rate Risk				
Domestic securities – amortized cost	6,275	5,758	12,834	4,968
Global securities – amortized cost	444	436	556	333
Global securities – trading	848	1,078	1,106	590
Other Price Risk (Equities)				
Domestic securities – other comprehensive income	57,852	40,744	69,235	46,470
Domestic securities – trading	3,736	2,439	4,360	3,113
Global Securities – trading	1,101	791	726	360

	2020			
	31 December $'000	Average $'000	Maximum $'000	Minimum $'000
Foreign Currency Risk	25,339	24,792	31,713	18,966
Interest Rate Risk				
Domestic securities – amortized cost	8,252	7,477	9,802	6,123
Global securities – amortized cost	1,246	1,247	1,654	838
Global securities – trading	2,733	3,073	3,252	2,121
Other Price Risk (Equities)				
Domestic securities – other comprehensive income	45,430	52,274	58,052	32,808
Domestic securities – trading	3,435	2,219	4,053	2,818
Global Securities – trading	2,094	1,546	2,051	1,108

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38. Financial Risk Management (Continued)

(c) Interest rate risk

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

	The Group						
	2021						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets							
Cash resources	1,282,456	-	-	-	-	-	1,282,456
Investment securities	238	4,201	612,981	2,372,124	449,545	6,181,321	9,620,410
Reverse repurchase agreements	1,383,834	1,389,926	907,540	-	-	-	3,681,300
Promissory notes	1,528,221	662,733	71,238	167,122	511,589	-	2,940,903
Loans and other receivables	3,879,600					904,793	4,784,393
Total assets	8,074,349	2,056,860	1,591,759	2,539,246	961,134	7,086,114	22,309,462
Financial Liabilities							
Bank overdraft	375,633						375,633
Securities sold under repurchase agreements	1,438,988	2,371,179	1,009,229	-	-	-	4,819,396
Loans	1,042,746	-	1,449,483	3,332,821	-	-	5,825,050
Other	1,663	3,363	15,963	25,016	78,085	8,964,785	9,088,875
Total liabilities	2,859,030	2,374,542	2,474,675	3,357,837	78,085	8,964,785	20,108,954
Total interest rate sensitivity gap	5,215,319	(317,682)	(882,916)	(818,591)	883,049	(1,878,671)	2,200,508
Cumulative interest rate sensitivity gap	5,215,319	4,897,637	4,014,721	3,196,130	4,079,179	2,200,508	

	2020						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Total assets	9,612,089	1,030,786	1,627,055	2,094,786	1,183,752	6,793,627	22,342,095
Total liabilities	4,110,384	1,374,413	740,950	4,945,724	289,156	7,595,020	19,055,647
Total interest rate sensitivity gap	5,501,705	(343,627)	886,105	(2,850,938)	894,596	(801,393)	3,286,448
Cumulative interest rate sensitivity gap	5,501,705	5,158,078	6,044,183	3,193,245	4,087,841	3,286,448	

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38. Financial Risk Management (Continued)

(c) Interest rate risk (continued)

	Company						
	2021						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets							
Cash resources	968,554	-	-	-	-	-	968,554
Investment securities	238	4,201	612,981	2,372,125	449,545	762,663	4,201,753
Reverse repurchase agreements	1,383,834	1,389,926	907,540	-	-	-	3,681,300
Promissory notes	1,528,222	662,733	71,238	1,171,033	511,589	-	3,944,815
Due from subsidiaries	26,229	-	-	-	-	1,127,847	1,154,076
Loans and other receivables	3,837,858	-	-	-		825,549	4,663,407
Total assets	7,744,935	2,056,860	1,591,759	3,543,158	961,134	2,716,059	18,613,905
Financial Liabilities							
Bank overdraft	375,633	-	-	-	-	-	375,633
Securities sold under repurchase agreements	1,438,988	2,371,179	1,009,229	-	-	-	4,819,396
Loans	1,042,746	-	1,449,483	1,136,022	-	-	3,628,251
Other	1,663	3,363	15,963	25,016	78,085	8,744,587	8,868,677
Total liabilities	2,859,030	2,374,542	2,474,675	1,161,038	78,085	8,744,587	17,691,957
Total interest rate sensitivity gap	4,885,905	(317,682)	(882,916)	2,382,120	883,049	(6,028,528)	921,948
Cumulative interest rate sensitivity gap	4,885,905	4,568,223	3,685,307	6,067,427	6,950,476	921,948	

	2020						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Total assets	9,322,752	1,030,786	1,661,288	2,062,093	1,183,752	2,526,940	17,787,611
Total liabilities	4,110,384	1,374,413	740,950	2,751,494	289,156	7,554,763	16,821,160
Total interest rate sensitivity gap	5,212,368	(343,627)	920,338	(689,401)	894,596	(5,027,823)	966,451
Cumulative interest rate sensitivity gap	5,212,368	4,868,741	5,789,079	5,099,678	5,994,274	966,451	

38. Financial Risk Management (Continued)

(c) Interest rate risk (continued)

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

	JA$	US$	JA$	US$
	2021		2020	
	%	%	%	%
Assets				
Investment securities	3.43	6.49	3.46	6.48
Reverse repurchase agreements	3.14	3.70	2.41	2.21
Promissory notes	7.36	7.40	8.14	8.72
Liabilities				
Securities sold under repurchase agreements	3.46	1.07	2.07	1.77
Loans	-	2.47	-	2.60
Corporate papers	6.75	-	7.38	-

The management of interest rate risk is supplemented by monitoring the sensitivity of the Group's financial assets to various standard and non-standard interest rate scenarios. Standard scenarios that are considered include a 300 basis point (bp) (2020 - 100 bp) parallel rise and a 50 bp (2020 - 100 bp) parallel fall in the yield curve applicable to Government of Jamaica local instruments and a 100 bp (2020 - 100 bp) parallel rise and a 100 bp (2020 – 100 bp) parallel fall in the yield curves applicable to Government of Jamaica global bonds and other sovereign bonds. An analysis of the Group's sensitivity to an increase or decrease in market interest rates and the likely impact on equity and statement of income (fair value through profit or loss account instruments), assuming no asymmetrical movement in the zero-coupon yield curves, is as follows:

