

# MAYBERRY JAMAICAN EQUITIES

## JMD Q3 2020

UNAUDITED FINANCIAL RESULTS



# COMMENTARY ON FINANCIAL RESULTS

FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2020.  
(represented in J\$)

Results for the Unaudited 3<sup>rd</sup> Quarter 2020 – July to September 2020.

## INVESTMENT ENVIRONMENT

For the period July to September 2020, Mayberry Jamaican Equities Limited (MJE) volumes traded on the JSE was 1.69 million units versus 52.5 million units when compared to July to September 2019. During the third quarter MJE was listed in the JSE Top 10 Advancing Stocks for the month of July 2020. For Q2 March to June 2020 61.3 million units were traded.

<b>Market Statistics</b>			
	<b>2020</b>	<b>2019</b>	<b>Change (%)</b>
GDP (Q2)	-18.4%	1.4%	
Inflation Rate (YTD August)	3.4%	3.3%	3.0%
Exchange Rate (Sept. 30)	\$142.10	\$135.16	5.1%
<b>Main Market</b>			
	<b>2020</b>	<b>2019</b>	<b>Change (%)</b>
JSE Main Market Index - Jan. 1	509,916	379,791	34.3%
JSE Main Market Index - Mar. 31	379,242	388,277	-2.3%
JSE Main Market Index - Jun. 30	383,756	467,896	-18.0%
JSE Main Market Index - Sept. 30	380,426	516,043	-26.3%
<b>Junior Market</b>			
	<b>2020</b>	<b>2019</b>	<b>Change (%)</b>
JSE Junior Market Index - Jan. 1	3,349	3,247	3.1%
JSE Main Market Index - Mar. 31	2,304	3,092	-25.5%
JSE Main Market Index - Jun. 30	2,592	3,104	-16.5%
JSE Junior Market Index - Sept. 30	2,556	3,533	-27.7%



The Jamaica economy contracted 18.4% for the April to June 2020 quarter compared to the same quarter of 2019, largely due to the negative impact of the continued spread of the novel Coronavirus (COVID-19) and measures to limit its spread as declared by World Health Organization on March 9<sup>th</sup>, 2020. As such, the performance stemmed from declines in the Services Industry and Goods Producing Industries by 20.3% and 12.7% respectively. The inflation rate for the August 2020 was 0.2%, primarily attributed to the 1.2% increase in the index for ‘Housing, Water, Electricity, Gas and Other Fuels’ division. The inflation rate for the calendar year-to-date was 3.4%, while the point-to-point rate was 5.1%. The exchange rate since the start of 2020 devalued by 7.2% or \$9.54 to \$142.10 as at September 30, 2020, while the movement year on year reflects a devaluation of 5.1% from \$135.16 as at September 30, 2019. For the period January to September 2020, the JSE Main Market Index declined by 129,490.46 points or 25.4% from 509,916 to 380,42598 points. When compared to year on year September 2019, units fell by 135,617 or 26.3%. The JSE Junior Market reported similar downward trends and closed September 2020 at 2,556 points when compared to 3,533 points for September 2019 and 3,349 points as at January 2020, a 23.7% decline year to date.

The company currently holds stock in over 31 companies listed on the Main and Junior Markets of the Jamaica Stock Exchange (JSE).

## PORTFOLIO HIGHLIGHTS

Mayberry Jamaican Equities purchased stocks for the nine months ended September 2020 in the value of \$534 million compared to \$1.7 billion for the corresponding period in 2019. The Portfolio’s cash balance as at 30 September 2020 stood at \$539 million.

PERIOD	VALUE OF PURCHASES	VALUE OF PURCHASES	PORTFOLIO CASH	PORTFOLIO CASH
	JM\$ 2020	JM\$ 2019	JM\$ 2020	JM\$ 2019
YTD SEPTEMBER	\$534M	\$1.7B	\$539M	\$723M

