MAYBERRY
INVESTMENTS LIMITED
Established 1985

2022 Audited Accounts

Financial Year Ended 31 December 2022

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.

2022 Performance Highlights

Mayberry Group (Consolidated)

EARNINGS PER SHARE

7.4%

INCREASE OVER YTD DECEMBER 31, 2021

YTD DEC 2022: J$1.85

YTD DEC 2021: J$1.72

TOTAL COMPREHENSIVE INCOME

19%

INCREASE OVER YTD DECEMBER 31, 2021

DEC 31, 2022: J$4.6B

DEC 31, 2021: J$3.8B

YEAR TO DATE OPERATING REVENUE

55%

INCREASE OVER YTD DECEMBER 31, 2021

YTD DEC 2022: J$6.9B

YTD DEC 2021: J$4.5B

TOTAL ASSETS

26%

INCREASE OVER YTD DECEMBER 31, 2021

YTD DEC 2022: J$52.1B

YTD DEC 2021: J$41.5B

NET BOOK VALUE PER SHARE

9.5%

INCREASE OVER YTD DECEMBER 31, 2021

YTD DEC 2022: J$13.98

YTD DEC 2021: J$12.77

RETURN ON EQUITY

DEC 31, 2022: 13.2%

DEC 31, 2021: 13.5%

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MAYBERRY INVESTMENTS LTD

MAYBERRY GROUP

MANAGEMENT DISCUSSION & ANALYSIS

YEAR ENDED DECEMBER 31, 2022

Economic and Business Environment

The Jamaican economy improved in the December 2022 quarter as the nation's post-COVID-19 recovery continues. The Bank of Jamaica's gross foreign reserves remained robust, and the financial system remained stable. The Jamaican economy is expected to have expanded at a slower rate of 3.0% to 5.0% in the December 2022 quarter according to the Bank of Jamaica, compared to the 5.9% increase recorded in the September 2022 quarter.

The point-to-point inflation rate as of December 2022 was 9.4%, while the rate for the month of December was 0.0%. The negligible movement in the inflation rate for December was primarily driven by a 1.0% decrease in the index for the heaviest weighted division, 'Food and Non-Alcoholic Drinks,' as well as a 0.9% decrease in the index for the 'Transport' division. The index for 'Restaurants and Accommodation Services' (+3.4%), was primarily impacted by increased prices for meals consumed away from home, and 'Housing, Water, Electricity, Gas, and Other Fuels' (+0.7%), was primarily impacted by increases in rates for electricity, water, and sewage. Of note, the fiscal year-to-date inflation rate was 6.2% as at December 2022.

The Monetary Policy Committee (MPC) declared in December 2022 that it will stop policy rate rises and maintain the policy interest rate beginning December 21, 2022. The MPC also agreed to keep the Jamaican dollar's liquidity expansion under control while maintaining relative market stability. The Bank of Jamaica made its judgment based on incoming data that was largely favorable for the inflation outlook.

For the December 2022 quarter, the Jamaican dollar appreciated by 0.5%. This compares to a 5.3% depreciation in the December 2021 quarter. B-FXITT sales of $150.0 million alleviated demand difficulties throughout the quarter. Their sales exceeded the US$10.0 million sold to the market during the same time in 2021.

Financial Highlights – Mayberry Group

Overview

For the year ended December 31, 2022, the Mayberry Group recorded operating profits of $7 billion, an increase of 55.2% or $2.5 billion when compared to the prior year. Total operating expenses increased by $244.4 million or 12.2% to $2.2 billion when compared to 2021. Group profits before tax for the year ending December 31, 2022 increased by $1.9 billion or 69% to $4.7 billion. Other major highlights of the Group's performance include:

- The Group's after-tax profit attributable to shareholders increased by $154 million or 7.5% to $2.2 billion compared to an after-tax profit of $2.1 billion for 2021.
- Earnings per share (EPS) increased by $0.13 or 7.4% to $1.85 for the year versus an (EPS) of $1.72 for the 2021 financial period.
- Total assets reported for the year ended December 31, 2022 grew to $52.1 billion compared to $41.5 billion for the comparative period for 2021. This represents a $10.6 billion or 26% increase in our asset base.
- As at December 31, 2022, net book value per share increased to $13.98, a $1.22 increase over the corresponding period in 2021. This was partially attributable to price appreciations which positively impacted the value of Investment securities, increased cash, growth in loans and other receivables, higher repurchase agreements and increased promissory notes by $11 billion.

Financial Results

For The Year Ended December 31, 2022 (Audited)

The year 2022 was marked by high inflation, global conflicts and the tightening of monetary policies which resulted in increases in interest rates and a challenging financial landscape both locally and globally. The local financial environment remained resilient compared to global counterparts. Local market conditions reflected continued moderate improvements resulting in corporates across the landscape recording mixed financial results.

The Group enjoyed a strong financial performance during the year reflecting significant improvements in the market valuations of our quoted equity investments as well as creditable performances in our other major operating income lines.

Operating Performance

- Profits of the parent company closed the year ended December 31, 2022 at $418.6 million a reduction of $936 million attributable to lower net trading gains. The Group's results were favourably impacted by the significant unrealized gains of $5.2 billion in the subsidiary, Mayberry Jamaican Equities Limited reflecting continued improvements in the fair value gains on Jamaican listed equities with the year over year increases in market prices. The results from Widebase Limited contributed $173 million to the Group's results consistent with our investment strategy.
- Net unrealized gains on investments at FVTPL increased by $2.7 billion or 105.1% to $5.2 billion during 2022 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 increased by 82% to $310.4 million compared to $170 million for 2021. This resulted primarily from the growth in reverse repurchase agreements and margin loans.
- Dividend income increased by 44.3% or $174.3 million representing higher pay-outs from corporates for quoted securities held.

- Consulting fees & commission income grew by $116.3 million or 30% to $508.7 million as the advisory business continues to provide optimised capital raising solutions to existing and new clients and recorded improved performance during the year. This is in addition to steady growth of 12% from asset management fees as more customers invested in the Mayberry USD Corporate portfolio during 2022.

- Net foreign exchange gains declined by 76.1% or $309.5 million to $97.3 million during 2022. The cambio unit recorded a 47% decline in business resulting from lower spreads. This was in addition to increased unrealized losses of approximately $118 million from the revaluation of foreign currency balance sheet positions.

- Total operating expenses for the year ended 2022 increased by 12% or $244.4 million to $2.2 billion compared to $2 billion for 2021. Expenses reflecting increases over last year included: incentive and investment management fees which increased by 294% attributable to the significant growth in the market valuation of the underlying investments managed. Travelling and motor vehicle expenses increased 125%, legal and professional higher by 34% relating to operating activities and corporate transactions while sales and marketing increased by 19%. This position was offset by reduced expenses incurred for computer expenses down 47% due to the software impairment expense in 2021, staff costs declined by 6% attributable to reduced incentive provisions and depreciation and amortization which fell by 22%. In addition to those reductions, the Group's assessment of its credit risk resulted in lower provisions for expected credit losses of $91 million reported when compared to prior year.

- The share of profit from joint venture amounted to $21.4 million versus $326.1 million for the corresponding period for 2021 when gains were realised on the revaluation of an investment asset in line with the Company's business model.

- Total comprehensive income for the year ended December 31, 2022 amounted to $4.6 billion compared to total comprehensive income of $3.8 billion for the corresponding period of 2021. This was mainly due to increased unrealized fair value gains on investments at FVTPL of approximately $2.7 billion.
- Total liabilities increased by $5.3 billion to $25.5 billion. This was mainly driven by increases in margin loans of $1.6 billion and higher client payables. attributable in part to customers preparing to participate in the MIL Bond IPO in December. This was offset by a reduction in bank overdraft balances of $325.3 million.
- Mayberry Group's capital base showed strong growth in 2022, with shareholders' equity growing by $5.2 billion or 25% to $26.6 billion from $21.4 billion in 2021.

Dividends

- Mayberry returned to shareholders a dividend of $0.28 per ordinary share for the financial year, which amounted to $336 million. This compares to $384 million or $0.32 per ordinary share in 2021.

The Executive Management team remains optimistic about future market opportunities to grow our core businesses as we continue to improve service delivery and product options to our customers while improving our operational efficiency. 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 2022

Description	Shareholdings
PWL Bamboo Holdings Limited	463,875,902
Konrad Berry	427,710,047
Gary Peart	45,566,665
VDWSD Limited	29,990,000
Konrad Limited	28,607,890
Mayberry Employee Share Scheme	18,133,506
The Mayberry Foundation Limited	12,600,996
Genevieve Berry	10,578,903
Christine Wong	8,072,273
Mayberry Investments Limited Pension Scheme	6,481,590

Connected Persons	Shareholdings
Apex Pharmacy	3,568,916
Mayberry Managed Clients Account	1,635,945
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 2022

Directors	Shareholdings	Connected Persons
Christopher Berry	-	
Konrad Berry**	427,710,047	42,254,263
Gary Peart**	45,566,665	30,911,455
Erwin Angus	1,200,000	2,000,000
Gladstone Lewars **	2,431,500	-
Alok Jain	-	3,010,372
Walter Scott	-	1,000,000

Managers	Shareholdings	Connected Persons
Kayree Berry-Teape**	2,860,749	31,080
Andrea HoSang**	2,388,519	
Kristen Raymore-Reynolds	1,000,000	
Dan H. Theoc	2,740	
Karen Mitchell	1,000,000	
Josephine Bennett-Darmand	1,000,755	
Rachel Kirlew	1,000,000	
Andrea Whittaker	1,000,000	
Damian Whylie	1,000,000	
Okelia Parredon	629,000	

** Includes holdings in joint accounts

Financial Statements

Financial Year ended 31 December 2022

MAYBERRY
INVESTMENTS LIMITED
Established 1985

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 2022, 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 2022;
- 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 2022;
- 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.