	2021					
	Daily Return	300 bp Parallel increase	50 bp Parallel decrease	Daily Return (Globals)	100bp Parallel increase	100 bp Parallel decrease
	J$'000	J$'000	J$'000	J$'000	J$'000	J$'000
At 31 December 2021						
Statement of income						
Domestic – Amortised	400,473	(104,128)	20,749	-	-	-
Globals - Trading	-	-	-	46,317	(4,098)	4,098

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38. Financial Risk Management (Continued)

(c) Interest rate risk (continued)

	2020					
	Daily Return	**100 bp Parallel increase**	**100 bp Parallel decrease**	**Daily Return (Globals)**	**1000bp Parallel increase**	**100bp Parallel decrease**
	J$'000	**J$'000**	**J$'000**	**J$'000**	**J$'000**	**J$'000**
At 31 December 2020						
Statement of income						
Domestic – Amortised	299	(24,594)	33,806	-	-	-
Globals - Trading	-	-	-	92	(8,228)	9,815

(d) Currency risk

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

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

	The Group			
	2021			
	GBP	**US$**	**CAN$**	**EURO**
	J$'000	**J$'000**	**J$'000**	**J$'000**
Financial Assets				
Cash resources	39,295	588,010	20,038	67,932
Investment securities	-	1,248,690	-	-
Promissory notes	-	2,023,387	-	-
Reverse repurchase agreement	-	1,768,154	-	-
Interest receivable	83	68,482	25	-
Loans and other receivables	-	122,325	-	-
Total assets	39,378	5,819,048	20,063	67,932
Financial Liabilities				
Securities sold under repurchase agreements	-	913,712	-	-
Loans and other payables	-	988,075	16,293	-
Other	66,627	3,798,849	40,320	-
Total liabilities	66,627	5,700,636	56,613	-
Net position	(27,249)	118,412	(36,550)	67,932

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38. Financial Risk Management (Continued)

(d) Currency risk (continued)

	The Group			
	2020			
	GBP	US$	CAN$	EURO
	J$'000	J$'000	J$'000	J$'000
Financial Assets				
Cash resources	24,092	1,576,762	23,058	260
Investment securities	-	1,588,628	-	-
Promissory notes	-	3,544,705	-	-
Interest receivable	261	20,185	22	-
Loans and other receivables	-	64,764	-	-
Total assets	24,353	6,795,044	23,080	260
Financial Liabilities				
Securities sold under repurchase agreements	-	1,631,820	-	-
Loans and other payables	-	2,709,677	-	-
Total liabilities	-	4,341,497	-	-
Net position	24,353	2,453,547	23,080	260

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38. Financial Risk Management (Continued)

(d) Currency risk (continued)

	The Company			
	2021			
	GBP	**US$**	**CAN$**	**EURO**
	J$'000	**J$'000**	**J$'000**	**J$'000**
Financial Assets				
Cash resources	39,295	278,640	20,038	67,932
Investment securities	-	1,248,690		-
Promissory notes	-	2,023,387	-	-
Reverse repurchase agreement	-	1,768,154	-	-
Interest receivable	83	68,482	25	-
Loans and other receivables	-	97,697	-	-
Total assets	39,378	5,485,050	20,063	67,932
Financial Liabilities				
Securities sold under repurchase agreements	-	913,712	-	-
Loans and other payables	-	988,075	16,293	-
Other	66,627	3,727,457	40,320	-
Total liabilities	66,627	5,629,244	56,613	-
Net position	(27,249)	(144,194)	(36,550)	67,932

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38. Financial Risk Management (Continued)

(d) Currency risk (continued)

	The Company			
	2020			
	GBP	US$	CAN$	EURO
	J$'000	J$'000	J$'000	J$'000
Financial Assets				
Cash resources	24,092	1,267,538	23,058	260
Investment securities	-	1,588,628	-	-
Promissory notes	-	3,544,705	-	-
Interest receivable	261	20,185	22	-
Loans and other receivables	-	31,399	-	-
Total assets	24,353	6,452,455	23,080	260
Financial Liabilities				
Securities sold under repurchase agreements	-	1,631,820	-	-
Loans and other payables	-	2,705,064	-	-
Total liabilities	-	4,336,884	-	-
Net position	24,353	2,115,571	23,080	260

Sensitivity analysis

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

	The Group			
	Change in Currency Rate 2021 %	Effect on Loss before Taxation 2021 $'000	Change in Currency Rate 2020 %	Effect on Loss before Taxation 2020 $'000
Currency:				
GBP	-8	(2,180)	-6	1,461
GBP	+2	545	+2	(487)
US$	-8	9,473	-6	147,213
US$	+2	(2,368)	+2	(49,071)
CAN$	-8	(2,924)	-6	1,385
CAN$	+2	731	+2	(462)
EURO	-8	5,435	-6	16
EURO	+2	(1,359)	+2	(5)

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38. Financial Risk Management (Continued)

(d) Currency risk (continued)

	The Company			
	Change in Currency Rate 2021 %	Effect on Loss before Taxation 2021 $'000	Change in Currency Rate 2020 %	Effect on Loss before Taxation 2020 $'000
Currency:				
GBP	-8	(2,180)	-6	1,461
GBP	+2	545	+2	(487)
US$	-8	(11,535)	-6	126,934
US$	+2	(2,884)	+2	(42,311)
CAN$	-8	(2,924)	-6	1,385
CAN$	+2	731	+2	(462)
EURO	-8	5,435	-6	16
EURO	+2	(1,359)	+2	(5)

The analysis assumes that all other variables, in particular interest rates, remain constant. It is performed on the basis of 8% weakening and 2% strengthening (2020 – 6% weakening and 2% strengthening) in exchange rates.

(e) Credit risk

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

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

38. Financial Risk Management (Continued)

(e) Credit risk (continued)

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

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.

- Establishing the authorization structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit credit officers. Larger facilities require approval by the Board of Directors as appropriate.

- Reviewing and assessing credit risk. The Risk Unit assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.

- Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances), and by issuer, credit rating band, market liquidity and country (for investment securities).

- Developing and maintaining the Group's risk grading in order to categorise exposures according to the degree of risk of the financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures. The current risk grading framework consists of six grades reflecting varying degrees of risk of default and the availability of collateral or other credit risk mitigation. The responsibility for setting risk grades lies with the final approving executive as appropriate.

- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports are provided to the Board of Directors on the credit quality of loan portfolios and appropriate corrective actions taken.

- Providing advice, guidance and specialist skills to business units to promote best practice throughout the Group in the management of credit risk.

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

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

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38. Financial Risk Management (Continued)

(e) Credit risk (continued)

	Group			
	Promissory Notes		Loans and Other Receivables	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Carrying Amount	2,940,903	4,054,135	5,094,893	4,863,522
Past due but not impaired				
Grade 1 - 3 - Low-fair risk	-	-	-	-
Grade 4 - Medium risk	141,876	36,072	1,806,807	2,243,005
Grade 5 - Medium high risk	80,323	81,103	-	-
Carrying amount	222,199	117,175	1,806,807	2,243,005
Past due comprises:				
30 – 60 days	69,920	657	579,611	287,999
60 – 90 days	-	35,415	536,553	303,909
90 – 180 days	32,892	7,696	171,500	52,459
180 days +	119,387	73,407	519,143	1,598,638
Carrying amount	222,199	117,175	1,806,807	2,243,005
Neither past due nor impaired				
Grade 1 - 3 - Low - fair risk	-	-	-	-
Grade 4 - Medium - high risk	2,624,119	3,883,419	3,288,086	2,620,517
Grade 5 - Medium – high risk	94,585	53,541	-	-
Carrying amount	2,718,704	3,936,960	3,288,086	2,620,517
Total carrying amount	2,940,903	4,054,135	5,094,893	4,863,522

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38. Financial Risk Management (Continued)

(e) Credit risk (continued)

	Company			
	Promissory Notes		Loans and Other Receivables	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Carrying Amount	3,944,815	4,054,135	4,960,958	4,737,468
Past due but not impaired				
Grade 1 - 3 - Low-fair risk	-	-	-	-
Grade 4 - Medium risk	141,876	36,072	1,806,807	2,243,005
Grade 5 - Medium high risk	80,323	81,103	-	-
Carrying amount	222,199	117,175	1,806,807	2,243,005
Past due comprises:				
30 – 60 days	69,920	657	579,611	287,999
60 – 90 days	-	35,415	536,553	303,909
90 – 180 days	32,892	7,696	171,500	52,459
180 days +	119,387	73,407	519,143	1,598,638
Carrying amount	222,199	117,175	1,806,807	2,243,005
Neither past due nor impaired				
Grade 1 - 3 - Low - fair risk	-	-	-	-
Grade 4 - Medium - high risk	3,628,031	3,883,419	3,154,151	2,494,464
Grade 5 - Medium – high risk	94,585	53,541	-	-
Carrying amount	3,722,616	3,936,960	3,154,151	2,494,464
Total carrying amount	3,944,815	4,054,135	4,960,958	4,737,469

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

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38. Financial Risk Management (Continued)

(e) Credit risk (continued)

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

	Promissory Notes	
	2021 **$'000**	**2020** **$'000**
Against past due but not impaired		
Property	131,600	277,000
Other	114,794	-
Against neither past due nor impaired		
Property	109,000	39,922
Equities	2,109,877	1,239,020
Other	140,955	52,928
Total	2,606,226	1,608,870

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

	Group			
	Promissory Notes		Loans and Other Receivables	
	2021 **$'000**	**2020** **$'000**	**2021** **$'000**	**2020** **$'000**
Concentration by sector -				
Corporate	2,758,404	3,590,980	194,036	204,150
Retail	182,499	463,155	4,900,857	4,659,372
Total carrying amount	2,940,903	4,054,135	5,094,893	4,863,522

	Company			
	Promissory Notes		Loans and Other Receivables	
	2021 **$'000**	**2020** **$'000**	**2021** **$'000**	**2020** **$'000**
Concentration by sector -				
Corporate	3,762,316	3,590,980	194,036	204,150
Retail	182,499	463,155	4,766,922	4,533,319
Total carrying amount	3,944,815	4,054,135	4,960,958	4,737,469

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38. Financial Risk Management (Continued)

(e) Credit risk (continued)

Impairment of Financial assets

Loss allowance recognised in profit or loss during the year is summarized below:

	The Group and Company	
	2021 $'000	2020 $'000
Loans and advances	98,371	(126,752)
Receivables	131,416	38,546
Investment securities – at amortised cost	(10,252)	5,649
	219,535	(82,557)

The carrying value of and ECL on financial assets that are subject to the expected credit model for the current period are included in the table below:

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Low risk	3,171,622	2,517,105	3,171,622	2,517,105
Standard risk	1,782,963	2,077,631	1,661,977	1,981,492
Gross carrying amount	4,954,585	4,594,736	4,833,599	4,498,597
Loss allowance	(170,192)	(38,776)	(170,192)	(38,776)
Carrying amount	4,784,393	4,555,960	4,663,407	4,459,821

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38. Financial Risk Management (Continued)

(e) Credit risk (continued)

Loans and other receivables (continued)

Loss allowance

The loss allowance as at 31 December 2021 and 1 January 2021 was determined as follows for trade and other receivables:

The Group

	At 31 December 2021			At 1 January 2021		
	Gross Carrying Amount	Loss Allowance	Expected Loss Rate	Gross Carrying Amount	Loss Allowance	Expected Loss Rate
	$'000	$'000	%	$'000	$'000	%
Less than 1 month	3,171,622	22,905	0.72	2,517,105	4,995	0.20
Within 1 to 3 months	1,116,164	38,341	3.44	591,909	12,538	2.12
Over 3 months	666,799	108,946	16.34	1,485,722	21,243	1.43
	4,954,585	170,192		4,594,736	38,776	

The Company

	At 31 December 2021			At 1 January 2021		
	Gross Carrying Amount	Loss Allowance	Expected Loss Rate	Gross Carrying Amount	Loss Allowance	Expected Loss Rate
	$'000	$'000	%	$'000	$'000	%
Less than 1 month	3,171,622	19,218	0.61	2,517,105	5,102	0.20
Within 1 to 3 months	1,116,164	39,300	3.52	591,909	11,978	2.02
Over 3 months	545,813	111,674	20.46	1,389,583	21,696	1.56
	4,833,599	170,192		4,498,597	38,776	

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38. Financial Risk Management (Continued)

(e) Credit risk (continued)

