





As the world continues to rebound from the effects of the global COVID-19 pandemic, Mayberry Investments Limited continued to be a resilient, digitally forward company that delivered on its promise to provide the best possible service to its clients.

Even in seemingly adverse situations, there is always an opportunity for innovation and growth. Mayberry Investments Limited embodied this mantra by providing some of the most attractive financial instruments and investment offerings this year - all the while bringing massive technological innovation to the market. The team launched several services that were well received by the market as evidenced in their success. Mayberry has always been an innovator in the industry and will continue to revolutionise the industry at large by showing what is possible when technology is used to serve clients better. This digital transformation strategy runs deep through the entire company and as a result, several of its operations and processes have been digitised to improve efficiency and enhance the client experience.

Mayberry Investments Limited is leading the charge towards revolutionising the financial sector in Jamaica, and the region through inclusive products and services while delivering secure, customer centric service to its clients.

# Our Vision

Transforming lives positively through lasting relationships.


# Our Mission

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

# Our Core Values

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





**“Success is not final;  
failure is not fatal: it  
is the courage to  
continue that  
counts.”**

– Winston Churchill



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# Ten Year Financial Highlights

## 2013 - 2022

Profit & Loss	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000
Net Interest Income and Other Revenues	894,199	1,528,692	998,618	1,207,296
Interest Income	1,021,716	1,051,676	890,263	733,835
Net Interest Income	413,643	240,452	345,866	133,961
Net Other Income	480,556	1,288,240	652,752	1,073,335
Operating Expenses	681,330	970,360	981,602	1,079,083
Profit Before Taxation	(21,992)	679,639	58,104	194,011
Net Profit	102,343	726,080	145,460	172,115
Net Profit Attributable to Shareholders	102,343	726,080	145,460	172,115
Total Comprehensive Income Attributable	99,399	557,918	2,301,717	1,262,439

Balance Sheet	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000
Total Assets	22,078,825	21,983,602	20,735,714	21,838,705
Total Liabilities	18,308,606	17,799,603	14,490,228	14,595,033
Stockholders' Equity	3,770,219	4,183,999	6,245,486	7,243,672
Number of Issued Shares (units)	1,201,149	1,201,149	1,201,149	1,201,149

Key Financial Ratios	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000
Earnings per Stock Unit	\$0.09	\$0.60	\$0.12	\$0.14
Net Book Value per Stock Unit	\$3.14	\$3.48	\$5.20	\$6.03
Return on Equity	2.7%	17.4%	2.3%	2.4%
Return on Average Assets	0.5%	3.3%	0.7%	0.8%
Asset Growth (%)	6.3%	(0.4%)	(5.7%)	5.3%
Net Profit Growth (%)	(76.7%)	609.5%	(80.0%)	18.3%



2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000 Restated	2021 \$'000	2022 \$'000
2,200,004	1,840,882	2,542,033	(1,824,228)	4,485,707	6,961,829
722,007	729,047	790,788	959,046	736,374	1,118,845
151,318	175,114	169,605	488,220	169,960	310,443
2,048,686	1,665,768	2,372,428	(2,312,448)	4,315,747	6,651,386
1,926,063	1,684,415	1,894,910	1,477,819	2,002,255	2,246,655
478,433	156,467	647,123	(2,275,573)	2,809,599	4,736,614
425,173	105,794	645,864	(2,163,969)	3,061,229	4,737,630
425,173	160,398	709,584	(919,767)	2,064,765	2,218,806
2,389,828	3,461,289	4,733,691	(1,912,328)	2,574,175	2,154,126

2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000 Restated	2021 \$'000	2022 \$'000
24,366,725	30,371,608	37,015,784	35,992,446	41,461,387	52,057,342
15,009,489	16,396,802	16,813,740	19,141,378	20,108,954	25,457,096
9,357,236	10,854,841	15,421,367	13,216,878	15,335,631	16,795,106
1,201,149	1,201,149	1,201,149	1,201,149	1,201,149	1,201,149