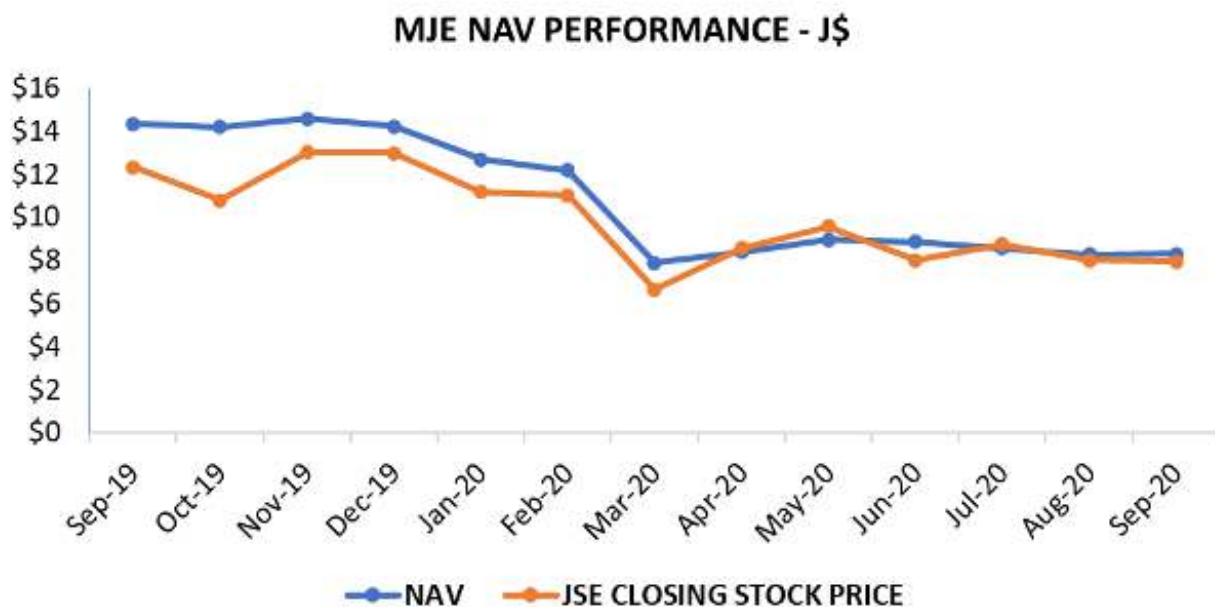


**Price movements for the Top 10 stocks in the portfolio since the beginning of the quarter were:**

COMPANIES	PRICE CHANGE	HOLDINGS
SUPREME VENTURES LIMITED	-6.4%	48%
DERRIMON TRADING COMPANY LIMITED	31.1%	11%
WIGTON WIND FARMS LIMITED	-1.3%	7%
CARIBBEAN CEMENT COMPANY LIMITED	-0.1%	6%
LASCO FINANCIALS SERVICES	-18.4%	5%
CARIBBEAN PRODUCERS GROUP	0.0%	4%
JAMAICA BROILERS GROUP	-3.4%	4%
BLUE POWER GROUP LIMITED	-17.4%	3%
LASCO DISTRIBUTORS LIMITED	3.0%	2%
LUMBER DEPOT LIMITED	-6.3%	2%

### NET ASSET VALUE (NAV)

Net Book Value per share moved to J\$8.30 as at 30 September 2020, a J\$6.03 reduction over the corresponding period in 2019. MJE's stock price closed at J\$7.93 on September 30, 2020.



## FINANCIAL POSITION

SUMMARY OF CHANGES ON THE STATEMENT OF FINANCIAL POSITION				
Description	Quarter ended 30 September 2020 (J\$'000)	Quarter ended 30 September 2019 (J\$'000)	Change (J\$'000)	% Change
Total Assets	12,282,393	19,844,214	(7,561,822)	-38.1%
Total Liabilities	2,308,453	2,624,234	315,781	12.0%
Stockholders' Equity	9,973,940	17,219,980	(7,246,040)	-42.1%
Net Book Value Per Share	\$8.30	\$14.34	-\$6.03	-42.1%

Total Assets as of September 2020 closed at \$12.3 billion, a \$587 million decline from the \$12.9 billion reported as at the end of June 2020. The decline year over year amounted to \$7.5 billion from the \$19.8 billion reported as of September 2019. This movement was attributable to reduced values of quoted equities. The year over year reduction was due to reduced values of quoted equities, particularly:

- Supreme Ventures Limited
- Lasco Financial Services Limited
- Caribbean Producers Jamaica Limited
- Blue Power Group Limited
- Caribbean Cement Company Limited

For the nine months ending September 2020, Total Liabilities decreased by \$316 million to \$2.3 billion or a 12% reduction compared to the corresponding period in 2019.