Promissory notes

The movement on the maximum exposure to credit risk for Promissory notes and Investment securities is as follows:

	The Group 2021			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	$'000	$'000	$'000	$'000
Maximum exposure to credit risk as at January 01,2021	2,941,268	18,549	1,320,230	4,280,047
New financial assets originated or purchased	1,089,632	-	-	1,089,632
Financial assets fully recognised during the period	(1,127,315)	(18,549)	(1,000,116)	(2,145,980)
Changes in principal and interest	(126,215)	-	-	(126,215)
Foreign exchange adjustments	117,579	-	-	117,579
Maximum exposure to credit risk as at December 31, 2021	2,894,949	-	320,114	3,215,063

	The Group and Company 2020			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	$'000	$'000	$'000	$'000
Maximum exposure to credit risk as at January 01, 2020	1,670,688		495,290	2,165,978
New financial assets originated or purchased	1,660, 703	18,549	824,940	2,504,192
Financial assets fully recognised during the period	(326,248)			(326,248)
Changes in principal and interest	(138,304)			(138,304)
Foreign exchange adjustments	74,429			74,429
Maximum exposure to credit risk as at December 31, 2020	2,941,268	18,549	1,320,230	4,280,047

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38. Financial Risk Management (Continued)

(e) Credit risk (continued)

Investment at amortised cost

	2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	
	$'000	**$'000**	**$'000**	**$'000**
Maximum exposure to credit risk as at January 01, 2021	835,007	-	-	835,007
New financial assets originated or purchased	110,390	-	-	110,390
Financial assets fully recognised during the period	(285,954)	-	-	(285,954)
Foreign exchange adjustments	8,365	-	-	8,365
Maximum exposure to credit risk as at December 31, 2021	667,808	-	-	667,808

	The Group and Company 2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	
	$'000	**$'000**	**$'000**	**$'000**
Maximum exposure to credit risk as at January 01, 2021	692,276			692,276
New financial assets originated or purchased	275,738	-	-	275,738
Financial assets fully recognised during the period	(141,622)	-	-	(141,622)
Foreign exchange adjustments	8,615	-	-	8,615
Maximum exposure to credit risk as at December 31, 2021	835,007	-	-	835,007

38. Financial Risk Management (Continued)

(e) Credit risk (continued)

Promissory notes (continued)

Loss allowance (continued)

	The Group			
	Promissory Note			
	2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	
	$'000	**$'000**	**$'000**	**$'000**
Standard risk	2,727,865	-	-	2,727,865
Past due risk	167,084	-	-	167,084
Credit impaired	-	-	320,114	320,114
Gross carrying amount	2,894,949		320,114	3,215,063
Loss allowance	(63,296)	-	(210,864)	(274,160)
Carrying amount	2,831,653	-	109,250	2,940,903

	The Group			
	2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	
	$'000	**$'000**	**$'000**	**$'000**
Standard risk	2,914,379	18,549	-	2,932,928
Past due risk	26,889	-	-	26,889
Credit impaired	-	-	1,320,230	1,320,230
Gross carrying amount	2,941,268	18,549	1,320,230	4,280,047
Loss allowance	(45,363)	(18,549)	(162,000)	(225,912)
Carrying amount	2,895,905	-	1,158,230	4,054,135

Movement in expected credit loss
The loss allowance recognised in the year is impacted by a variety of factors. The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

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38. Financial Risk Management (Continued)

(e) Credit risk (continued)

Promissory notes (continued)

Loss allowance (continued)

	The Group and Company			
	2021			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
At 1 January 2021	45,363	18,549	162,000	225,912
Movements with profit or loss impact:				
Transfers				
Transfer from Stage 1 & 2 to Stage 3	(2,829)	(18,549)	21,378	-
New financial assets originated	18,637	-	-	18,637
Changes in PDs/LGD/EADs	2,125	-	77,609	79,734
Loss allowance recognised in profit or loss	17,933	(18,549)	98,987	98,371
Other movements:				
Net write-offs against provision	-	-	(50,123)	(50,123)
At 31 December 2021	63,296	-	210,864	274,160

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38. Financial Risk Management (Continued)

(e) Credit risk (continued)

Promissory notes (continued)

Loss allowance (continued)

	The Group and Company			
	2020			
	Stage 1 12-month ECL $'000	**Stage 2 Lifetime ECL $'000**	**Stage 3 Lifetime ECL $'000**	**Total $'000**
At 1 January 2020	89,392	-	263,272	352,664
Movements with profit or loss impact:				
Transfers				
Transfer from Stage 1 to Stage 2	(18,549)	18,549	-	-
Transfer from Stage 1 to Stage 3	(64,041)	-	64,041	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
New financial assets originated	112,602	-	-	112,602
Changes in PDs/LGD/EADs	5,000	-	-	5,000
Financial assets derecognised during the period	(79,041)	-	(46,756)	(125,797)
Direct write-offs	-	-	(118,557)	(118,557)
Recoveries	-	-	-	-
Loss allowance recognised in profit or loss	(44,029)	18,549	(101,272)	(126,752)
Other movements:				
Net write-offs against provision	-	-	-	-
At 31 December 2020	45,363	18,549	162,000	225,912

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38. Financial Risk Management (Continued)

(e) Credit risk (continued)

Debt securities

The expected credit loss is summarised as follows

	The Group and Company			
	2021			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Standard risk	667,808	-	-	667,808
Past due risk	-	-	-	-
Credit impaired	-	-	-	-
Gross carrying amount	667,808	-	-	667,808
Loss allowance	(15,352)	-	-	(15,352)
Carrying amount	652,456	-	-	652,456

	The Group and Company			
	2020			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Standard risk	835,007	-	-	835,007
Past due risk	-	-	-	-
Credit impaired	-	-	-	-
Gross carrying amount	835,007	-	-	835,007
Loss allowance	(25,604)	-	-	(25,604)
Carrying amount	809,403	-	-	809,403

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38. Financial Risk Management (Continued)

(e) Credit risk (continued)

Debt securities (continued)

Movement in expected credit loss

The loss allowance recognised in the year is impacted by a variety of factors. The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

	The Group and Company			
	2021			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
At 1 January 2021	25,604	-	-	25,604
Movements with profit or loss impact:				
Transfers				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
New financial assets originated	9,497	-	-	9,497
Financial assets derecognised during the period	(19,749)	-	-	(19,749)
Loss allowance recognised in profit or loss	(10,252)	-	-	(10,252)
At 31 December 2021	15,352	-	-	15,352