2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000 Restated	2021 \$'000	2022 \$'000
\$0.35	\$0.13	\$0.59	(\$0.77)	\$1.72	\$1.85
\$7.79	\$9.04	\$12.84	\$11.00	\$12.77	\$13.98
4.5%	1.5%	4.6%	(7.0%)	13.5%	13.2%
1.8%	0.4%	1.9%	(5.9%)	7.9%	10.1%
11.6%	24.6%	21.9%	(2.8%)	15.2%	25.6%
147.0%	(62.3%)	342.4%	(229.6%)	324.5%	7.5%

# DIRECTORS' REPORT

The Directors submit herewith the Consolidated Profit or Loss of Mayberry Investments Limited and for the year ended December 31, 2022, together with the Consolidated Statement of Financial Position as of the same date. The Consolidated Statement of Profit or Loss and Comprehensive Income shows the following:

<b>Financial Results</b>	<b>\$'000</b>
Net interest income and other revenues	6,961,829
<b>Profit before taxation</b>	<b>4,736,614</b>
Taxation charge	1,016
<b>Net profit</b>	<b>4,737,630</b>
Net profit attributable to stockholders	2,218,806
<b>Net unrealised losses on financial instruments (FVOCI)</b>	<b>(131,465)</b>
<b>Total comprehensive income for the year attributable to stockholders</b>	<b>2,154,126</b>

## DIRECTORS

The Directors as of December 31, 2022, are Messrs. Christopher Berry, Konrad Berry, Gary Peart, Erwin Angus, Gladstone Lewars, Walter Scott, and Alok Jain.

The Directors to retire by rotation in accordance with Article 91 of the Articles of Association are Messrs. Walter Scott and Alok Jain.





## EXTERNAL AUDITORS

The Auditors, PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Kingston, Jamaica, have expressed their willingness to continue in office in accordance with Section 154 of the Companies Act.

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

On behalf of the Board of Directors



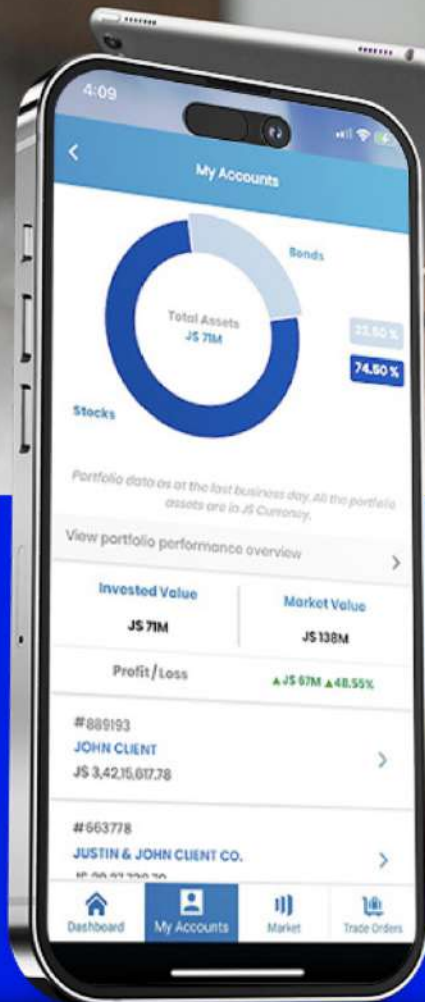
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**Christopher Berry**  
Executive Chairman



**MAYBERRY**  
INVESTMENTS LIMITED

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# DIRECTORS' PROFILES

An abstract graphic at the bottom of the page features several overlapping, curved, triangular shapes in various shades of blue (from a deep navy to a light sky blue) and white. These shapes are arranged in a way that suggests movement and depth, creating a modern, architectural feel.

## CHRISTOPHER BERRY

**B.Sc. (Hons.)**

**EXECUTIVE CHAIRMAN**

Mr. Christopher Berry joined Mayberry Investments Limited in 1987 and has been the Executive Chairman since 1993. Through his role as Executive Chairman of Mayberry Investments Limited, Mr. Berry provides strategic business and investment insight to Jamaican companies; directly supporting wealth creation locally and regionally.