## SHAREHOLDERS' EQUITY

Mayberry Jamaican Equities capital base remained robust with a close of \$10 billion for Shareholders' Equity. This decreased by \$661.2 million when compared to Q2 2020.

Retained earnings for the nine months ending September 2020 decreased by \$176.5 million to \$5.4 billion from \$5.6 billion as at June 2020.





## OVERALL PERFORMANCE

For the period July to September 2020, MJE recorded a Net profit of \$87 million. This, however, was lower than the profits of \$464.1 million for the corresponding period in 2019, despite overall lower expenses. For Q3 2020, this resulted in Earnings per share (EPS) of \$0.07. The company reported an EPS of \$0.39 for Q3 2019. The improved results for Q3 2020 was mainly due to the revaluation of the equities classified as Fair Value through Profit or Loss (FVPL). For the nine months ending September 2020, MJE recorded a Net loss of \$1.1 billion.

MJE recorded a Total comprehensive loss of \$343.8 million for the three months July to September 2020 compared to a Total comprehensive income of \$775 million for the April to June 2020 quarter. Total comprehensive loss for the July to September 2019 quarter was \$185.3 million.

SUMMARY OF CHANGES ON THE STATEMENT OF COMPREHENSIVE INCOME				
Description	Quarter ended 30 September 2020 (J\$'000)	Quarter ended 30 September 2019 (J\$'000)	Change (J\$'000)	% Change
Net Interest Income and Other Revenues	131,794	609,422	(477,628)	-78.4%
Operating Expenses	44,787	134,418	89,631	66.7%
Profit before Taxation	87,007	475,005	(387,997)	-81.7%
Net Profit	87,007	464,113	(377,105)	-81.3%
Other Comprehensive Income	(430,827)	(649,409)	218,583	33.7%
Total Comprehensive Income	(343,819)	(185,297)	(158,523)	-85.6%
Earnings Per Share (EPS)	\$0.07	\$0.39	-\$0.31	-81.3%

## TOTAL REVENUES


Net Revenues for July to September totaled \$131.8 million and declined by \$477.6 million over the corresponding 2019 quarter. This was an improved performance over Q2 2020 Net Revenues of negative \$8.5 million, resulting from higher unrealized gain on investments and lower realized foreign exchange losses. For the accumulated nine-month period of 2020, revenues were negative \$971.7 million compared to \$836 million for the corresponding period in 2019.



## **OPERATING EXPENSES**

Total Operating expenses of \$44.8 million for the third quarter decreased by \$89.6 million or 67% when compared to the corresponding quarter in 2019. For Q3 2020 MJE's operating costs relative to assets was 0.004 compared to 0.007 for the corresponding quarter in 2019. Total operating expenses of \$95.4 million for the nine months of 2020 declined by \$308.9 million when compared to the same period in 2019.