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38. Financial Risk Management (Continued)

(e) Credit risk (continued)

Debt securities (continued)

The expected credit loss is summarised as follows

	The Group and Company			
	2020			
	Stage 1 12-month ECL $'000	**Stage 2 Lifetime ECL $'000**	**Stage 3 Lifetime ECL $'000**	**Total $'000**
At 1 January 2020	19,955	-	34,792	54,747
Movements with profit or loss impact:				
Transfers				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
New financial assets originated	5,649	-	-	5,649
Loss allowance recognised in profit or loss	5,649	-	-	5,649
Other movements:				
Net write-offs against provision	-	-	(34,792)	(34,792)
At 31 December 2020	25,604	-	-	25,604

38. Financial Risk Management (Continued)

(f) Settlement risk

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

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

(g) Regulatory capital management

The company's lead regulator, Financial Services Commission (FSC), sets and monitors capital requirements. The FSC requires the company to maintain a minimum of 10% capital to total risk weighted assets. At year end the company's capital to total risk weighted assets ratio was 23.39% (2020: 23.77%).

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

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

The company remains adequately capitalized above minimum regulatory capital adequacy requirements. As indicated in the table below, Mayberry's capital to total risk-weighted assets ratio and capital to total assets ratios were 23.39% and 20.34%, as of 31 December 2021, respectively, well in excess of the stated minimum requirements under the Financial Services Commission capital regulatory standards. This further underscores the strength and resilience of the business to the increase in regulatory capital requirements and is a key component of the company's growth strategy.

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38. Financial Risk Management (Continued)

(g) Regulatory capital management (continued)

	2021 $'000	2020 $'000
Tier 1 Capital		
Ordinary share capital	1,582,382	1,582,382
Other reserve	51,343	51,343
Retained earnings	3,542,641	2,572,631
Total Tier 1 Capital	5,176,366	4,206,356
Tier 2 Capital – other reserve	26,596	26,596
Total Regulatory Capital	5,202,962	4,232,952
Risk Weighted Assets	20,056,262	23,519,257
Capital to Risk Weighted Assets Ratio	25.94%	18.00%
Regulatory requirement	10.0%	10.0%
Capital	5,202,962	4,232,952
Total Assets	23,582,997	21,824,494
Capital to Total Assets	22.06%	19.40%
Regulatory Requirement	6.0%	6.0%

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

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

38. Financial Risk Management (Continued)

(g) Regulatory capital management (continued)

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

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

Capital Allocation

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

39. Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market price is used to determine the fair value of a financial instrument. However, market prices are not available for some of the financial assets held by the Group. Therefore, for financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at the end of the reporting period.

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

(i) Investment securities and investment in associates classified as FVTPL and investment securities FVTOCI are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models or discounted cash flows or other recognized valuation techniques.

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

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

39. Fair Values (Continued)

(iv) The fair values of fixed rate loans are estimated by comparing market interest rates when the loans were granted with the current market rate offered on similar loans. Changes in the credit quality of loans within the portfolio are not taken to account in determining gross fair values as the impact of credit risk is recognized separately by deducting the amount of the provisions for credit losses from both book and fair values.

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

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

A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets and investments in associates held by the Group when available is with reference to the current bid, ask and trade prices.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. This category includes government bonds, certificates of deposit and corporate paper. Indicative prices or yields of these instruments are obtained from regular, publicly available quotes by reputable pricing services, dealers and brokers.

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39. Fair Values (Continued)

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

	The Group			
	2021			
	Level 1	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets -				
Debt securities				
Government of Jamaica	-	18,500	-	18,500
Foreign government	-	17,089	-	17,089
Corporate bonds	-	2,708,905	-	2,708,905
Equities				
Quoted	6,042,088	-	-	6,042,088
Unquoted	-	-	139,233	139,233
				12,740,921
Investment in associates	12,740,921	-	-	-
Non financial assets:				
Investment Properties	-	-	2,174,302	2,174,302
	18,783,009	2,744,494	2,313,535	23,841,038

	The Group			
	2020			
	Level 1	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets -				
Debt securities				
Government of Jamaica	-	17,865	-	17,865
Foreign government	-	202,522	-	202,522
Corporate bonds	-	2,458,205	-	2,458,205
Equities				
Quoted	5,991,241	-	-	5,991,241
Unquoted	-	-	69,801	69,801
Investment in associates	8,594,096	-	-	8,594,096
Non financial assets				
Investment Properties	-	-	1,852,402	1,852,402
	14,585,337	2,678,592	1,922,203	19,186,132

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39. Fair Values (Continued)

	The Company			
	2021			
	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Financial assets -				
Debt securities				
Government of Jamaica	-	18,500	-	18,500
Foreign government	-	17,089	-	17,089
Corporate bonds	-	2,708,906	-	2,708,906
Quoted equity securities	762,663	-	-	762,663
Non Financial assets:				
Investment Properties			2,174,302	2,174,302
	762,663	2,744,495	2,174,302	5,681,460

	The Company			
	2020			
	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Financial assets -				
Debt securities				
Government of Jamaica	-	17,865	-	17,865
Foreign government	-	202,522	-	202,522
Corporate bonds	-	2,459,745	-	2,459,745
Quoted equity securities	857,305	-	-	857,305
Non Financial Assets:				
Investment Properties	-	-	1,852,402	1,852,402
	857,305	2,680,132	1,852,402	5,389,839

As at 31 December 2021, the fair value of the financial instruments valued at amortized cost is detailed below:

	Group		Company	
	Carrying Value $'000	Fair Value $'000	Carrying Value $'000	Fair Value $'000
Assets				
Debt Securities	652,456	683,742	652,456	683,742
Reverse Repurchase Agreements	3,681,300	3,681,300	3,681,300	3,681,300
Promissory Notes	2,940,903	2,940,903	3,944,815	3,944,815
Loans and Advances	5,094,893	5,094,893	4,960,958	4,960,958
Liabilities				
Securities purchased under resale agreements	4,819,396	4,819,396	4,819,396	4,819,396
Loans	5,825,050	5,832,946	3,628,251	3,681,651
Accounts Payable	8,964,785	8,964,785	8,744,587	8,744,587