Throughout his career, Mr. Berry has demonstrated his commitment to providing companies with access to much-needed funding and support. As a result, he has held numerous board positions; most notably, he was named Deputy Chairman of the Jamaica Stock Exchange where he was tasked with providing local companies with access to funding in order to stimulate organic growth and support economic development.

He is passionate about helping others through the development of sports, health, and education. He has distinguished himself as a nation-builder through his various businesses and philanthropic activities and is considered one of Jamaica's premier investment professionals.

In addition, he is a board member for several companies, including Apex Health Care Associates Limited, Apex Pharmacy Limited, Caribbean Producers (Jamaica) Limited, IronRock Insurance Company Limited, the Mayberry Foundation, and Supreme Ventures Limited, to name a few.

He is a graduate of St George's College, Kingston, Jamaica, and Georgia Institute of Technology in Atlanta Georgia, where he studied Industrial Engineering. Mr. Berry's hobbies include fishing, motorsport racing, music and economics.



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## KONRAD MARK BERRY

**B.Sc. (Hons.)**

**EXECUTIVE VICE CHAIRMAN,  
COMPANY SECRETARY**

Mr. Konrad Berry joined Mayberry Investments Limited as Company Secretary and one of its founding members. Since then, he has held other positions in the Company – serving as Finance Director from 1992 to 1995, and as Chief Operating Officer in 1995. He currently serves as the Executive Vice Chairman of the Company.

Throughout his various roles, Mr. Berry has proven himself to be an efficient and dedicated leader; committed to the continued growth of the Company. During 2002-2004, he successfully carried out major expansion of the Company's corporate offices, which grew it from one floor of 3,700 square feet to three floors of 12,650 square feet. Mr. Berry was also integral in the Company's listing on the Jamaica Stock Exchange in 2005 – one of the Company's greatest achievements.

Mr. Berry is a Board Director of other companies, including Caribbean Producers (Jamaica) Limited, Widebase Limited, Mayberry Jamaica Equities Limited and Mayberry Asset Management Ltd.

Mr. Berry was awarded a B.Sc. (Hons.) degree in Management and Economics from the University of the West Indies in 1992. He also successfully completed the Canadian Securities Course in the same year.

Mr. Berry's interests include tennis, sailing and squash. He is married with three children.



## GARY PEART

M.B.A., B.Sc. (Econ) (Hons.)

EXECUTIVE DIRECTOR,  
CHIEF EXECUTIVE OFFICER

Mr. Gary Peart joined Mayberry Investments Limited as the Chief Executive Officer (CEO) in May 2005 and was later appointed to the Board of Directors in April 2006. He has over 20 years of experience in corporate finance, equity, fixed income, and treasury management; holding senior leadership roles in several financial institutions – all of which prepared him for his current role as CEO and board member of several well-known Jamaican companies and organisations.

In 2015, BusinessSuite Magazine named him Jamaica's Top CEO as a result of his hard work and successful leadership at Mayberry Investments Limited and his contribution to the growth of the finance sector. Mr. Peart is a firm believer in supporting Jamaican businesses and is passionate about developing the nation through investment.

Mr. Peart currently serves as the Executive Chairman on the Board of Supreme Ventures Limited and is also a director on other boards including Lasco Distributors Limited and IronRock Insurance Company Limited.

Mr. Peart has a B.Sc. (Hons) in Economics from the University of the West Indies and an MBA from Florida International University. Mr. Peart is a member of the Rotary Club of St. Andrew North. He is married to Cheryl and is the proud father of son Aaron.



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## ERWIN ANGUS

C.D., J.P., B.A. (Hons.)  
MANAGING DIRECTOR

Mr. Erwin Angus was among the first staff cohort to join Mayberry Investments Limited in 1986. Since then, he has held the post of Managing Director, guiding the growth of the Company with his expertise and knowledge.

Mr. Angus' impact has extended far beyond the reach of the Company. He was awarded the Commander of the Order of Distinction (CD) in October 1976 for his contribution to Jamaica's bauxite industry and became a Justice of the Peace (J.P.) in 1977.

He currently serves as a member of the Company's Assets and Liabilities Committee and Audit Committee.