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



Natalie Augustin  
Managing Director



## STATEMENT OF PROFIT AND LOSS

FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	UNAUDITED 3 Months ended 30 September 2020 J\$'000	UNAUDITED 3 Months ended 30 September 2019 J\$'000	UNAUDITED 9 Months ended 30 September 2020 J\$'000	UNAUDITED 9 Months ended 30 September 2019 J\$'000	AUDITED 12 Months ended 31 DECEMBER 2019 J\$'000
<b>Net Interest Income and Other Revenues</b>					
Interest income	264	3,031	1,450	18,062	21,793
Interest expense	(41,310)	(40,166)	(135,118)	(128,096)	(176,408)
<b>Net Interest income</b>	<b>(41,046)</b>	<b>(37,135)</b>	<b>(133,668)</b>	<b>(110,034)</b>	<b>(154,615)</b>
Dividend Income	39,720	107,072	233,328	281,576	361,940
Net Trading Gains/(Losses)	1,677	23,451	60,571	54,131	43,794
Unrealised (loss)/gain on investment revaluation	140,161	488,211	(1,108,717)	542,114	52,483
Realized Foreign Exchange Loss/Gain	(8,717)	-	(23,229)	-	29,467
Net Foreign Exchange Gain / (Loss)	-	27,823	-	68,107	-
	<b>131,794</b>	<b>609,422</b>	<b>(971,715)</b>	<b>835,894</b>	<b>333,070</b>
<b>Operating Expenses:</b>					
Other operating expenses	44,787	134,418	95,382	404,319	520,432
	<b>44,787</b>	<b>134,418</b>	<b>95,382</b>	<b>404,319</b>	<b>520,432</b>
<b>Share of Profits in Associate</b>	-	-	-	-	-
<b>Operating (loss)/profit before Asset tax</b>	<b>87,007</b>	<b>475,005</b>	<b>(1,067,097)</b>	<b>431,575</b>	<b>(341,977)</b>
<b>Asset Tax</b>	-	-	-	-	-
<b>(Loss)/Profit before Taxation</b>	<b>87,007</b>	<b>475,005</b>	<b>(1,067,097)</b>	<b>431,575</b>	<b>(187,362)</b>
Taxation (charge) / credit	-	(10,892)	615	(6,885)	(5,851)
<b>NET PROFIT</b>	<b>87,007</b>	<b>464,113</b>	<b>(1,066,482)</b>	<b>424,690</b>	<b>(193,214)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Financial Reserve	(430,827)	(649,409)	(5,741,333)	4,392,284	4,599,247
<b>Other Comprehensive Income, Net of Tax</b>	<b>(430,827)</b>	<b>(649,409)</b>	<b>(5,741,333)</b>	<b>4,392,284</b>	<b>4,599,247</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(343,819)</b>	<b>(185,297)</b>	<b>(6,807,814)</b>	<b>4,816,974</b>	<b>4,406,034</b>
<b>Number of Shares in issue</b>	<b>1,201,149</b>	<b>1,201,149</b>	<b>1,201,149</b>	<b>1,201,149</b>	<b>1,201,149</b>
<b>Earnings per share</b>	<b>0.07</b>	<b>0.39</b>	<b>(0.89)</b>	<b>0.35</b>	<b>(0.16)</b>



# STATEMENT OF FINANCIAL POSITION


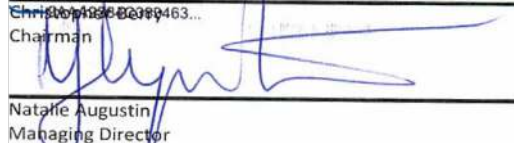
AS AT SEPTEMBER 30, 2020

	UNAUDITED	UNAUDITED	AUDITED
	SEPTEMBER 30, 2020	SEPTEMBER 30, 2019	DECEMBER 31, 2019
	J\$'000	J\$'000	J\$'000
CASH AND CASH EQUIVALENTS	613,916	257,713	535,761
INVESTMENTS	11,577,338	18,675,493	18,941,245
INTANGIBLE ASSET	-	-	-
INVESTMENTS IN ASSOCIATES	-	-	-
INTEREST RECEIVABLE	(37)	-	-
TAXATION RECOVERABLE	2,374	(3,905)	-
RECEIVABLE - WIDE BASE	-	-	-
DUE FROM PARENT COMPANY	-	796,864	211,263
PREPAYMENTS	-	22,741	-
INTANGIBLE ASSET	55,495	57,915	58,103
OTHER RECEIVABLES	33,306	37,393	19,281
<b>TOTAL ASSETS</b>	<b>12,282,393</b>	<b>19,844,214</b>	<b>19,765,653</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
INTERCOMPANY	-	-	-
BANK OVERDRAFT	-	-	-
DEFERRED TAX	26,162	97,326	91,809
INTEREST PAYABLE	3,531	2,414	3,639
DUE TO PARENT COMPANY	75,660	-	-
SECURITIES SOLD UNDER RESALE AGREEMENTS	-	-	-
MARGIN LOANS	-	-	-
ACCOUNTS PAYABLES	4,340	341,486	5,266
LOANS	2,189,269	2,183,009	2,186,586
DUE TO RELATED COMPANY	9,491	-	399,545
TAXATION PAYABLE	-	-	4,960
<b>TOTAL LIABILITIES</b>	<b>2,308,453</b>	<b>2,624,234</b>	<b>2,691,806</b>
<b>STOCKHOLDERS EQUITY</b>			
SHARE CAPITAL	1,468,162	1,468,027	1,468,027
PREFERENCE SHARES	-	135	135
FAIR VALUE RESERVE	3,095,173	9,376,452	9,037,154
RETAINED EARNINGS	5,410,605	6,375,366	6,568,530
	9,973,940	17,219,980	17,073,847
NON- CONTROLLING INTERESTS	-	-	-
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>9,973,940</b>	<b>17,219,980</b>	<b>17,073,847</b>
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<b>12,282,393</b>	<b>19,844,214</b>	<b>19,765,653</b>