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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 2022. Increases in interest rates and the continued recovery of the equities markets in 2022 resulted in increases in interest income, asset values and valuation gains in 2022.

We determined the scope of our audit by first considering the internal organisation of the Group and then identifying the components that have the most significant impact on the audit of 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.

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. We have determined that there are no key audit matters, as it pertains to the stand-alone financial statements, in our report.

Key audit matter	How our audit addressed the key audit matter
Investment in Associates (Group) *Refer to notes 2 (c), 3 (a) and 21 to the consolidated and stand-alone financial statements for disclosures of related accounting policies and balances.* The Group's total investment in associates, through one of its subsidiaries, was $18 billion as at 31 December 2022. This represented holdings in certain investment securities, which ranged between 18% to 21% of the issued share capital and where there was board and/or board sub-committee representation. As per the Group's 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 subsidiary 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 investment in associates and recognises its investment in associates at FVTPL in accordance with IFRS 9. We focused our audit efforts on this balance due to its material impact on the financial statements. The determination of the applicable accounting standard being IAS 28, Investment in Associated Companies and Joint Ventures, versus IFRS 9, Financial Instruments, involved a level of applied judgement by management.	We performed the following procedures, amongst others, as it pertains to Investment in Associates as follows: • Performed inquiries and evaluated management's accounting policies against the requirements of the applicable accounting standards; • Read and evaluated management's position papers on the determination of the designation of the investments as associated companies; • 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; and • Challenged management's assertion that it qualifies for the exemption from equity accounting under IAS 28 paragraph 18 by assessing the following: o The nature of the subsidiary's operations; o How the business is managed; o How the performance of the subsidiary is assessed and management of the subsidiary is remunerated; and o Compared the underlying information to the types of entities that IAS 28 describes as being eligible for exemption. Based on the results of our audit procedures, we concluded that management's treatment of investment in associates is consistent with the requirements of the IAS 28 and IFRS 9.

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.

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 Kevin Powell.

PricewaterhouseCoopers

Chartered Accountants
1 March 2023
Kingston, Jamaica

Mayberry Investments Limited

Consolidated Statement of Financial Position

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
ASSETS			
Cash resources	13	2,732,187	1,282,456
Investment securities	14	9,548,026	9,620,410
Investment in associates	21	18,011,477	12,740,921
Investment in joint ventures	22	1,964,454	2,654,808
Reverse repurchase agreements	15	5,303,950	3,681,300
Promissory notes	16	4,255,247	2,940,903
Loans and other receivables	17	6,405,384	5,094,893
Investment properties	19	2,027,738	2,174,302
Property, plant and equipment	18	174,239	108,605
Right of use assets	20(a)	70,074	109,557
Taxation recoverable		198,601	127,325
Deferred tax asset	27	387,764	216,920
Intangible asset	33	978,201	708,987
Total Assets		52,057,342	41,461,387
LIABILITIES			
Bank overdraft	13	50,337	375,633
Securities sold under repurchase agreements		4,869,274	4,819,396
Loans	26	7,450,123	5,825,050
Accounts payable	28	13,003,717	8,964,785
Lease liabilities	20(b)	83,645	124,090
Total Liabilities		25,457,096	20,108,954
EQUITY			
Share capital	29	1,582,382	1,582,382
Fair value reserves	30	558,897	1,174,016
Translation reserve		85,800	119,536
Other reserves	31	77,939	77,939
Retained earnings	32	14,490,088	12,381,758
Equity Attributable to Shareholders of the Parent		16,795,106	15,335,631
Non-Controlling Interest	36	9,805,140	6,016,802
Total Equity		26,600,246	21,352,433
Total Equity and Liabilities		52,057,342	41,461,387

Approved for issue by the Board of Directors on February 28, 2023 and signed on its behalf by:

Christopher Berry — Chairman

Gary Peart — Chief Executive Officer/Director

Mayberry Investments Limited

Consolidated Statement of Profit or Loss

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Net Interest Income and Other Revenues			
Interest income	4	1,118,845	736,374
Interest expense	4	(808,402)	(566,414)
Net interest income	4	310,443	169,960
Consulting fees and commissions	5	508,657	392,400
Dividend income	6	567,826	393,568
Net trading gains	7	116,082	125,393
Net unrealised gains on financial assets measured at fair value through profit or loss		90,097	67,117
Net unrealised gains on investment in associates measured at fair value through profit or loss		5,232,917	2,551,857
Net foreign exchange gains		97,271	406,809
Other income		60,601	40,703
Net unrealised (losses)/gains on investment properties		(22,065)	337,900
		6,961,829	4,485,707
Operating Expenses			
Salaries, statutory contributions and other staff costs	8	761,476	806,676
Provision for credit losses	14/16/17	128,708	219,535
Depreciation and amortisation		53,669	68,566
Other operating expenses		1,302,802	907,478
	9	2,246,655	2,002,255
Operating profit		4,715,174	2,483,452
Share of profit of joint venture		21,440	326,147
Profit before taxation		4,736,614	2,809,599
Taxation credit	10	1,016	251,630
Net Profit for the Year	11	4,737,630	3,061,229
Attributable to:			
Stockholders of the parent		2,218,806	2,064,765
Non-controlling interest	36	2,518,824	996,464
		4,737,630	3,061,229
		$	**$**
EARNINGS PER STOCK UNIT – BASIC AND DILUTED	12(a)	1.85	1.72

Mayberry Investments Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Net Profit for the Year		4,737,630	3,061,229
Other Comprehensive Income Net of Taxation:			
Items that will not be reclassified to profit or loss			
Net unrealised (losses)/gains on financial instruments – fair value through other comprehensive income		(131,465)	669,100
Item that may be reclassified to profit or loss			
Foreign currency translation adjustments		(33,736)	114,911
Other comprehensive income, net of taxes		(165,201)	784,011
Total Comprehensive Income for the Year		4,572,429	3,845,240
Total Comprehensive Income Attributable to:			
Stockholders of the parent		2,154,126	2,574,175
Non–controlling interest	36	2,418,303	1,271,065
		4,572,429	3,845,240
		$	$
COMPREHENSIVE INCOME PER STOCK UNIT- BASIC AND DILUTED	12(b)	1.79	2.14

Mayberry Investments Limited
Consolidated Statement of Changes in Equity
Year ended 31 December 2022
(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 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	-	-
Transaction 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
Total Comprehensive Income								
Net profit						2,218,806	2,518,824	4,737,630
Other comprehensive income	-	-	(30,944)	(33,736)	-	-	(100,521)	(165,201)
Total comprehensive income	-	-	(30,944)	(33,736)	-	2,218,806	2,418,303	4,572,429
Transfer Between Reserves								
From fair value reserves	-	-	(603,218)	-	-	603,218	-	-
Transactions with Owners								
Dividends paid by subsidiary to non-controlling interests	-	-	-	-	-	-	(35,734)	(35,734)
Dividend paid (Note 35)	-	-	-	-	-	(336,322)	-	(336,322)
Change in ownership interest in subsidiary	-	-	19,043	-	-	(377,372)	1,405,769	1,047,440
	-	-	19,043	-	-	(713,694)	1,370,035	675,384
Balance at 31 December 2022	**1,201,149,291**	**1,582,382**	**558,897**	**85,800**	**77,939**	**14,490,088**	**9,805,140**	**26,600,246**

Mayberry Investments Limited

Consolidated Statement of Cash Flows

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Cash Flows from Operating Activities			
Profit before taxation		4,736,614	2,809,599
Adjustments for:			
Items not affecting cash:			
Adjustments to reconcile net profit to net cash provided by operating activities.	23	(5,325,482)	(2,260,056)
Interest received		1,151,634	732,864
Interest paid		(859,192)	(574,490)
Taxation paid		(70,146)	-
Cash (used in)/provided by operating activities		(366,572)	707,917
Cash Flows from Investing Activities			
Net purchase of intangible asset		(304,251)	(372,355)
Purchase of property, plant and equipment		(65,762)	(21,425)
Proceeds from sale of investment properties		92,310	16,000
Dividends received from joint venture		670,239	-
Cash provided by/(used in) investing activities		392,536	(377,780)
Cash Flows from Financing Activities			
Loans received		3,045,788	1,171,100
Loans repaid		(2,701,662)	(1,976,570)
Proceeds from partial disposal of subsidiary		1,047,436	1,253,281
Purchase of additional shares in in subsidiary		-	(191,927)
Dividend payment		(372,056)	(405,229)
Lease payment	20	(19,466)	(29,546)
Cash provided by/(used in) financing activities		1,000,040	(178,891)
Net Increase in Cash and Cash Equivalents		1,026,004	151,246
Exchange (loss)/gain on foreign cash balances		(23,970)	163,409
Cash and cash equivalents at beginning of year		3,680,584	3,365,929
Cash and Cash Equivalents at End of Year	13	4,682,618	3,680,584

Mayberry Investments Limited
Company Statement of Financial Position
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
ASSETS			
Cash resources	13	2,417,235	968,554
Investment securities	14	3,168,325	4,201,753
Reverse repurchase agreements	15	5,303,950	3,681,300
Promissory notes	16	5,255,247	3,944,815
Due from subsidiaries	34	1,654,863	1,154,076
Loans and other receivables	17	6,291,802	4,960,958
Property, plant and equipment	18	174,239	108,605
Investment properties	19	2,027,738	2,174,302
Right of use assets	20(a)	70,074	109,557
Investments in subsidiaries	24	1,092,779	1,230,001
Intangibles	33	978,201	707,419
Taxation recoverable		194,434	124,737
Deferred tax asset	27	387,764	216,920
Total Assets		29,016,651	23,582,997
LIABILITIES			
Bank overdraft	13	50,337	375,633
Securities sold under repurchase agreements		4,869,274	4,819,396
Loans	26	5,251,495	3,628,251
Accounts payable	28	12,717,275	8,744,587
Lease liabilities	20(b)	83,645	124,090
Total Liabilities		22,972,026	17,691,957
EQUITY			
Share capital	29	1,582,382	1,582,382
Fair value reserves	30	348,423	688,078
Other reserves	31	77,939	77,939
Retained earnings	32	4,035,881	3,542,641
Total Equity		6,044,625	5,891,040
Total Equity and Liabilities		29,016,651	23,582,997