## GLADSTONE LEWARS

**B.Sc. (Econ) (Hons.), M.Sc. (Econ), M.Sc. (Accounting), FCA**

**LEAD INDEPENDENT DIRECTOR**

Mr. Gladstone "Tony" Lewars was appointed to the Board of Directors of Mayberry Investments Limited in September 2012. He is a Chartered Accountant and provides consultancy services to organisations in the areas of Organisational Development, Human Resource Management, and Financial Effectiveness Reviews.

Mr. Lewars' contribution to national development has seen him receiving several awards and honours. In 2015, he received the Commander of the Order of Distinction (CD) for his exemplary service in both the public and private sectors.

He is a former Chairman of the Students' Loan Bureau and a former partner at PricewaterhouseCoopers (PwC), where he served as the Leader of the Advisory Division. He currently serves as the Chairman of JN Cayman, JN Cayman Money Services, and the Guardian Foundation. He also serves as Director of the National Insurance Fund and the Secretary/Treasurer of the Jamaica College Trust.

He is the holder of a bachelor's degree in Economics and two master's degrees in Economics and Accounting from the University of the West Indies. Mr. Lewars is the Chairman of the Assets and Liabilities and Nominations and Governance Committees and a member of the Company's Audit Committee.



## ALOK JAIN

**M.Sc., FCA, FCCA, CGMA, CISA, CFA**  
**INDEPENDENT DIRECTOR**

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

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





## WALTER H. SCOTT

K.C., CD  
INDEPENDENT DIRECTOR

Former Senior Partner at Rattray Patterson Rattray, Mr. Walter Scott KC has been a practicing Attorney-At-Law in Jamaica for more than thirty-six years. Mr. Scott is prestigiously recognized as a King's Counsel and is also admitted to practice law in Barbados. A proud graduate of the University of the West Indies and the Norman Manley Law School, he has gone on to offer his services to a myriad of entities, including the Office of Director of Public Prosecutions; Grant Stewart Phillips & Co, Attorneys-at-law; Chancellor & Co, Attorneys-at-Law; and Rattray Patterson Rattray, Attorneys-at-Law.

In 2019, he formed his own practice as Counsel. His areas of practice include Commercial, Civil, and Criminal Litigation, Gaming, Regulatory, Labour, Mining, and Libel Law.

In 2021 Mr. Scott was conferred with the national honour of the Order of Distinction in the rank of Commander (CD).

Mr. Scott is the former Chairman of Sygnus Capital Limited, Sygnus Capital Management Limited, Betting Gaming & Lotteries Commission, Casino Gaming Commission, and Private Security Regulations Authority. He currently serves as the Chairman of Supreme Ventures Guyana Holdings Inc., Chairman of McKayla Financial Services Limited, and is a Director of several private companies.

Mr. Scott is Chairman of the Compliance and Remuneration Committees and sits on the Audit Committee as an Independent Director.



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**There is no alternative to digital transformation. Visionary companies will carve out new strategic options for themselves – those that don’t adapt will fail.”**

**-Jeff Bezos**



# EXECUTIVE CHAIRMAN'S REVIEW

Notwithstanding the global economic environment's ongoing problems, I am pleased to announce that we have made substantial growth and development in the last year. The continuous COVID-19 recovery continued in 2022, with our Company's earnings closing at \$4.74 billion (\$3.06 billion in 2021), up 54.8% year-on-year. Our Earnings Per Share (EPS) climbed by \$0.13 or 7.4% to \$1.85 for the year, compared to \$1.72 in the same period in 2021, while our Net Book Value per share increased to \$13.98, a \$1.22 gain over the same period in 2021. Mayberry's revenue, thus far, is concentrated across three (3) segments:

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



## Treasury & Trading

Higher funding costs in both the domestic and foreign markets, notably on our repurchase agreements, harmed the Company, as they did other institutions. However, Net Interest Income was \$547 million, a 45% increase over the previous year's figure of \$378 million.



## Asset Management

Asset management achieved a 31% improvement in fee income during 2022. This was due to growth in all revenue sources. Our Managed Equity portfolio outperformed 2021 by 97%, demonstrating that our Managed Equity Portfolio continues to meet and surpass our clients' expectations despite the dismal performance of the Main and Junior markets. Our managed fixed income portfolio's revenue increased by 7%. With our digital initiatives to begin this year, we anticipate that the unit will continue its current trajectory while enhancing efficiency and service delivery.