<b>Net book Value per Stock Unit</b>	<b>Q2 2020</b>	<b>Q2 2019</b>	<b>DECEMBER 2019</b>
	<b>\$8.30</b>	<b>\$14.34</b>	<b>\$14.21</b>

Approved by the Board of Directors for issue on October 21, 2020 and signed on its behalf by:

DocuSigned by:

  
 \_\_\_\_\_  
 Chairman  
  
 Natalie Augustin  
 Managing Director

**STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
	3 Months ended 30 September 2020 J\$'000	3 Months ended 30 September 2019 J\$'000	9 Months ended 30 September 2020 J\$'000	9 Months ended 30 September 2019 J\$'000	12 Months ended 31 December 2019 J\$'000
Profit for the period	87,007	464,113	(1,066,482)	424,690	(193,214)
<i>Other Comprehensive Income for the period net of tax:</i>					
Items that will or maybe classified to statement of income					
Unrealised gains/ (losses) on financial instruments	(430,827)	(649,409)	(5,741,333)	4,392,284	3,507,666
<b>Total Comprehensive income attributable to stockholders</b>	<b>(343,819)</b>	<b>(185,297)</b>	<b>(6,807,814)</b>	<b>4,816,974</b>	<b>3,314,452</b>



**STATEMENT OF CHANGES IN EQUITY**
**FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	SHARE CAPITAL	FAIR VALUE RESERVES	RETAINED EARNINGS	TOTAL
	\$'000	\$'000	\$'000	\$'000
<b>Balance at January 1, 2019</b>	<b>1,468,162</b>	<b>5,955,575</b>	<b>5,056,259</b>	<b>12,479,996</b>
Realised gains / (losses) on fair value instruments transferred to retained earnings	-	(971,407)	971,407	-
Ordinary dividends paid	-	-	(76,990)	(76,990)
Net Profit	-	-	424,690	424,690
Total comprehensive income	-	4,392,284	-	4,392,284
Translation adjustment	-	-	-	-
<b>Balance at September 30, 2019</b>	<b>1,468,162</b>	<b>9,376,452</b>	<b>6,375,366</b>	<b>17,219,980</b>
<b>Balance at January 1 2020</b>	<b>1,468,162</b>	<b>9,037,154</b>	<b>6,568,530</b>	<b>17,073,847</b>
Realised gains / (losses) on fair value instruments transferred to retained earnings	-	(200,649)	200,649	-
Ordinary dividends paid	-	-	(72,069)	(72,069)
Net Profit	-	-	(1,066,482)	(1,066,482)
Total comprehensive income	-	(5,741,333)	-	(5,741,333)
Translation adjustment	-	-	(220,024)	(220,023.696)
<b>Balance at September 30, 2020</b>	<b>1,468,163</b>	<b>3,095,173</b>	<b>5,410,605</b>	<b>9,973,940</b>