Approved for issue by the Board of Directors on February 28, 2023 and signed on its behalf by:

Christopher Berry — Chairman

Gary Peart — Chief Executive Officer/Director

Mayberry Investments Limited

Company Statement of Profit or Loss

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Net Interest Income and Other Revenues			
Interest income		1,192,332	782,403
Interest expense		(645,324)	(404,354)
Net interest income	4	547,008	378,049
Consulting fees and commissions	5	508,657	392,400
Dividend income	6	55,063	55,333
Net trading gains	7	1,005,621	1,201,095
Net unrealised (losses)/gains on investment revaluation		(24,562)	4,486
Net foreign exchange gains		110,120	384,087
Other income		63,747	62,703
Unrealised (losses)/gains on investment properties		(22,065)	337,900
		2,243,589	2,816,053
Operating Expenses			
Salaries, statutory contributions and other staff costs	8	753,770	802,187
Provision for credit losses		128,708	219,535
Depreciation and amortisation		52,101	61,144
Other operating expenses		891,400	627,809
	9	1,825,979	1,710,675
Profit before Taxation		417,610	1,105,378
Taxation credit		1,016	249,000
Net Profit for the Year		418,626	1,354,378

Mayberry Investments Limited
Company Statement of Comprehensive Income
Year ended 31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

	2022 $'000	2021 $'000
Net Profit for the Year	418,626	1,354,378
Other Comprehensive Income Net of Taxation:		
Item that will not be reclassified to profit or loss		
Net unrealised losses on financial instruments – fair value through other comprehensive income	71,281	(14,158)
Total Comprehensive Income for the Year	489,907	1,340,220

Mayberry Investments Limited

Company Statement of Changes in Equity

Year ended 31 December 2022

(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 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
Transaction 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
Profit for the year					418,626	418,626
Other comprehensive income	-	-	71,281	-	-	71,281
Total comprehensive income	-	-	71,281	-	418,626	489,907
Transfer Between Reserves						
From fair value reserves	-	-	(410,936)	-	410,936	-
Transactions with Owners						
Dividend paid (Note 35)	-	-	-	-	(336,322)	(336,322)
Balance at 31 December 2022	1,201,149,291	1,582,382	348,423	77,939	4,035,881	6,044,625

Mayberry Investments Limited

Company Statement of Cash Flows

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Cash Flows from Operating Activities			
Profit before taxation		417,610	1,105,378
Adjustments for:			
Items not affecting cash:			
Adjustments to reconcile net profit to net cash provided by operating activities	23	(648,088)	(776,246)
Tax paid		(69,697)	-
Interest received		1,147,807	773,034
Interest paid		(586,602)	(414,999)
Cash provided by operating activities		261,030	687,167
Cash Flows from Investing Activities			
Additions to intangible assets		(304,251)	(372,355)
Additions to property, plant and equipment	18	(65,762)	(21,425)
Proceeds from sale of investment properties		92,310	16,000
Proceeds from partial disposal of subsidiary	24	1,047,436	1,253,281
Purchase of additional shares in subsidiary	24	-	(191,927)
Cash provided by investing activities		769,733	683,574
Cash Flows from Financing Activities			
Dividend payment	35	(336,322)	(384,368)
Lease principal payment	20	(19,466)	(29,546)
Loans received		3,045,788	1,171,100
Loans repaid		(2,701,662)	(1,976,570)
Cash used in financing activities		(11,662)	(1,219,384)
Net Increase in Cash and Cash Equivalents		1,019,101	151,357
Exchange (loss)/gain on foreign cash balances		(18,117)	138,733
Cash and cash equivalents at beginning of year		3,366,682	3,076,592
Cash and Cash Equivalents at End of Year	13	4,367,666	3,366,682

Mayberry Investments Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

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 collectively 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.

(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 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)). These financial statements 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 2022 reporting periods and have not been early adopted by the Group. The standards, amendments and interpretations relevant to the Group are discussed below.

Amendments to IAS 1, Presentation of financial statements', on classification of liabilities, (effective for annual periods beginning on or after 1 January 2024). These narrow-scope amendments to IAS 1 Presentation of financial statements, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

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 2022
(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 50.4% (2021- 59.8%) owned subsidiary, Mayberry Jamaican Equities Limited (MJE) 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	Principal Activities	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	50.42	49.58
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 between 20% and 50% 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.

(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 (%) 2022	2021
Cherry Hills Development Limited	31December	Real Estate Development	Joint Venture	50	50
Lasco Financial Services Ltd	31 March	Money Services	Associate	21	20
Caribbean Producers (Jamaica) Limited	30 June	Food trading	Associate	20	20
Iron Rock Insurance Limited	31 December	General insurance	Associate	19	19
Supreme Ventures Limited	31 December	Betting, gaming and lottery	Associate	18	18

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 the date of the statement of financial position, 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 and other comprehensive income.
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.

Capital gains on disposals of investment properties are calculated by comparison with their latest market value recorded in the closing statement of financial position for the previous year.

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.

Management has reviewed the investment portfolio and concluded that none of the Company's investment properties are held under a business model whose objective is to consume substantially all the economic benefits embodied in the investment properties over time, rather than entirely through sale, As a result the Company has not recognized any deferred taxes on changes in fair value of the investment properties as the Company is not subject to any income taxes on the fair value changes of the investment properties on disposal.

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.

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 (note 34)

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 MJE. 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 has four investments which meet the criteria of having influence based on management's representation on the Board of Directors which places it in a position to contribute to policy formation and participate in decisions about dividends and other distributions.

Some of the directors of the 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.

The Group 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.

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 judgements as to whether there are 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 enacted certain tax laws in 2012 and 2019 that contain certain grandfathering provisions. 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.

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 39).

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	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Interest income -				
Investment securities measured at FVTPL	152,533	136,934	152,533	136,934
Investments, loans and promissory notes at amortised cost	966,312	599,440	1,039,799	645,469
	1,118,845	736,374	1,192,332	782,403
Interest expense -				
Margin loans with brokers	72,971	29,530	72,971	29,530
Securities sold under repurchase agreements	247,336	122,365	247,335	122,365
Corporate papers and notes	431,086	390,276	268,009	228,216
Other	57,009	24,243	57,009	24,243
	808,402	566,414	645,324	404,354
	310,443	169,960	547,008	378,049

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5. Consulting Fees and Commissions

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Services transferred at a point in time -				
Brokerage fees and commissions	314,836	235,680	314,836	235,680
Structured financing fees	68,155	44,009	68,155	44,009
	382,991	279,689	382,991	279,689
Services transferred over time -				
Portfolio management	125,666	112,711	125,666	112,711
	508,657	392,400	508,657	392,400

6. Dividend Income

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Subsidiaries	-	-	36,335	51,207
Investments in associates measured at FVTPL	451,400	342,738	-	-
Equity securities measured at FVTPL	81,371	-	209	-
Equity securities measured at FVTOCI	35,055	50,830	18,519	4,126
	567,826	393,568	55,063	55,333

7. Net Trading Gains

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Gains on partial disposal of subsidiary	-	-	910,214	1,082,234
Gains on disposal of investment securities measured at FVTPL	146,578	26,556	125,903	20,024
Gains on disposal of investment securities measured at amortised cost	1,693	98,837	1,693	98,837
Loss on disposal of investment properties	(32,189)	-	(32,189)	-
	116,082	125,393	1,005,621	1,201,095

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8. Salaries, Statutory Contributions and Staff Costs

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Wages and salaries	699,896	608,614	692,190	604,125
Profit share and bonus	(54,159)	100,000	(54,159)	100,000
Statutory contributions	71,605	56,243	71,605	56,243
Pension contributions	14,016	12,268	14,016	12,268
Training and development	14,512	23,595	14,512	23,595
Staff welfare	15,606	5,956	15,606	5,956
	761,476	806,676	753,770	802,187

The number of employees at year-end was 134 (2021 – 128).

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9. Expenses by Nature

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Sales, marketing, and public relations	143,845	121,086	136,597	113,992
Auditors' remuneration	14,827	13,481	10,249	8,800
Computer expenses	74,105	74,572	73,734	41,624
Depreciation (Note 18)	28,838	30,943	28,838	30,943
Amortisation of intangibles (Note 33)	6,327	7,422	4,759	-
Amortization – right-of-use assets (Note 20)	18,504	30,201	18,504	30,201
Provision for credit losses	128,708	219,535	128,708	219,535
Insurance	23,678	16,872	23,678	16,872
Licensing fees	91,141	84,744	91,141	84,744
Short term lease expense	6,974	8,123	6,974	8,123
Legal and professional fees	152,031	113,694	143,064	94,243
Registrar and broker fees	18,754	27,330	9,663	20,634
Directors' fees	34,872	26,337	29,311	26,337
Bank charges	24,462	17,191	23,657	17,008
Repairs and maintenance	15,414	17,165	15,414	17,165
Investment, incentive and management fee	354,874	89,999	-	-
Salaries, statutory contributions and staff costs (Note 8)	761,476	806,676	753,770	802,187
Security	18,756	17,136	18,756	17,136
Travelling and motor vehicles expenses	64,219	28,584	64,219	28,584
Assets tax	48,507	37,339	48,507	37,339
Loss on disposal of property, plant and equipment	-	4,106	-	4,106
Operational losses	88,883	-	88,883	-
Write-off of intangible asset	-	44,953	-	-
Contract termination fees	-	66,318	-	-
Utilities	65,857	62,027	65,857	62,027
Other operating expenses	61,603	36,421	41,696	29,075
	2,246,655	2,002,255	1,825,979	1,710,675