## Investment Banking

The Investment Banking department remains focused to providing better financial solutions to our clients in 2022. For our customers, we designed a number of financial market solutions, supporting them with debt and equity capital raising. Additionally, for the advantage of our clients, we have advanced various financial advice transactions, which will result in successful capital raising in the near future.

Through private debt offers, we were able to raise roughly J\$13 billion for new and current clients. In addition, the department continues to deliver high-quality advisory services to new and existing customers, guiding them to greater levels of growth and development.

In addition, Investment Banking also executed the Mayberry Bond IPO which raised J\$6.39B across four tranches. The IPO will allowed investors to buy into the bond for as little as \$20,000JMD, which diversified and improved the inclusivity of the financial markets. These bonds will also be publicly traded after listing on the JSE Bond market.

## Looking Forward to 2023

In 2023, we will continue to improve our resilience and our network of Investment Advisors in order to offer the competent advice our customers demand. We were the first in Jamaica's financial business to allocate an Investment Advisor to each customer. To better service, we will continue to grow our digital platform. The commercial transactions of our clients have been influenced by digitisation. We'll enhance service by making it easier for clients to handle their money. Customers can also turn to their Investment Advisor for financial advice. We are grateful for the 37 years of support from our clients, stockholders, team members, and well-wishers.



**Christopher Berry**  
Executive Chairman

# CEO'S STATEMENT

The year 2022 was defined by rising inflation, conflict, and monetary policy tightening, which led to higher interest rates and a challenging financial outlook on both a national and global scale. In comparison to other financial markets, Jamaica's local financial environment has remained resilient to the adverse market forces. The local market showed ongoing moderate improvements resulting in mixed financial results for several companies. During this financial year, the Mayberry Group's performance was favourable, showing considerable gains in the market values of our quoted equity assets as well as commendable results in our other key operational income lines.

## Financial Performance

The Mayberry Group reported operational earnings of \$7 billion for the fiscal year ending December 31, 2022, a 55.2% or \$2.5 billion increase over the previous year. The Group's profits were boosted by \$5.2 billion in unrealised gains with its subsidiary, Mayberry Jamaican Equities Limited, demonstrating ongoing improvements in the fair value gains on Jamaican listed stocks with year-over-year price rises. Widebase Limited's performance added \$173 million to the Group's overall results – in line with our investment plan.

Overall operating costs for the year ending 2022 grew by 12% or \$244.4 million to \$2.2 billion compared to \$2 billion for 2021. Costs that grew over the previous year included incentive and investment management fees, which increased by 294% due to considerable rises in the market worth of the underlying investments handled.

For the fiscal year ended December 31, 2022, group earnings before taxes climbed by \$1.9 billion, or 69%, to \$4.7 billion. The Group's after-tax profit attributable to shareholders climbed by \$154 million or 7.5% to \$2.2 billion compared to an after-tax profit of \$2.1 billion for 2021.

Overall comprehensive income for the fiscal year ending December 31, 2022, was \$4.6 billion, compared to \$3.8 billion for the same period in 2021. This was mostly attributable to \$2.7 billion in higher unrealised fair value gains on FVTPL assets.

Earnings per share (EPS) climbed by \$0.13, or 7.4%, to \$1.85 for the fiscal year, compared to \$1.72 in 2021.

Our net book value per share climbed to \$13.98 on December 31, 2022, a \$1.22 rise over the same time in 2021. This was due in part to price increases that boosted the value of investment securities, increased cash, loan, and other receivable growth, greater buyback agreements, and increased promissory notes by \$11 billion.

Overall assets reported for the fiscal year ending December 31, 2022, increased to \$52.1 billion, up from \$41.5 billion in the previous year. This implies a 26% rise in our asset base of \$10.6 billion.



Total liabilities climbed by \$5.3 billion to \$25.5 billion. Most of the activity was driven an by increase in margin loans of \$1.6 billion and greater customer payables. Clients who intended to participate in the MIL Bond IPO in December contributed to the decline. This was countered by a fall in bank overdraft balances of \$325.3 million.