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39. Fair Values (Continued)

	2020			
	Group		Company	
	Carrying Value $'000	Fair Value $'000	Carrying Value $'000	Fair Value $'000
Assets				
Debt Securities	809,403	866,942	809,403	866,942
Reverse Repurchase Agreements	2,556,071	2,556,071	2,556,071	2,556,071
Promissory Notes	4,054,135	4,054,135	4,054,135	4,054,135
Loans and Advances	4,863,522	4,863,522	4,737,469	4,737,469
Liabilities				
Securities purchased under resale agreements	3,607,520	3,607,520	3,607,520	3,607,520
Loans	7,468,552	7,430,3952	5,274,322	5,230,395
Accounts Payable	7,595,020	7,595,020	7,554,763	7,554,763

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39. Fair Values of Financial Instruments (Continued)

The tables below show a reconciliation of the movement in the assets measured at fair value, that are classified as level 3.

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Opening balance	1,922,203	1,267,337	1,852,402	1,217,701
Additions and transfers in	25,000	16,484	-	-
Total gain – profit or loss	382,332	638,382	337,900	634,701
Disposal	(16,000)		(16,000)	-
Closing balance	2,313,535	1,922,203	2,174,302	1,852,402

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40. Pension Scheme

The company operates a defined contribution pension scheme for employees who have satisfied certain minimum service requirements. The scheme is funded by equal contributions of employer and employees of 5% of pensionable salaries and an option for employees to contribute an additional 10%. The company's contribution for the year amounted to $12,268,000 (2020: $12,878,000).

41. Funds Under Management

The company provides custody, investment management and advisory services for both institutions and individuals which involve the company making allocation and purchases and sales decisions in relation to quoted shares and government financial instruments on a non-recourse basis. Those assets that are held in a fiduciary capacity are not included in these financial statements. At the end of the reporting period, the company had financial assets under management of approximately $21,306,050,000 (2020: $20,532,436,000).

42. Segment Information

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

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

Financial information related to the operating segment results from continuing operations for the two years ended 31 December 2021, can be found in the consolidated statement of income. There are no differences in the measurement of the reportable segment results and the Group's results.

Details of the segment assets and liabilities for the two years ended 31 December 2021, can be found in the consolidated statement of financial position and related notes. There are no differences in the measurement of the reportable segment assets and liabilities and the Group's assets and liabilities.

Entity-wide disclosure:

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

43. Capital Commitments

Significant capital expenditure contracted for the at the end of the reporting period but not recognized as liabilities is as follows:

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Intangible assets	185,011	516,593	185,011	516,593
	185,011	516,593	185,011	516,593

The above commitments relate to the development of a new integrated client service, customer management and operations management system supporting the Group's digitisation strategy.

44. Effect of Correction of Errors in Applying Accounting Methods

i. Investments in associates
During 2021, Management reviewed the group investment portfolio and determined that four investments held by MJE 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.

ii. In prior year, the Group and company 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.

iii. Investment property
In prior years, the company and the Group categorised property transferred during foreclosures on certain non-performing loans as Other assets on the statement of financial position and not all revaluation of the properties being accounted for in the statement of profit or loss. These assets should have been classified as investment property in accordance with IAS 40. This resulted in the income for the company and the Group being understated in prior years.

iv. Investment in joint venture operations
The Group through its subsidiary Widebase Ltd. holds equity in a joint venture operation. In prior years this joint venture was classified as an investment security with fair value gains booked to the statement of profit or loss. This joint venture should have been accounted for in accordance with IAS 28 – *Investments in associates and joint ventures* and accounted for under the equity method. This resulted in an understatement of income from share of profits of the joint venture in prior years.

v. Loans and other receivables
In prior years, the company and the Group's client balances payable were reported net of client balances receivable. Additionally, other unrelated asset and liability were shown net. This resulted in an understatement of client balances payable and client balances receivable reported and misstatements of other accounts receivable and payable balances. This has been restated to reflect client balances and other receivables and payables net.

vi. Intangible Asset
In prior years, the company and the Group's investments in the development of an integrated computer system was reported in Other receivables. This resulted in an understatement of intangible assets and an overstatement of other receivables. This has been corrected to reflect the investment as work in progress on intangible asset.

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

vii. Investment in joint venture
In prior year, the capitalisation of a loan balance plus the associated interest outstanding due to and the Group and its conversion to additional shares in a joint venture operation was not reflected in the 2020 financial results. This resulted in an understatement of interest income for that year as well as an understatement of the investment in the joint venture

viii. Investment in subsidiary
In prior year the company realised gains on the partial disposal of shares in MJE. This gain was not recognised at the entity level in MIL. This resulted in an understatement of net trading gains on securities for the company.

ix. Foreign currency translation
In prior years the Group did not recognise the unrealised foreign exchange gains or losses arising on the translation of a subsidiary with functional currency other than the Jamaican dollar in OCI. The separate translation reserve to hold these amounts in equity was also not created and the amounts instead included in retained earnings. This resulted in a misstatement of OCI, retained earnings and translation reserves.

x. Cash and cash equivalents
In prior years the determination of the amount of cash and cash equivalents for the purposes of the cash flow statement excluded short term near cash instruments. This has been restated to include reverse repurchase agreements with original maturities of ninety days.

xi. Cash flows from financing activities
In the prior year corporate loans received and repaid were presented as part of operating activities in the cash flow statement. These flows have been restated as part of financing activities. Additionally, amounts paid and received in relation to the purchase and sale of shares in MJE have been recorded as a financing cash flow and not an operating cash flow in the consolidated financial statements. Similarly, in the separate financial statements of the company these have been reclassified to investing cash flows.

xii. Non Controlling interest
In prior year the non controlling interest in the company was accounted for at 32% due to timing of cut – off with pending share transactions. This has been restated to 30.59%.

xiii. Interest receivable and payable
In the prior year, interest receivable and payable were not included in the carrying amounts of the financial instruments, in the determination of their amortised cost.

xiv. Foreign exchange translation
In the prior the exchange rate used to convert foreign denominated liabilities of a subsidiary was incorrect.