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	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Current year income tax at 33 1/3%	-	982	-	982
Current year income tax at 1%	-	11,114	-	-
Deferred tax charge/(credit) (Note 27)	(1,016)	(263,726)	(1,016)	(249,982)
Taxation charge/(credit)	(1,016)	(251,630)	(1,016)	(249,000)

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

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Profit before taxation	4,736,614	2,809,599	417,610	1,105,378
Tax calculated at a tax rate 33 1/3%/1%	1,411,864	(3,298)	139,202	368,456
Adjustments for the effects of:				
Expenses not deductible for tax	156,943	17,895	156,943	17,895
Income not subject to tax	(1,618,077)	(96,727)	(345,415)	(494,468)
Share of Joint arrangement	-	(3,261)	-	-
Effect of changes in tax rates	-	(25,352)	-	-
Other adjustments	48,254	(140,887)	48,254	(140,883)
Taxation charge/(credit)	(1,016)	(251,630)	(1,016)	(249,000)

(c) Subject to agreement with Tax Administration Jamaica, the company has tax losses of approximately $1,397 million (2021 - $931 million) available for set-off against future taxable profits. The Group's subsidiaries have no tax losses (2021 - 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					
	2022 $'000			2021 $'000		
	Before tax	Tax credit/ (charge)	After tax	Before tax	Tax charge	After tax
Net unrealised losses on financial instruments - FVOCI	(301,293)	169,828	(131,465)	630,175	38,925	669,100
Foreign currency translation adjustments	(33,736)	-	(33,736)	114,911	-	114,911
Other Comprehensive Income for the Year	(335,029)	169,828	(165,201)	745,086	38,925	784,011
Deferred taxation (Note 27)		169,828			38,925	

	The Company					
	2022 $'000			2021 $'000		
	Before tax	Tax charge	After tax	Before tax	Tax charge	After tax
Item that will not be reclassified to profit or loss						
Net unrealised losses on financial instruments - FVOCI	(98,547)	169,828	71,281	(49,242)	35,084	(14,158)
Other Comprehensive Income for the Year	(98,547)	169,828	71,281	(49,242)	35,084	(14,158)
Deferred taxation (Note 27)		169,828			35,084	

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11. Net Profit

	2022 $'000	2021 $'000
Dealt with in the financial statements of:		
The Company	418,626	1,354,378
Subsidiaries	5,265,553	2,840,292
	5,684,179	4,194,670
Dividends received from subsidiaries (Note 6)	(36,335)	(51,207)
Gains on partial disposal of subsidiary included in equity on consolidation (Note 7)	(910,214)	(1,082,234)
	4,737,630	3,061,229
Attributable to:		
Stockholders of the parent	2,218,806	2,064,765
Non-controlling interest	2,518,824	996,464
	4,737,630	3,061,229

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12. Financial Ratios

(a) Earnings per stock unit:

Earnings-per-stock unit is calculated by dividing the net 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.

	2022	2021
Net profit attributable to stockholders of the parent ($'000)	2,218,806	2,064,765
Number of ordinary stock units in issue ('000)	1,201,149	1,201,149
Earnings per stock unit – basic and fully diluted	$1.85	$1.72

(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.

	2022	2021
Comprehensive income attributable to stockholders of the parent ($'000)	2,154,126	2,574,175
Number of ordinary stock units in issue ('000)	1,201,149	1,201,149
Comprehensive income per stock unit – basic and fully diluted	$1.79	$2.14

(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.

	2022	2021
Stockholders' equity attributable to stockholders of the parent ($'000)	16,795,106	15,335,631
Number of ordinary stock units in issue ('000)	1,201,149	1,201,149
Net book value per stock unit	$13.98	$12.77

(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.

	2022	2021
Closing bid price per stock unit as at 31 December	$8.12	$8.00
Number of ordinary stock units in issue ('000)	1,201,149	1,201,149
Market value of ordinary stock units ($'000)	9,753,332	9,609,194

13. Cash Resources

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Current accounts - Jamaican dollar	901,222	172,938	894,237	168,406
Current accounts - Foreign currencies	1,829,243	1,107,760	1,521,276	798,390
Deposits - Jamaican dollar	1,488	1,488	1,488	1,488
Cash in hand	234	270	234	270
	2,732,187	1,282,456	2,417,235	968,554

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

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Cash resources	2,732,187	1,282,456	2,417,235	968,554
Investment securities with 90-day maturity	2,000,768	2,773,761	2,000,768	2,773,761
Bank overdraft	(50,337)	(375,633)	(50,337)	(375,633)
	4,682,618	3,680,584	4,367,666	3,366,682

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 (2021 - US$219,000), 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 (2021 - $11,800,000) 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	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Investment securities at FVTPL -				
Debt securities				
Government of Jamaica bonds	15,316	18,500	15,316	18,500
Foreign government bonds	14,800	17,089	14,800	17,089
Corporate bonds	164,372	180,681	164,372	180,681
Equities	1,454,501	589,324	36,418	39,302
Total FVTPL	1,648,989	805,594	230,906	255,572
Investment securities at FVTOCI -				
Equities	5,588,024	5,591,997	626,406	723,362
Total FVTOCI	5,588,024	5,591,997	626,406	723,362
Investment securities at amortised cost, net of ECL -				
Debt securities				
Government of Jamaica bonds	50,546	561,472	50,546	561,472
Foreign government bonds	196	214	196	214
Corporate bonds	2,262,977	2,634,346	2,262,977	2,634,346
Less ECL	(37,724)	(15,352)	(37,724)	(15,352)
Total investment securities at amortised cost, net of ECL	2,275,995	3,180,680	2,275,995	3,180,680
	9,513,008	9,578,271	3,133,307	4,159,614
Accrued interest	35,018	42,139	35,018	42,139
Total investment securities	9,548,026	9,620,410	3,168,325	4,201,753

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).

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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	
	2022	**2021**
	$'000	**$'000**
Reverse repurchase agreements	5,218,312	3,649,887
Interest receivable	85,638	31,413
	5,303,950	3,681,300

Included in reverse repurchase agreements is $5,218,312,000 (2021: $3,649,887,000) which matures within the next 12 months, of which $2,000,768,000 (2021: $1,590,140,000) 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		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Gross loans	4,501,659	3,205,389	5,501,659	4,209,301
Less: Allowance for credit losses	(252,211)	(274,160)	(252,211)	(274,160)
Interest receivable	5,799	9,674	5,799	9,674
	4,255,247	2,940,903	5,255,247	3,944,815

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.

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17. Loans and other Receivables

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Client margins	3,818,358	2,130,133	3,818,358	2,130,133
Client receivables	1,646,547	1,877,917	1,646,547	1,877,917
Due from broker	144,563	400,279	144,563	400,279
Current account with joint venture	276,741	277,789	222,377	222,377
Withholding tax recoverable	180,557	194,036	180,557	194,036
GCT recoverable	21,343	27,441	21,343	27,441
Prepayments	70,587	89,023	62,313	76,074
Other receivables	545,165	268,467	494,221	202,893
	6,703,861	5,265,085	6,590,279	5,131,150
Less: Allowance for credit losses	(298,477)	(170,192)	(298,477)	(170,192)
	6,405,384	5,094,893	6,291,802	4,960,958

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

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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	CWIP	Total $'000
Cost -							
At 1 January 2021	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
Additions	2,675	13,987	1,398	76	-	47,626	65,762
Transfers	-	2,225	-	-	-	26,485	28,710
At 31 December 2022	82,511	267,069	37,224	63,627	28,244	74,111	552,786
Accumulated Depreciation -							
At 1 January 2021	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
Charge for the year	1,777	16,301	2,344	2,468	5,948	-	28,838
At 31 December 2022	31,044	227,771	31,429	60,330	27,973	-	378,547
Net Book Value -							
31 December 2022	51,467	39,298	5,795	3,297	271	74,111	174,239
31 December 2021	50,569	39,387	6,741	5,689	6,219		108,605

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19. Investment Properties

	The Group and Company	
	2022	**2021**
	$'000	**$'000**
Balance at beginning of year	2,174,302	1,852,402
Disposals	(124,499)	(16,000)
Net (loss)/gain from fair value adjustment	(22,065)	337,900
Balance at end of year	2,027,738	2,174,302

Amounts recognised in profit or loss for investment properties

	The Group and Company	
	2022	**2021**
	$'000	**$'000**
Direct operating expenses from property that did not generate rental income	-	(255)
Fair value (loss)/gain recognised in other income	(22,065)	337,900
	(22,065)	337,645

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

The properties held are stated at fair market value as appraised by professional independent valuers. The valuation is done on the basis of market value as defined by the RICS Valuation Global Standard as :
The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Valuations have been performed using a comparable sales approach incorporating a review of sales with similar highest and best use using public and private data sources. There has been no change in the valuation technique during the year.