## Digitisation

We began our digital transformation before the arrival of COVID-19 and subsequently, accelerated this plan to better serve our clients through improved operational efficiency. We are committed to leading the charge towards full digitisation to the benefit our clients, shareholders, and community. Utilising social media and cutting-edge technology, we have offered clients solutions and services. By engaging with clients and potential clients on multiple platforms, we can reach hundreds of thousands of people and empower them with financial knowledge to help them make the best financial decisions.

## Looking Ahead

Mayberry operates in a highly competitive environment and as such, our ability to deliver services more effectively will be aided by our core expertise and efficiency in operation. This will further increase customer retention and economic growth. Building relationships continues to be a priority for us, even after 37 years as this will see the Company benefit from enhanced core and strategic competencies and shareholder value respectively.

We are committed to providing our clients with results that are alluring, long-lasting, and distributable. At Mayberry, we strongly believe in Jamaica and will keep supporting local businesses. Jamaica will prosper, in our humble opinion. We thank our clients for choosing us as their financial consultants, our Board of Directors for leading us, our employees for contributing to and embracing our ideas, and you, our devoted shareholders, for having faith in this business.



**Gary Peart**  
Chief Executive Officer





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# OUR MANAGEMENT TEAM

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The diversity of the Mayberry Management Team speaks to its commitment to developing a high performing team that serves clients to the best of their ability while adhering to the highest standards of quality and fiduciary duty.



**ANDREA WHITTAKER**  
Chief Operating Officer



**ANDREA HO-SANG**  
Senior Vice President - Operations



**KRISHNA SINGH**  
Chief Information Officer



**STEPHANIE**  
Assistant Vice President



**Jason Martinez**  
Assistant Vice President - Research

**Kristen Raymore Reynolds**  
Vice President - Human Resources  
and Facilities

**Karen Mitchell**  
Senior Vice President-Treasury  
and Trading

**Josephine Bennett-Darmand**  
Chief Financial Officer

**E HARRISON**  
resident-Marketing

**Dan Theoc**  
Senior Vice President- Investment  
Banking

**Damian Whyllie**  
General Manager - Asset  
Management

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**Okelia Parredon**  
Vice President- Sales & Client Services



**Marcia Messado**  
Manager- Financial Planning & Analysis



**Rachel Kirlew**  
Assistant Vice President- Investment Banking



**Rene Mitchell**  
Assistant Vice President  
- Compliance

**Laughn Cunningham**  
Senior Manager- FX Trading



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



**Clayon Denton**  
Group Financial Controller





# CORPORATE GOVERNANCE

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**M**ayberry Investments Limited (“Mayberry”) has adopted specific corporate governance guidelines to support the efficient operation of the Board and its committees, to support the interests of shareholders, to support the highest ethical standards, and to ensure a common understanding of the expectations for how the Board, its various committees, individual Directors, and senior management should carry out their duties. The Board of Directors of Mayberry has adopted and approved a Corporate Governance Policy, which complies with the applicable laws, regulations, as well as locally and internationally accepted best practices; consistent with the provisions of the Jamaica Corporate Governance Code 2021 issued by the Private Sector Organisation of Jamaica (PSOJ) and Rules of the Jamaica Stock Exchange. The Corporate Governance Policy was last updated in November 2022 and is available on our website at: [www.mayberryinv.com](http://www.mayberryinv.com).

## BOARD ROLE AND FUNCTION

The primary role of the Board of Directors is to provide oversight and effective leadership of the Company's affairs for the benefit of its shareholders and its stakeholders, including its customers, team members, suppliers, regulators, and the local community. In this context, the Board has the responsibility for establishing a framework for assessing the performance of the Executive Management team, against established performance criteria and prudent and effective controls.