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

		The Group					
	Note	31 December 2020 Previously Reported $'000	Increase / (Decrease) $'000	31 December 2020 (Restated) $'000	31 December 2019 $'000	Increase / (Decrease) $'000	1 January 2020 (Restated) $'000
Balance sheet (extract)							
Cash resources		1,634,200	(41,542)	1,592,658	1,596,889	(40,641)	1,556,248
Investment securities	i, iv	19,213,566	(9,630,296)	9,583,270	25,616,876	(13,541,947)	12,074,929
Investments in associates	i	-	8,594,096	8,594,096	-	12,559,355	12,559,355
Investments in joint ventures	iv,vii	-	2,142,092	2,142,092	-	517,539	517,539
Reverse repurchase agreements	xii	2,526,121	29,950	2,556,071	3,483,713	16,138	3,499,851
Promissory note	xiii	4,009,504	44,631	4,054,135	1,812,878	-	1,812,878
Investment Properties	iii	-	1,852,402	1,852,402	-	1,217,626	1,217,626
Interest receivable	xiii	38,500	(38,500)	-	100,671	(100,671)	-
Loans and receivables	v,vi, vii	3,218,480	1,645,042	4,863,522	3,230,632	89,040	3,319,672
Tax recoverable	v	2,610	125,653	128,263	-	120,759	120,759
Intangible asset	vi	53,944	335,063	389,007	58,103	-	58,103
Other assets	Iii	1,279,291	(1,279,291)	-	743,142	(743,142)	-
Other assets not affected by the restatement		236,930	-	236,930	278,824	-	278,824
Total Assets		32,213,146	3,779,300	35,992,446	36,921,728	94,056	37,015,784
Liabilities							
Securities sold under repurchase agreements	xiii	3,593,212	14,308	3,607,520	4,219,424	20,104	4,239,528
Loans	xiii	7,464,485	4,067	7,468,552	7,183,970	3,640	7,187,610
Interest payable	xiii	219,024	(219,024)	-	211,327	(211,327)	-
Taxation payable	v	66	(66)	-	4,960	(4,960)	-
Accounts payable	v	5,057,478	2,537,542	7,595,020	4,298,677	313,303	4,611,980
Other liabilities not affected by the restatement		470,286	-	470,286	774,622	-	774,622
Total Liabilities		16,804,551	2,336,827	19,141,378	16,692,980	120,760	16,813,740
Share capital		1,582,381	1	1,582,382	1,582,381	1	1,582,382
Fair value reserve	i,iii,xii	3,935,851	(2,535,042)	1,400,809	7,415,719	(4,889,080)	2,526,639
Translation reserve	ix	-	4,625	4,625	-	(5,665)	(5,665)
Retained earnings	i,iii,iv, vii,xii	6,010,721	4,140,402	10,151,123	6,372,032	4,868,040	11,240,072
Other equity not affected by the restatement		77,939	-	77,939	77,939	-	77,939
Equity attributable to shareholders of the parent		11,606,892	1,609,986	13,216,878	15,448,071	(26,704)	15,421,367
Non-controlling interest	**xii**	3,801,703	(167,513)	3,634,190	4,780,677	-	4,780,677
Total Equity		15,408,595	1,442,473	16,851,068	20,228,748	(26,704)	20,202,044

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

	Note	31 December 2020 (Previously Reported) $'000	Increase/ (Decrease) $'000	31 December 2020 (Restated) $'000
Statement of profit or loss and other comprehensive income (extract)				
Interest Income	vii	679,932	279,114	959,046
Net unrealized loss on investments in associates - FVTPL	i	-	(2,746,804)	(2,746,804)
Net unrealized loss on financial instruments - FVTPL	i,	(1,145,692)	(205,491)	(1,351,183)
Net unrealized gain investment properties	iii	536,149	98,552	634,701
Net Foreign exchange gains	xiv	233,076	53,151	286,227
Net of other items not affected by the restatement		(1,084,308)	274	(1,084,034)
Profits from operations		(780,843)	(2,521,204)	(3,302,047)
Share of profits in joint ventures	iv	-	1,026,474	1,026,474
Losses before tax		(780,843)	(1,494,730)	(2,275,573)
Taxation	**i**	82,080	29,524	111,604
Losses after tax		(698,763)	(1,465,206)	(2,163,969)
Other comprehensive income	**i,ix**	(4,283,711)	2,933,131	(1,350,580)
Total comprehensive income for the period		(4,982,474)	1,467,925	(3,514,549)

	Note	31 December 2020 (Previously Reported) $'000	Increase / (Decrease) $'000	31 December 2020 (Restated) $'000
Statement of cash flows (extract)				
Losses before tax		(780,843)	(1,494,730)	(2,275,573)
Net unrealized loss on investments in associates - FVTPL	i	-	2,746,804	2,746,804
Net unrealized loss on financial instruments - FVTPL	I	1,145,692	205,491	1,351,183
Share of profits in joint venture	iv	-	(1,026,474)	(1,026,474)
Realised gains on trading	ii	212,303	(381,421)	(169,118)
Reverse repurchase agreements	x	1,221,363	(263,770)	957,593
Unrealised fair value gains on investment properties	iii	(536,149)	(98,552)	(634,701)
Net of other items affected by the restatement	v,vi,vii, xi	(1,001,181)	53,866	(947,315)
Cash generated in operating activities		261,185	(258,786)	2,399
Net purchase of intangible asset	vi	-	(335,064)	(335,064)
Net of other items not affected by the restatement		(6,272)	(61)	(6,333)
Cash used in investing activities		(6,272)	(335,125)	(341,397)
Cash used in financing activities	xi	(192,228)	503,362	311,134
(Decrease)/increase in cash and cash equivalents		62,685	(90,549)	(27,864)
Exchange gain on Foreign Cash & Equivalents	xiv	48,525	89,648	138,173
Cash and cash equivalents at the beginning of the year	x	1,267,014	1,988,606	3,255,620
Cash and cash equivalents at the end of the year	x	1,378,224	1,987,705	3,365,929