20. Leases

(a) Right-of-use assets

	Land & Building $'000	Motor Vehicles $'000	Total $'000
As at December 2020	96,087	18,614	114,701
Addition	13,784	11,273	25,057
Amortization	(13,307)	(16,894)	(30,201)
As at December 2021	96,564	12,993	109,557
Addition	13,523	-	13,523
Amortization	(13,307)	(5,197)	(18,504)
Adjustments	(34,502)	-	(34,502)
At 31 December 2022	62,278	7,796	70,074

(b) Lease liabilities

	Land & Building $'000	Motor Vehicles $'000	Total $'000
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
As at 31 December 2021	108,845	15,245	124,090
Interest expense	6,935	1,237	8,172
Lease payments	(18,086)	(9,552)	(27,638)
Addition	13,523	-	13,523
Adjustments	(34,502)	-	(34,502)
At 31 December 2022	76,715	6,930	83,645

(c) Amount recognised in the income statement

	2022 $'000	2021 $'000
Amortization charge of right-of-use assets	18,504	30,201
Interest expense	8,172	10,645
Short term lease expense	6,974	8,123

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:

	2022 $'000	2021 $'000
Supreme Ventures Limited	14,569,117	8,984,289
Caribbean Producers Jamaica Limited	2,590,460	2,870,824
Lasco Financial Services Limited	756,517	761,863
Ironrock Insurance Company Limited	95,383	123,945
	18,011,477	12,740,921

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:

	2022 $'000	2021 $'000
Cherry Hills Development Limited:		
Balance at 1 January	2,654,808	2,142,092
Adjustments	88,285	-
Share of after tax earnings	(66,845)	326,147
Dividend	(661,286)	-
Translation adjustments	(50,508)	186,569
Balance at 31 December	1,964,454	2,654,808

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

	2022 $'000	2021 $'000
Current Assets	134,371	1,510,591
Non-current Assets	6,397,659	5,737,580
Total Assets	6,532,030	7,248,171
Current Liabilities	754,193	469,692
Non-current Liabilities	1,878,985	1,500,673
Total Liabilities	2,633,178	1,970,365
Net Assets	3,898,852	5,277,806

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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

	2022 $'000	2021 $'000
Revenue	96,260	1,125,207
Interest Expenses	(136,896)	(177,427)
Other expenses	(75,442)	(134,614)
(Loss)/profit before income tax	(116,078)	813,166
Taxation credit	-	3,346
(Loss)/profit after tax and Total comprehensive (loss)/income	(116,078)	816,512

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23. Cash Flows

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

		The Group		The Company	
	Note	**2022**	**2021**	**2022**	**2021**
		$'000	**$'000**	**$'000**	**$'000**
Adjustments for non-cash items:					
Provision for credit losses		128,708	219,535	128,708	219,535
Intangible asset – amortization		4,759	7,422	4,759	-
Depreciation	18	30,406	30,943	28,838	30,943
Right-of-use assets - amortization	19	18,504	30,201	18,504	30,201
Loss on disposal of fixed assets		-	4,106	-	4,106
Write-off of intangible asset		-	44,953	-	-
Interest income	4	(1,118,845)	(736,374)	(1,192,332)	(782,403)
Interest expense	4	808,402	566,414	645,324	404,354
Interest expense – right-of-use assets		8,172	10,645	8,172	10,645
Realized gains on trading		(116,082)	(125,393)	(1,005,621)	(1,201,095)
Unrealised fair value gains on Investment in associates		(5,232,917)	(2,551,857)	-	-
Unrealised fair value (gains)/losses on financial instruments - FVTPL		(90,097)	(67,117)	24,562	(4,486)
Unrealised foreign exchange gains		(97,271)	(406,809)	(110,120)	(384,087)
Share of profits in joint venture		(21,440)	(326,147)	-	-
Unrealised fair value losses/(gains) on investment properties		22,065	(337,900)	22,065	(337,900)
		(5,655,636)	(3,637,378)	(1,427,141)	(2,010,187)
Changes in operating assets and liabilities:					
Loans and other receivables		(1,234,022)	(130,501)	(1,253,587)	(109,551)
Investments		(46,648)	811,035	986,138	271,583
Promissory notes		(1,364,159)	1,014,861	(1,364,159)	10,949
Reverse repurchase agreements		(2,374,867)	(380,715)	(2,374,867)	(379,252)
Investment in associates		(26,141)	(1,594,968)		
Accounts payable		4,096,600	1,286,335	4,006,924	1,189,824
Due from subsidiary		-	-	(500,787)	(120,887)
Demand loans		1,275,056	(840,601)	1,275,056	(840,601)
Securities sold under repurchase agreements		4,335	1,211,876	4,335	1,211,876
		(5,325,482)	(2,260,056)	(648,088)	(776,246)

24. Investment in Subsidiaries

	2022	2021
	$'000	$'000
Balance at beginning of the year	1,230,001	1,209,121
11% disposal through trade over the Jamaica Stock Exchange	-	(171,047)
9.4% disposal through trade over the Jamaica Stock Exchange	(137,222)	-
1% buy back through trade over the Jamaica Stock Exchange	-	191,927
	1,092,779	1,230,001

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	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Restricted Deposit	42,959	41,742	-	-
Investment securities at FVTOCI	1,136,117	1,386,692	-	-
Investment securities at FVTPL	246,629	252,968	236,541	252,968
Investment securities at amortised cost	288,953	185,388	288,953	185,388
Investments in associates at FVTPL	17,452,322	12,325,218	-	-
Investment property at FVTPL	1,300,181	1,248,450	1,300,181	1,248,450
Investment in subsidiaries	107,360	-	107,360	-
Total assets pledged as collateral	20,574,521	15,440,458	1,933,035	1,686,806

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26. Loans

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Demand loans (i) -				
Oppenheimer & Co. Inc.	1,423,314	390,336	1,423,314	390,337
Morgan Stanley	331,466	-	331,466	-
Raymond James	488,021	577,410	488,021	577,409
Term loans –				
Corporate paper (unsecured) (ii)	1,860,782	1,976,723	1,860,782	1,976,723
Corporate paper (secured) (ii)	643,850	683,782	643,850	683,782
Corporate bond (iii)	2,198,628	2,196,799	-	-
Revolving line of credit (iv)	504,062	-	504,062	-
	7,450,123	5,825,050	5,251,495	3,628,251

(i) The demand loans attract interest at 2.5% (2021 – 1.25%) per annum - Oppenheimer & Co. Inc., 2.15% (2021 - 0.83%) per annum - Morgan Stanley and 3.48% (2021 – 2.18%) 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 (2021 - 6.5%) and matures November 19, 2023. The Secured Corporate Paper is backed by real estate and attracts a weighted average rate of interest at 7.5% per annum (2021 – 7.5%) with outstanding Tranches maturing between January 31, 2023 and February 9, 2023.

(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.

(iv) On June 16, 2022, the Company entered into a revolving line of credit facility amounting to $500 million attracting interest at 9.75% per annum with monthly interest payments. The effective interest rate is subject to change based on prevailing market conditions and the facility matures in 36 months. The loan is secured by some of the Company's quoted equity investments included in note 25.
The following financial covenants are required to be maintained:

i. Interest coverage ratio must be at least 1.5X;
ii. Total debt to equity ratio must not exceed 40%
iii. Carrying value of the quoted equity investments must be at least 2X the outstanding principal balance of the credit facility.

At year end 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 & Company	
	2022	**2021**
	$'000	**$'000**
Net balance at beginning of year	216,920	(68,146)
Deferred tax credit (Note 10)	1,016	249,982
Deferred tax charge on investment securities (OCI)	169,828	35,084
Net balance at end of year	387,764	216,920

Net deferred income taxation is due to the following items:

	The Group & Company	
	2022	**2021**
	$'000	**$'000**
Deferred income tax assets:		
Interest payable	31,609	10,665
Property, plant and equipment	5,907	3,712
Provisions	200,913	153,235
Tax losses carried forward	351,841	352,197
Unrealised foreign exchange loss	33,066	76,015
Other	11,030	14,454
	634,366	610,278
Deferred income tax liabilities:		
Property, plant and equipment	33,651	10,996
Investment securities:		
- Trading	(3,412)	1,495
- Other comprehensive income	174,211	344,039
Unrealised foreign exchange gain	-	-
Interest receivable	42,152	36,828
	246,602	393,358
Net deferred tax asset/(liability)	387,764	216,920

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).

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27. Deferred Taxation (Continued)

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

	The Group & 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 2021	71,619	2,398	-	-	315,660	30,384	420,061
(Charged)/Credited to profit or loss	(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
(Charged)/Credited to profit or loss	20,944	2,195	(42,949)	(3,424)	(356)	47,678	24,088
As at 31 December 2022	31,609	5,907	33,066	11,030	351,841	200,913	634,366

	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 2021	12,832	11,899	63,840	399,636	488,207
Charged/(Credited) to profit or loss	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
Charged/(Credited) to income statement	5,324	22,655	-	(4,907)	23,072
Credited to other comprehensive income	-	-	-	(169,828)	(169,828)
As at 31 December 2022	42,152	33,651	-	170,799	246,602

27. Deferred Taxation (Continued)

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

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Deferred income tax assets:				
Deferred tax assets to be recovered after more than 12 months	569,691	509,144	569,691	509,144
Deferred tax assets to be recovered within 12 months	64,675	101,134	64,675	101,134
	634,366	610,278	634,366	610,278
Deferred income tax liabilities:				
Deferred tax assets to be settled after more than 12 months	33,651	10,996	33,651	10,996
Deferred tax assets to be settled within 12 months	212,951	382,362	212,951	382,362
	246,602	393,358	246,602	393,358
Deferred tax asset/(liabilities), net	387,764	216,920	387,764	216,920

28. Accounts Payable

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Accounts payable	433,206	539,389	418,157	511,537
Contract termination fees payable	-	67,725	-	-
Due to brokers	38,790	148,535	38,790	148,535
Management and incentive fee payable	271,393	124,621	-	-
Client payables	12,260,328	8,084,515	12,260,328	8,084,515
	13,003,717	8,964,785	12,717,275	8,744,587

29. Share Capital

	The Group and The Company	
	2022 $'000	2021 $'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

	2022 $'000	2021 $'000
Capital redemption reserve fund	51,343	51,343
Stock option reserve	26,596	26,596
	77,939	77,939

32. Retained Earnings

	2022 $'000	2021 $'000
Reflected in the financial statements of:		
The Company	4,035,881	3,542,641
Subsidiaries	10,454,207	8,839,117
	14,490,088	12,381,758

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33. Intangible Asset

	The Group		
	Computer Software $'000	**Work in progress $'000**	**Total $'000**
At Cost –			
1 January 2021	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
Additions	-	304,251	304,251
Transfers	27,343	(27,343)	-
Adjustments	-	(28,710)	(28,710)
At 31 December 2022	34,063	955,617	989,680
Amortisation –			
1 January 2021	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
Charge for the year	6,327	-	6,327
31 December 2022	11,479	-	11,479
Net book value -			
31 December 2022	22,584	955,617	978,201
31 December 2021	1,568	707,419	708,987

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.