### The responsibilities of the Board include:

1. Communicating the Company's vision, mission, and purpose
2. Defining the strategic direction of the Company
3. Overseeing the controls and accountability systems of the Company
4. Reviewing, ratifying, and monitoring systems of risk management and internal controls, codes of conduct, and legal compliance
5. Appointing a suitable Chief Executive Officer and Company Secretary
6. Monitoring the development and performance of the Executive Management team

Decisions taken by the Board are informed by reasonable and balanced assessments of all relevant information. Decisions are ethical and responsible, that not only comply with legal obligations, but also consider the reasonable expectations of all stakeholders including shareholders, employees, customers, suppliers, creditors, and the broader community. In all actions taken by the Board, the Directors exercise independent thinking and sound business judgment in what they reasonably believe to be the best interests of the Company. In exercising this obligation, Directors rely on the honesty and integrity of the Company's management and its external

advisors and auditors. The Board monitors and holds the management accountable for the Company's operational, strategic, and financial performance. Consequently, management is open and transparent with the Board, bringing all significant issues to its attention.

In line with its general oversight function, the Board takes the lead on all central policies, risk appetite, and corporate culture, defining the Company's structure and fostering the appropriate policies in matters relating to corporate social responsibility.



## BOARD COMPOSITION AND STRUCTURE

In accordance with local, legislative, and regulatory requirements as well as best practices, the Board of the Company is equipped to carry out its duties effectively and add value for the Company and its stakeholders because of its composition and organizational structure. The Board's ability to effectively carry out its mission is made possible by the number of Directors as well as their diversity of experience, skills, and knowledge. No individual or a small group of individuals can dominate the Board's decision-making as a result of the balance of executive and non-executive Directors present.

As of December 31, 2022, the Board is comprised of seven (7) members, chaired by Mr. Christopher Berry. Of the seven (7) members currently serving on the Board, three (3) Directors are Non-Executive Independent Directors and four (4) are Executive Directors.

The Board is effective and considered to be of an appropriate size for the Company. All members are distinguished by their academic qualifications, technical expertise, relevant industry knowledge, professional ability, and integrity. In making decisions on behalf of the Company, the focus is firstly placed on what is in the best interest of the Company and decisions are not to be influenced by personal relationships, such as familial ties, friendships, or contracts made with the Company.

An independent non-executive Director is one who is free of any interest, position, association, or relationship that might significantly or reasonably be perceived to affect his or her ability to bring an independent judgment to bear on matters before the Board of Directors and to act in the entity's and its shareholders' best interests generally. A non-executive Director is deemed independent if they meet the aforementioned description of independence and has not been employed by the Company within the last five years.

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

The roles of the Chairman, Chief Executive Officer, and Managing Director are separate. Separating these roles facilitates an appropriate balance of power that leads to increased transparency, accountability, and improved decision-making which is independent of management. In leading the Board, the Chairman is ultimately responsible for guiding company strategy, monitoring management, and promoting shareholders' interests. The CEO is responsible for implementing company strategy as approved by the Board, and for the day-to-day management of the Company.

Despite being the controlling shareholder of Mayberry, the Board has satisfied itself that neither the Chairman's significant interest in the company nor any of his positions held outside Mayberry, interferes with his ability to execute and fulfill all of his obligations and responsibilities to the Board and Mayberry. The Directors have free and open contact with management at all levels and full access to all relevant information. The Board's constant interaction with management strengthens the Company's decision-making and ensures an appropriate balance of power.

Lead Independent Director

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

Diversity

One of the primary responsibilities of the Board is to identify significant opportunities and risks while strategically leading the business. This requires a diverse and experienced cadre of individuals who operate in an open environment, where differing opinions are sought. Before being appointed, consideration is given to the individual's skills, experience, independence, and knowledge of the Company. Different career and educational backgrounds facilitate the fulfillment of duties and obligations in accordance with statutory requirements, the provisions of the Company's Articles of Association, and rules of procedure. To ensure the effectiveness of the Board, candidates for nomination or reelection to the Board should possess the following qualities, among others:

- a. The highest level of personal and professional ethics, integrity, and values;
- b. Expertise that is useful to the organization and complementary to the background and expertise of the other members of the Board;
- c. A willingness and ability to devote the time necessary to carry out the duties and responsibilities of Board membership.