**STATEMENT OF CASHFLOW**
**FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	UNAUDITED 9 Months ended 30 September 2020 J\$'000	UNAUDITED 9 Months ended 30 September 2019 J\$'000	AUDITED Year ended 31 December 2019 J\$'000
<b>Cash Flows from Operating Activities</b>			
Profit before taxation	(1,067,097)	431,575	(187,362)
<b>Adjustments to reconcile profit to net cash used in operating activities:</b>			
Depreciation			4,238
Interest Income	(1,450)	(18,062)	(21,793)
Interest Expense	135,118	128,096	176,408
Realized Fair Value (gains)/loss transferred to Retained Earnings	200,649	971,407	1,517,668
Unrealized fair value (gain)/loss on financial instruments - FVPL	1,108,717	-	(52,483)
Unrealized Foreign Exchange Gains	23,229	(66,253)	(6,943)
<b>Adjusted Profit / (Loss)</b>	<b>399,166</b>	<b>1,446,763</b>	<b>1,429,733</b>
<b>Changes in operating assets and liabilities:</b>			
Decrease / (increase) in Investment securities	(275,667)	(1,302,279)	(1,581,447)
Unrealized Foreign Exchange Loss	-	66,253	-
Prepayments	-	(22,741)	-
Decrease / (increase) in Other Receivables	(29,993)	63,367	78,320
Decrease / (increase) in Accounts Payables & Other Liabilities	(925)	58,259	75,583
(Decrease) / increase in Due to Related companies	172,833	(71,837)	538,761
Interest received	21,696	18,062	21,793
Interest Paid	(131,596)	(129,773)	(177,001)
Taxation paid	-	(6,885)	-
<b>Cash used in Operating Activities</b>	<b>(243,653)</b>	<b>(1,327,574)</b>	<b>(1,043,991)</b>
<b>Net Cash used in Operating Activities</b>	<b>155,513</b>	<b>119,189</b>	<b>385,742</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of Intangible asset	(2,607)	(23,171)	(26,399)
<b>Net Cash Generated from Investing Activities</b>	<b>(2,607)</b>	<b>(23,171)</b>	<b>(26,399)</b>
<b>Cash Flows from Financing Activities</b>			
Loans	-	-	-
Ordinary Dividend Payment	(72,069)	(76,990)	(77,440)
Increase/(decrease) in Proceeds from issue of debt security	(2,683)	-	-
<b>Net Cash used in Financing Activities</b>	<b>(74,752)</b>	<b>(76,990)</b>	<b>(77,440)</b>
<b>Increase in Cash and Cash Equivalents</b>	<b>78,154</b>	<b>19,028</b>	<b>281,903</b>
Exchange gain/(loss) on foreign Cash & Cash equivalents	-	-	6,943
<b>Cash &amp; Cash Equivalents - Beginning of the year</b>	<b>535,761</b>	<b>238,685</b>	<b>246,914</b>
<b>Cash &amp; Cash Equivalents - End of the year</b>	<b>613,916</b>	<b>257,713</b>	<b>535,760</b>

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

30 SEPTEMBER 2020

## 1. Accounting Policies

### (a) Basis of preparation

This condensed interim financial report for the reporting period ended 30 September 2020 have been prepared under the historical cost convention as modified by the revaluation of investment securities at fair value through other comprehensive income, and investment securities at fair value through profit or loss. These financial statements are presented in Jamaican dollars unless otherwise indicated. This report is supplemental to the United States dollar Interim Report and is intended to provide additional information in the local currency of the listed stock to enhance analysis by users.





**MAYBERRY JAMAICAN EQUITIES LTD.  
TOP TEN SHAREHOLDERS  
AS AT SEPTEMBER 30, 2020**

<b>Names</b>	<b>Shareholdings</b>
MAYBERRY INVESTMENT LIMITED	<b>821,843,677</b>
PWL BAMBOO HOLDINGS LIMITED	<b>72,403,636</b>
MAYBERRY MANAGED ACCOUNT	<b>51,216,022</b>
MAYBERRY ASSET MANAGERS LIMITED	<b>41,122,865</b>
MANWEI INTERNATIONAL LIMITED	<b>40,251,196</b>
K. MARK BERRY	<b>39,205,594</b>
VICTORY ISLAND LIMITED	<b>10,000,000</b>
VDWSD LIMITED	<b>8,499,000</b>
KMB HOLDINGS INC	<b>6,957,740</b>
SAGICOR SELECT FUNDS LIMITED - CLASS B - FINANCIAL	<b>6,482,385</b>

**CONNECTED PARTIES**

A+ MEDICAL CENTRE	641,141
MAYBERRY FOUNDATION	554,868



**MAYBERRY JAMAICAN EQUITIES LTD.  
Shareholdings of Directors and Senior Management  
AS AT SEPTEMBER 30, 2020**

<b><u>Directors</u></b>	<b><u>Shareholdings</u></b>	<b><u>Connected Persons</u></b>
Christopher Berry	-	81,861,793
Konrad Berry	39,205,594	7,356,589
Natalie Augustin	253,300	0