	The Company		
	Computer Software $'000	**Work in progress $'000**	**Total $'000**
At Cost –			
1 January 2021	-	335,064	335,064
Additions	-	372,355	372,355
At 31 December 2021	-	707,419	707,419
Additions	27,343	304,251	331,594
Transfers out	-	(56,053)	(56,053)
At 31 December 2022	27,343	955,617	982,960
Amortisation -			
1 January 2022	-	-	-
Charge for the year	4,759	-	4,759
At 31 December 2022	4,759	-	4,759
Net book value -			
31 December 2022	22,584	955,617	978,201
31 December 2021	-	707,419	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	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Due from subsidiaries:				
Mayberry Jamaican Equities Limited	-	-	1,096,373	26,229
Widebase Limited	-	-	558,490	1,127,847
	-	-	1,654,863	1,154,076
Loans and other receivables:				
Joint venture	276,741	277,306	276,741	221,894
Companies controlled by directors	271,892	2,202	271,892	2,202
Directors and key management personnel	307,743	262,262	307,743	262,262
Promissory Note				
Mayberry Jamaican Equities Limited	-	-	1,000,000	1,003,912
Accounts payable:				
Management fees payable (Mayberry Asset Managers Limited)	271,393	124,621	493	-
Companies controlled by directors	181,848	509,967	181,848	509,967
Directors and key management personnel	141,732	195,053	141,732	195,053

(ii) The following are transactions with related parties

	The Group 2022	The Group 2021	The Company 2022	The Company 2021
Dividend Income	451,400	342,738	36,335	51,207
Interest income	-	-	94,616	47,032
Other income earned	-	4,000	65,060	26,000
Investment management and incentive fees	354,874	89,998	-	-
Key management compensation				
Salaries and other short term employee benefits	195,808	120,013	188,102	120,013
Pension contributions	4,129	3,142	4,129	3,142
Directors' emoluments:-				
Fees	61,513	57,444	56,337	55,922
Executive directors' remuneration	82,240	96,258	82,240	96,258
Pension contributions	3,475	2,723	3,475	2,723

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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 and charged quarterly in arrears. The amount charged for the year was $113,331,000 (2021 – $89,998,000).

The incentive fee is accrued and charges on the last day of each calendar year with reference to the total comprehensive income earned for the calendar year in question. No incentive fee is payable if the net book value per share falls below previous levels attained ("hurdle per share") until and unless those previous levels are regained and surpassed. The amount charged for the year was $241,543,000 (2021 – nil).

35. Dividends

	The Group	
	2022	**2021**
	$'000	**$'000**
Final dividend to ordinary shareholders –28 cents per share (2021 – 32 cents per share)	336,322	384,368
Payment to minority shareholders	35,734	20,861
	372,056	405,229

A dividend of $0.28 was approved and paid in September 2022 to those shareholders on record as at 29 June 2022.

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:

	2022 $'000	2021 $'000
Summarized statement of financial position		
Total assets	24,355,036	18,414,622
Total liabilities	(4,578,635)	(3,443,729)
Net assets	19,776,401	14,970,893
Attributable to non-controlling interest	9,805,140	6,016,802
Summarized statement of comprehensive income		
Revenue	5,812,480	2,992,219
Profit for the period	5,080,322	2,479,383
Other comprehensive income	(202,746)	683,258
Total comprehensive income	4,877,576	3,162,641
Profit allocated to non-controlling interest	2,518,824	996,464
Other comprehensive income allocated to non-controlling interest	(100,521)	274,601
Attributable to non-controlling interest	2,418,303	1,271,065
Summarized statement of cash flows		
Cash flows from operating activities	348,397	(742,799)
Interest received	3,165	994
Interest paid	(272,590)	(186,237)
Income tax paid	-	-
Net cash from/(used) in operating activities	78,972	(928,042)
Cash flows (used)/from financing activities	(72,069)	927,931
Net increase/(decrease) in cash and cash equivalents	6,903	(111)
Cash and cash equivalents at the beginning of year	313,902	289,337
Exchange (losses)/gains on cash and cash equivalents	(5,853)	24,676
Cash and cash equivalents at end of year	314,952	313,902

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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**	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
As at 1 January	5,825,050	7,468,552	124,090	128,579
Interest payable	(3,059)	(4,067)	-	-
	5,821,991	7,464,485	124,090	128,579
Loan received	4,320,844	1,171,100		-
Lease additions	-	-	13,523	25,057
Repayments	(2,701,662)	(2,817,171)	(14,102)	(29,546)
Adjustments	-	-	(39,866)	-
Amortization of borrowing costs	3,577	3,577	-	
Interest payable	5,373	3,059	-	-
As at 31 December	7,450,123	5,825,050	83,645	124,090

	The Company			
	Loans		**Lease liabilities**	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
As at 1 January	3,628,251	5,274,322	124,090	128,579
Loan received	4,320,844	1,171,100	-	-
Lease additions	-	-	13,523	25,057
Repayments	(2,701,662)	(2,817,171)	(14,102)	(29,546)
Adjustments	-	-	(39,866)	-
Interest payable	4,062	-	-	-
	5,251,495	3,628,251	83,645	124,090

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					
	2022					
	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	50,337	-	-	-	-	50,337
Securities sold under repurchase agreements	1,520,233	2,130,756	1,283,060	-	-	4,934,049
Loans	2,245,362	456,869	2,899,799	2,382,508	-	7,984,538
Lease liabilities	1,086	2,192	10,202	20,840	49,325	83,645
Accounts payable	12,497,118	280,959	225,640	-	-	13,003,717
Total liabilities (contractual maturity dates)	16,314,136	2,870,776	4,418,701	2,403,348	49,325	26,056,286

	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	3,059	1,764,562	3,500,049	-	6,310,617
Lease liabilities	2,449	4,900	22,276	50,613	107,572	187,810
Accounts payables	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

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38. Financial Risk Management (Continued)

(a) Liquidity risk (continued)

	The Company					
	2022					
	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	50,337	-	-	-	-	50,337
Securities sold under repurchase agreements	1,520,233	2,130,756	1,283,060	-	-	4,934,049
Loans	2,245,362	417,540	628,133	2,382,508	-	5,673,543
Lease liabilities	1,086	2,192	10,202	20,840	49,325	83,645
Accounts payable	12,491,635	-	225,640	-	-	12,717,275
Total liabilities (contractual maturity dates)	16,308,653	2,550,488	2,147,035	2,403,348	49,325	23,458,849

	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

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.

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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

	2022						
	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	2,732,187	-	-	-	-	-	2,732,187
Investment securities	15,375	128,846	480,441	1,666,826	214,012	7,055,193	9,560,693
Reverse repurchase agreements	2,359,124	1,883,132	1,061,694	-	-	-	5,303,950
Promissory notes	461,010	173,130	96,088	2,176,519	1,348,500	-	4,255,247
Loans and other receivables	5,473,601	59,225	-	-	-	874,051	6,406,877
Total assets	11,041,297	2,244,333	1,638,223	3,843,345	1,562,512	7,929,244	28,258,954
Financial Liabilities							
Bank overdraft	50,337	-	-	-	-	-	50,337
Securities sold under repurchase agreements	1,516,573	2,116,059	1,236,642	-	-	-	4,869,274
Loans	2,242,800	454,279	2,750,052	2,002,992	-	-	7,450,123
Other	1,086	2,192	10,201	20,840	49,326	13,003,717	13,087,362
Total liabilities	3,810,796	2,572,530	3,996,895	2,023,832	49,326	13,003,717	25,457,096
Total interest rate sensitivity gap	7,230,501	(328,197)	(2,358,672)	1,819,513	1,513,186	(5,074,473)	2,801,858
Cumulative interest rate sensitivity gap	7,230,501	6,902,304	4,543,632	6,363,145	7,876,331	2,801,858	

	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**
Total assets	8,074,349	2,056,860	1,591,759	2,539,246	961,134	7,086,114	22,309,462
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	

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38. Financial Risk Management (Continued)

(c) Interest rate risk (continued)

	Company						
	2022						
	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	2,417,235	-	-	-	-	-	2,417,235
Investment securities	15,375	128,846	480,441	1,666,826	214,012	662,825	3,168,325
Reverse repurchase agreements	2,359,124	1,883,132	1,061,694	-	-	-	5,303,950
Promissory notes	461,010	173,130	96,088	3,176,519	1,348,500	-	5,255,247
Due from subsidiaries	-	-	-	-	-	1,654,863	1,654,863
Loans and other receivables	5,430,642	-	-	-	-	861,160	6,291,802
Total assets	10,683,386	2,185,108	1,638,223	4,843,345	1,562,512	3,178,848	24,091,422
Financial Liabilities							
Bank overdraft	50,337	-	-	-	-	-	50,337
Securities sold under repurchase agreements	1,516,573	2,116,059	1,236,642	-	-	-	4,869,274
Loans	2,242,800	414,950	590,753	2,002,992	-	-	5,251,495
Other	1,086	2,192	10,201	20,840	49,326	12,717,275	12,800,920
Total liabilities	3,810,796	2,533,201	1,837,596	2,023,832	49,326	12,717,275	22,972,026
Total interest rate sensitivity gap	6,872,590	(348,093)	(199,373)	2,819,513	1,513,186	(9,538,427)	1,119,396
Cumulative interest rate sensitivity gap	6,872,590	6,524,497	6,325,124	9,144,637	10,657,823	1,119,396	