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

		The Company					
	Note	31 December 2020 (Previously Reported) $'000	Increase / (Decrease) $'000	31 December 2020 (Restated) $'000	31 December 2019 (Previously Reported) $'000	Increase / (Decrease) $'000	1 January 2020 (Restated) $'000
Balance sheet (extract)							
Investment securities	xiii	4,352,847	28,226	4,381,073	5,561,491	83,360	5,644,851
Reverse repurchase agreements	xiii	2,526,121	29,950	2,556,071	3,483,713	16,138	3,499,851
Promissory note	xiii	4,009,504	44,631	4,054,135	1,812,878	-	1,812,878
Investment properties	iii	-	1,852,402	1,852,402	-	1,217,626	1,217,626
Interest receivable	xiii	38,500	(38,500)	-	100,671	(100,671)	-
Due from Subsidiary	vii	488,141	545,048	1,033,189	448,848	-	448,848
Loans and receivables	v,vi	3,184,985	1,552,484	4,737,469	3,211,350	1,175	3,212,525
Tax recoverable	v	-	125,719	125,719	-	125,719	125,719
Intangible asset	vi	-	335,064	335,064	-	-	-
Other assets	iii	1,279,291	(1,279,291)	-	743,142	(743,142)	-
Other assets not affected by the restatement		2,749,372	-	2,749,372	2,425,953	-	2,425,953
Total Assets		18,628,761	3,195,733	21,824,494	17,788,046	600,205	18,388,251
Liabilities							
Securities sold under repurchase agreements	xiii	3,593,212	14,308	3,607,520	4,219,424	20,104	4,239,528
Interest payable	xiii	214,879	(214,879)	-	207,687	(207,687)	-
Accounts payable	v	5,017,292	2,537,471	7,554,763	3,891,324	313,303	4,204,627
Other liabilities not affected by the restatement		5,727,023	-	5,727,023	5,891,460	-	5,891,460
Total Liabilities		14,552,406	2,336,900	16,889,306	14,209,895	125,720	14,335,615
Share capital		1,582,381	1	1,582,382	1,582,381	1	1,582,382
Fair value reserve	i	718,342	(16,106)	702,236	908,833	(16,106)	892,727
Retained earnings	Iii, vii	1,697,693	874,938	2,572,631	1,008,998	490,590	1,499,588
Other equity not affected by the restatement		77,939	-	77,939	77,939	-	77,939
Total Equity		4,076,355	858,833	4,935,188	3,578,151	474,485	4,052,636

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

	Note	31 December 2020 (Previously Reported) $'000	Profit Increase / (Decrease) $'000	31 December 2020 (Restated) $'000
Statement of profit or loss and other comprehensive income (extract)				
Interest Income	vii	699,236	279,114	978,350
Net trading gains/(losses)	viii	106,777	338,943	445,720
Net unrealized gain investment properties	iii	536,149	98,552	634,701
Net unrealized gain investment revaluation		61,547	75	61,622
Net foreign exchange gains		241,699	6,607	248,306
Net of other items not affected by the restatement		(1,201,835)	288	(1,201,547)
Profit/(Losses) before tax		443,573	723,579	1,167,152
Taxation		56,035	-	56,035
Profit/(Losses) after tax		499,608	723,579	1,223,187
Other comprehensive income		(190,491)	-	(190,491)
Total comprehensive income for the period		309,117	723,579	1,032,696

	Note	31 December 2020 (Previously Reported) $'000	Increase / (Decrease) $'000	31 December 2020 (Restated) $'000
Statement of cash flows (extract)				
Profit/(Losses) before tax		443,573	723,579	1,167,152
Realised gains trading	ii	339,231	(784,951)	(445,720)
Unrealised fair value gains on investment properties	iii	(536,149)	(98,552)	(634,701)
Net of other items affected by the restatement		196,186	(54,983)	141,203
Cash generated in operating activities		442,841	(214,907)	227,934
Net purchase of intangible asset		-	(335,064)	(335,064)
Proceeds from partial disposal of subsidiary, net of the cost of acquisition	xi	(6,272)	215,763	209,491
Cash used in investing activities	xi	(6,272)	(119,301)	(125,573)
Cash used in financing activities	xi	(172,401)	287,538	115,137
(Decrease)/increase in cash and cash equivalents		264,168	(46,670)	217,498
Exchange gain on Foreign Cash & Equivalents		51,925	46,670	98,595
Cash and cash equivalents at the beginning of the year	x	731,252	2,029,247	2,760,499
Cash and cash equivalents at the end of the year	x	1,047,345	2,029,247	3,076,592

45. 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 have a requirement to 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 Group awaits the competent authorities review of its first ESR filings in 2022, to determine if its Core Income Generating Activities (CIGA) and operations meet the required standards for Group companies resident in St. Lucia.

46. Covid-19 Impact

The World Health Organisation (WHO) declared the novel coronavirus, COVID-19 to be a global pandemic on March 11, 2020 and the Government of Jamaica declared the island a disaster area two days later on 13 March 2020. The measures implemented to control the impact of the virus resulted in disruptions to economic activity, business operations and asset prices worldwide. This caused a higher level of uncertainty, which adversely affected the financial markets and business confidence. In response to the pandemic, Mayberry's management implemented several measures to enhance its monitoring mechanisms to evaluate and proactively respond to the economic impact and the contagion effect on the industries in sovereigns in which it has key interests.

- A cross-functional COVID Response Team continues to give focus to mitigating Occupational Health and Safety, Marketing and Sales, Supply Chain Monitoring and Communications risks. The Asset and Liability Committee (ALCO) proactively reviews the balance sheet and associated risks and considers risk mitigation initiatives
- The Liquidity Recovery Plan continues to be reviewed and updated across the following key areas:
  - i. Measures to assist clients impacted by reduced earnings across several sectors and the resultant increase in credit risk via restructuring of notes, alternative financing options and investment advisory services.
  - ii. Ongoing capital management monitoring and scenario modelling to determine and proactively manage liquidity and price risks.

Local and international economies have shown signs of improvement with projected growth in 2022. The Group has observed continued recovery in asset prices across its financial asset classes, closer to pre pandemic levels as investment markets rebound; notably equities which contributed significantly to the Group's financial results for 2021. However, supply chain disruptions persist and are expected to continue into calendar year 2022; this has been a major driver of inflation rates in Jamaica in recent quarters and along with the monetary policy responses by the Bank of Jamaica may drive increased operating expenses for the Group in 2022.

The Group remains alert and continues to respond to the various risks identified. However, there is an expectation that the volatility caused by the pandemic will continue in 2022 and management is aware that a long duration of the pandemic and the associated containment measures could have a material adverse effect on the company.