	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
Total assets	7,744,935	2,056,860	1,591,759	3,543,158	961,134	2,716,059	18,613,905
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	

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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$
	2022		2021	
	%	%	%	%
Assets				
Investment securities	4.43	5.16	3.43	6.49
Reverse repurchase agreements	8.79	3.96	3.14	3.70
Promissory notes	6.75	4.05	7.36	7.40
Liabilities				
Securities sold under repurchase agreements	5.91	2.51	3.46	1.07
Loans	-	4.29	-	2.47
Corporate papers	6.57	-	6.75	-

The management of interest rate risk is supplemented by monitoring the sensitivity of the Group's financial assets to various standard and non-standard interest rate scenarios. Standard scenarios that are considered include a 100 basis point (bp) (2021 - 300 bp) parallel rise and a 50bp (2021 – 50 bp) parallel fall in the yield curve applicable to Government of Jamaica local instruments and a 100 bp (2021 - 100 bp) parallel rise and a 50 bp (2021 – 1000 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) is as follows:

The Group and Company					
Change in basis points JMD / USD 2022	**Effect on Net Profit 2022 $'000**	**Effect on other components of equity 2022 $'000**	**Change in basis points JMD / USD 2021**	**Effect on Net Profit 2021 $'000**	**Effect on other components of equity 2021 $'000**
-50/-50	1,432	-	-50/-50	1,432	-
+100/+100	(2,864)	-	+300/+300	(2,864)	-

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38. Financial Risk Management (Continued)

(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			
	2022			
	GBP	US$	CAN$	EURO
	J$'000	J$'000	J$'000	J$'000
Financial Assets				
Cash resources	94,965	1,387,873	53,192	754
Investment securities	-	1,410,645	-	-
Promissory notes	-	1,894,928	-	-
Reverse repurchase agreement	-	2,333,826	-	-
Interest receivable	-	50,152	-	-
Loans and other receivables	2,239	240,796	-	62,465
Total assets	97,204	7,318,220	53,192	63,219
Financial Liabilities				
Securities sold under repurchase agreements	-	1,011,118	-	-
Loans and other payables	80,430	5,667,046	16,363	-
Other	-	121,423	-	-
Total liabilities	80,430	6,799,587	16,363	-
Net position	16,774	518,633	36,829	63,219

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38. Financial Risk Management (Continued)

(d) Currency risk (continued)

	The Group			
	2021			
	GBP	**US$**	**CAN$**	**EURO**
	J$'000	**J$'000**	**J$'000**	**J$'000**
Financial Assets				
Cash resources	39,295	1,030,615	20,038	67,932
Investment securities	-	3,123,711	-	-
Promissory notes	-	3,795,472	-	-
Reverse repurchase agreement	-	11,462	-	-
Interest receivable	83	68,482	25	-
Loans and other receivables	-	836,223	-	-
Total assets	39,378	8,865,965	20,063	67,932
Financial Liabilities				
Securities sold under repurchase agreements	-	913,888	-	-
Loans and other payables	66,627	1,311,392	56,613	-
Total liabilities	66,627	2,225,280	56,613	-
Net position	(27,249)	6,640,685	(36,550)	67,932

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38. Financial Risk Management (Continued)

(d) Currency risk (continued)

	The Company			
	2022			
	GBP	US$	CAN$	EURO
	J$'000	J$'000	J$'000	J$'000
Financial Assets				
Cash resources	94,965	1,081,017	53,192	754
Investment securities	-	1,177,659	-	-
Promissory notes	-	1,894,928	-	-
Reverse repurchase agreement	-	2,303,780	-	-
Interest receivable	-	50,152	-	-
Due from subsidiaries	-	529,313	-	-
Loans and other receivables	2,239	170,173	-	62,465
Total assets	97,204	7,207,022	53,192	63,219
Financial Liabilities				
Bank overdraft	-	643	-	-
Securities sold under repurchase agreements	80,430	1,011,118	-	-
Loans and other payables	-	5,667,046	16,363	-
Total liabilities	80,430	6,678,807	16,363	-
Net position	16,774	528,215	36,829	63,219

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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	721,245	20,038	67,932
Investment securities	-	3,123,711		-
Promissory notes	-	3,795,472	-	-
Reverse repurchase agreement	-	11,462	-	-
Interest receivable	83	68,482	25	-
Loans and other receivables	-	811,595	-	-
Total assets	39,378	8,531,967	20,063	67,932
Financial Liabilities				
Securities sold under repurchase agreements	-	913,888	-	-
Loans and other payables	66,627	1,311,392	56,613	-
Total liabilities	66,627	2,225,280	56,613	-
Net position	(27,249)	6,306,687	(36,550)	67,932

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 2022 %	Effect on Loss before Taxation 2022 $'000	Change in Currency Rate 2021 %	Effect on Loss before Taxation 2021 $'000
Currency:				
GBP	-4	564	-8	(2,180)
GBP	+1	(141)	+2	545
US$	-4	20,745	-8	9,473
US$	+1	(5,186)	+2	(2,368)
CAN$	-4	2,056	-8	(2,924)
CAN$	+1	(514)	+2	731
EURO	-4	2,388	-8	5,435
EURO	+1	(597)	+2	(1,359)

38. Financial Risk Management (Continued)

(d) Currency risk (continued)

	The Company			
	Change in Currency Rate 2022 %	Effect on Profit before Taxation 2022 $'000	Change in Currency Rate 2021 %	Effect on Profit before Taxation 2021 $'000
Currency:				
GBP	-4	564	-8	(2,180)
GBP	+1	(141)	+2	545
US$	-4	1,853	-8	(11,535)
US$	+1	(463)	+2	(2,884)
CAN$	-4	2,056	-8	(2,924)
CAN$	+1	(514)	+2	731
EURO	-4	2,388	-8	5,435
EURO	+1	(597)	+2	(1,359)

The analysis assumes that all other variables, in particular interest rates, remain constant. It is performed on the basis of 4% weakening and 1% strengthening (2021 – 8% 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)

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.

An estimate of fair value of collateral held against defaulted promissory notes is $233,994,000 (2021 - $115,000,000).

The Group monitors concentrations of credit risk by sector and geographic location. Other than exposure to Government of Jamaica securities, there is no significant concentration of credit risk for the Group's investment securities at amortised cost. An analysis of concentrations of credit risk at the reporting date for promissory notes and loans and other receivables is shown below:

	Group			
	Promissory Notes		Loans and Other Receivables	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Concentration by sector -				
Corporate	3,810,842	2,758,404	180,557	194,036
Retail	444,405	182,499	6,111,245	4,900,857
Total carrying amount	4,255,247	2,940,903	6,291,802	5,094,893

	Company			
	Promissory Notes		Loans and Other Receivables	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Concentration by sector -				
Corporate	4,810,842	3,762,316	180,557	194,036
Retail	444,405	182,499	6,111,245	4,766,922
Total carrying amount	5,255,247	3,944,815	6,291,802	4,960,958

38. Financial Risk Management (Continued)

(e) Credit risk (continued)

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

	The Group and Company	
	2022	**2021**
	$'000	**$'000**
Promissory notes	(21,948)	98,371
Loans and other receivables	128,284	131,416
Investment securities – at amortised cost	22,372	(10,252)
	128,708	219,535

Loans and other receivables

The loss allowance as at 31 December 2022 and 1 January 2022 was determined as follows for trade and other receivables:

	The Group					
	At 31 December 2022			**At 1 January 2022**		
	Gross Carrying Amount	**Loss Allowance**	**Expected Loss Rate**	**Gross Carrying Amount**	**Loss Allowance**	**Expected Loss Rate**
	$'000	**$'000**	**%**	**$'000**	**$'000**	**%**
Less than 1 month	4,502,803	6,889	0.15	3,171,622	22,905	0.72
Within 1 to 3 months	490,024	2,111	0.43	1,116,164	38,341	3.44
Over 3 months	1,438,547	289,477	20.12	666,799	108,946	16.34
	6,431,374	298,477		4,954,585	170,192	

	The Company					
	At 31 December 2022			**At 1 January 2022**		
	Gross Carrying Amount	**Loss Allowance**	**Expected Loss Rate**	**Gross Carrying Amount**	**Loss Allowance**	**Expected Loss Rate**
	$'000	**$'000**	**%**	**$'000**	**$'000**	**%**
Less than 1 month	4,397,495	6,889	0.16	3,171,622	19,218	0.61
Within 1 to 3 months	490,024	2,111	0.43	1,116,164	39,300	3.52
Over 3 months	1,438,547	289,477	20.12	545,813	111,674	20.46
	6,326,066	298,477		4,833,599	170,192	

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38. Financial Risk Management (Continued)

(e) Credit risk (continued)

Promissory notes

The expected credit loss is summarised as follows:

	The Group			
	Promissory Note			
	2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	
	$'000	**$'000**	**$'000**	**$'000**
Standard risk	4,083,817	-	-	4,083,817
Past due risk	-	23,633	-	23,633
Credit impaired	-	-	400,008	400,008
Gross carrying amount	4,083,817	23,633	400,008	4,507,458
Loss allowance	(47,052)	(259)	(204,900)	(252,211)
Carrying amount	4,036,765	23,374	195,108	4,255,247

	The Group			
	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

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38. Financial Risk Management (Continued)
(e) Credit risk (continued)

Promissory notes (continued)

	The Company			
	Promissory Note			
	2022			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	$'000	$'000	$'000	$'000
Standard risk	5,083,817	-	-	5,083,817
Past due risk		23,633	-	23,633
Credit impaired	-	-	400,008	400,008
Gross carrying amount	5,083,817	23,633	400,008	5,507,458
Loss allowance	(47,052)	(259)	(204,900)	(252,211)
Carrying amount	5,036,765	23,374	195,108	5,255,247

	The Company			
	2021			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	$'000	$'000	$'000	$'000
Standard risk	3,731,777	-	-	3,731,777
Past due risk	167,084	-	-	167,084
Credit impaired	-	-	320,114	320,114
Gross carrying amount	3,898,861		320,114	4,218,975
Loss allowance	(63,296)	-	(210,864)	(274,160)
Carrying amount	3,835,565	-	109,250	3,944,815

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38. Financial Risk Management (Continued)

(e) Credit risk (continued)

Promissory notes (continued)

Movement in the maximum exposure to credit risk:

	The Group 2022			
	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 01,2022	2,894,949	-	320,114	3,215,063
Transfer from Stage 1 to Stage 3	(79,894)	-	79,894	-
Transfer from Stage 1 to Stage 2	(23,633)	23,633	-	-
New financial assets originated or purchased	1,443,265	-	-	1,443,265
Financial assets fully recognised during the period	(60,152)	-	-	(60,152)
Changes in principal and interest	(23,228)	-	-	(23,228)
Foreign exchange adjustments	(67,490)	-	-	(67,490)
Maximum exposure to credit risk as at December 31, 2022	4,083,817	23,633	400,008	4,507,458

	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

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38. Financial Risk Management (Continued)

(e) Credit risk (continued)

Promissory notes (continued)

	The Company 2022			
	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, 2022	3,898,861	-	320,114	4,218,975
Transfer from Stage 1 to Stage 3	(79,894)	-	79,894	-
Transfer from Stage 1 to Stage 2	(23,633)	23,633	-	-
New financial assets originated or purchased	1,443,265	-	-	1,443,265
Financial assets fully recognised during the period	(60,152)	-	-	(60,152)
Changes in principal and interest	(23,228)	-	-	(23,228)
Foreign exchange adjustments	(71,402)	-	-	(71,402)
Maximum exposure to credit risk as at December 31, 2022	5,083,817	23,633	400,008	5,507,458

	The 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	2,941,268	18,549	1,320,230	4,280,047
New financial assets originated or purchased	2,093,544	-	-	2,093,544
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	3,898,861	-	320,114	4,218,975

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38. Financial Risk Management (Continued)

(e) Credit risk (continued)

Promissory notes (continued) Movement in the loss allowance:

	The Group and Company			
	2022			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
At 1 January 2022	63,296	-	210,864	274,160
Movements with profit or loss impact:				
Transfers from Stage 1 to Stage 2	(259)	259	-	-
Transfer from Stage 1 to Stage 3	(72,084)	-	72,084	-
New financial assets originated	12,989	-	-	12,989
Changes in PDs/LGD/EADs	43,531	-	-	43,531
Financial assets derecognised during the period	(421)	-	-	(421)
Recoveries	-	-	(78,048)	(78,048)
Loss allowance recognised in profit or loss	(16,244)	259	(5,964)	(21,949)
Other movements:				
Net write-offs against provision	-	-	-	-
At 31 December 2022	47,052	259	204,900	252,211

	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:				
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)

Debt securities

The expected credit loss is summarised as follows:

	The Group and Company			
	2022			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Standard risk	2,313,719	-	-	2,313,719
Past due risk	-	-	-	-
Credit impaired	-	-	-	-
Gross carrying amount	2,313,719	-	-	2,313,719
Loss allowance	(37,724)	-	-	(37,724)
Carrying amount	2,275,995	-	-	2,275,995

	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	3,196,032	-	-	3,196,032
Gross carrying amount	3,196,032	-	-	3,196,032
Loss allowance	(15,352)	-	-	(15,352)
Carrying amount	3,180,680	-	-	3,180,680

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38. Financial Risk Management (Continued)

(e) Credit risk (continued)

Debt securities (continued)

Movement in the maximum exposure to credit risk:

	The Group and Company 2022			
	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, 2022	3,196,032	-	-	3,196,032
New financial assets originated or purchased	78,957	-	-	78,957
Financial assets fully recognised during the period	(955,807)	-	-	(955,807)
Foreign exchange adjustments	(5,463)	-	-	(5,463)
Maximum exposure to credit risk as at December 31, 2022	2,313,719	-	-	2,313,719

	The Group and Company 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	835,007	-	-	835,007
New financial assets originated or purchased	2,638,614	-	-	2,638,614
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	3,196,032	-	-	3,196,032

The loss allowance recognised in profit or loss for debt securities was $22,372,000(2021 – ($10,252,000)). There were no transfers between stages during the period.

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 Group's objectives when managing capital, which is a broader concept than the "equity" on the face of the statement of financial position, are:

- To comply with the capital requirements set by the regulators of the financial markets where the entities within the group operate;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for stockholder and benefits for other stakeholders; and
- To maintain a strong and efficient capital base consistent with the Company's risk profile, strategic objectives to support the development of its business.

Mayberry is subject to regulatory capital standards issued by the Financial Services Commission (FSC) which, are largely guided by international criteria set by the Basel Committee on Banking Supervision (BCBS). FSC,. The FSC requires the Company to hold a specified level of regulatory capital and to maintain the following:

- a minimum ratio of total regulatory capital to total risk weighted assets of 10%,
- and capital to total assets ratio of 6%.

At year end, the Company's was in compliance with all external externally imposed capital requirements to which it is exposed.

Through the capital management framework, capital adequacy and regulatory capital are monitored by the Company's management, employing techniques based on the guidelines developed by the FSC.
The required information including early warning ratios is filed with the regulator at the stipulated intervals..

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..

The Company remains adequately capitalized well in excess of the minimum regulatory capital adequacy requirements which further underscores the strength and resilience of the business and is a key component of the Company's growth strategy.

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 2022			
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets -				
Debt securities				
Government of Jamaica	-	15,316	-	15,316
Foreign government	-	14,936	-	14,936
Corporate bonds	-	178,563	-	178,563
Equities				
Quoted	6,826,280	-	-	6,826,280
Unquoted	-	-	216,245	216,245
Investment in associates	18,011,477	-	-	18,011,477
Non financial assets				
Investment Properties	-	2,027,738	-	2,027,738
	24,837,757	2,236,553	216,245	27,290,555

	The Group 2021			
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets -				
Debt securities				
Government of Jamaica	-	18,500	-	18,500
Foreign government	-	17,089	-	17,089
Corporate bonds	-	180,681	-	180,681
Equities				
Quoted	6,042,088	-	-	6,042,088
Unquoted	-	-	139,233	139,233
Investment in associates	12,740,921	-	-	12,740,921
Non financial assets				
Investment Properties	-	2,174,302	-	2,174,302
	18,783,009	2,390,572	139,233	21,312,814

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39. Fair Values (Continued)

	The Company			
	2022			
	Level 1	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets -				
Debt securities				
Government of Jamaica	-	15,316	-	15,316
Foreign government	-	14,936	-	14,936
Corporate bonds	-	178,563	-	178,563
Quoted equity securities	662,824	-	-	662,824
Non Financial assets:				
Investment Properties	-	2,027,738	-	2,027,738
	662,824	2,236,553	-	2,899,377

	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	-	180,681	-	180,681
Quoted equity securities	762,663	-	-	762,663
Non Financial Assets:				
Investment Properties	-	2,174,302	-	2,174,302
	762,663	2,390,572	-	3,153,235

As at 31 December 2022, the fair value of the financial instruments valued at amortized cost is detailed below:

	2022			
	Group		**Company**	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
	$'000	**$'000**	**$'000**	**$'000**
Assets				
Debt Securities	2,263,754	2,204,568	2,263,754	2,204,568
Reverse Repurchase Agreements	5,303,950	5,303,950	5,303,951	5,303,951
Promissory Notes	4,192,813	4,192,813	5,211,144	5,211,144
Loans and Advances	9,250,435	9,250,435	11,014,447	11,014,447
Liabilities				
Securities purchased under resale agreements	4,869,274	4,869,274	4,869,274	4,869,274
Loans	7,450,123	7,450,123	5,251,495	5,261,495
Accounts Payable	14,782,830	14,782,830	15,278,092	15,278,092

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39. Fair Values (Continued)

	2021			
	Group		Company	
	Carrying Value $'000	Fair Value $'000	Carrying Value $'000	Fair Value $'000
Assets				
Debt Securities	3,180,680	3,306,685	3,180,680	3,306,685
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

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	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Opening balance	139,233	69,801	-	-
Additions	77,012	25,000	-	-
Total (loss)/gain – profit or loss	-	44,432	-	-
Closing balance	216,245	139,233	-	-

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 $14,016,000 (2021: $12,268,000).

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.

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 2022, 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 2022, 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	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Intangible assets	154,912	185,011	40,935	185,011
	154,912	185,011	40,935	185,011

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.

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44. 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. The Company's subsidiaries are previously grandfathered IBC's. Amongst other matters, this requires additional filing requirements of affected companies and see IBC's now being able to do business in and with Saint Lucians and be deemed fully tax resident for tax and other purposes in Saint Lucia. The previous electives of being tax exempt or subject to taxation at the rate of 1% were repealed and, the Company is now subject to taxation at the rate of 30%..

As of July 1, 2021, the Company's subsidiaries also became subject to the Economic Substance Act (as amended by Act 15 of 2020) (ESA) and previously grandfathered IBC's are required to commence Economic Substance Return ("ESR") filings by specified dates.
Section 13 of the Economic Substance (Amendment) Act No. 15 of 2020 prescribes that all relevant entities formed prior to 1st January 2019 are required to submit a first ESR filing twelve months after the end of the year of income.

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 Saint Lucian IBC's can demonstrate sufficient substance in their 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 the first ESR filings due by December 31, 2022 for affected subsidiaries, to determine if their Core income Generating Activities (CIGA) and operations meet the required standards. Once in compliance with the provisions of the ESA, the provisions of the Foreign Source Income exemption under Section 8(3) of the ITA applies to income derived from sources outside of Saint Lucia.