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

BOARD SKILLS AND EXPERTISE MATRIX							
Experience & Expertise	Christopher Berry	Gary Peart	Konrad Berry	Erwin Angus	Gladstone Lewars	Alok Jain	Walter Scott
General Management & Business Operations							
Technology							
Investment & Financial Services							
Risk Management							
Listed Company Experience							
Strategy Development							
Legal/Regulatory							
Corporate Governance							

Interpretation of Skills and Expertise Matrix

No Competence	Low Competence	Some Competence	High Competence	Expert



# BOARD COMMITTEES

The Board has established committees to improve its effectiveness and efficiency in the execution of its fiduciary duties and responsibilities. Board sub-committees handle matters requiring more detailed review or in-depth analysis and make decisions on behalf of the Board or submit recommendations for its consideration. Certain responsibilities are delegated to Board Committees, which assist the Board in carrying out its functions and ensuring that there is independent oversight of internal controls and risk management. The Chairman of each Board Committee reports to the Board on the matters discussed at Committee meetings.

The table below details the standing Committees of the Board of Directors.



## Board Committee and Composition

NAME	POSITIONS	AUDIT	ALCO	COMPLIANCE & DATA PROTECTION	NOMINATIONS & CORPORATE GOVERNANCE	REMUNERATION
Christopher Berry	Executive Chairman				M	M
Konrad Berry	Executive Vice Chairman/ Company Secretary	M	M			M
Erwin Angus	Managing Director	M	M			
Gary Peart	Executive Director/ Chief Executive Officer		M	M		
Gladstone Lewars	Independent Director	M	C	M	C	
Alok Jain	Independent Director	C			M	
Walter Scott	Independent Director	M		C		C

**C – Chairman; M - Member**

## Director's Attendance: Board and Committee Meetings

NAME	POSITIONS	BOARD	AUDIT	ALCO	COMPLIANCE & DATA PROTECTION	NOMINATIONS & CORPORATE GOVERNANCE
Number of Meetings		10	4	10	3	1
Christopher Berry	Executive Chairman	10				1
Konrad Berry	Executive Vice Chairman/ Company Secretary	10	3	9		
Erwin Angus	Managing Director	10	4	10		
Gary Peart	Executive Director/ Chief Executive Officer	10		7	2	
Gladstone Lewars	Independent Director	10	4	10	1	1
Alok Jain	Independent Director	10	4		-	1
Walter Scott	Independent Director	9	4		3	



## AUDIT COMMITTEE

The Audit Committee has the responsibility to monitor the integrity of the financial statements of the Company, as well as to monitor and review the effectiveness of the Company's risk management system, particularly of the internal control system and the internal audit system. The specific roles and responsibilities of the Audit Committee are documented in the Audit Committee Charter approved by the Board which can be found on the Company website at: [www.mayberryinv.com/investor-relations](http://www.mayberryinv.com/investor-relations).

The Audit Committee Charter acknowledges the principles set out in the PSOJ Corporate Governance Code 2021 which provides that at least three members of the Audit Committee must be independent non-executive members, one of whom should have recent and relevant financial experience.

### Internal Auditor

For 2022, the services of BakerTilly were engaged to conduct the annual Anti-Money Laundering/Counter Financing of Terrorism audit.

### The scope of the audit was to assess the following:

1. To determine whether the AML/CFT/CFP policies and procedures have been reviewed and updated to address changes in the legislation and/or regulatory guidance and incorporate any new services or products being offered by MIL.
2. To assess the Company's compliance with the AML/CFT/CFP policies and procedures to:
  - a. Test their effectiveness.
  - b. Ensure legislative and regulatory compliance requirements are met; and
  - c. That the obligations of detecting and deterring money laundering, terrorist financing, and proliferation financing are being fulfilled.
3. To assess the risk management policy, risk assessment methodology, and mitigating procedures as well as ongoing monitoring and reporting.
4. To assess the training program in place to inform and guide staff and the BOD.

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

## NOMINATIONS AND CORPORATE GOVERNANCE COMMITTEE

The Nominations and Corporate Governance Committee have responsibility for leading the Board appointment process and for identifying and nominating potential candidates for appointment to the Board. This process is established on the principles of transparency, objectivity, and independence. The Committee also strives to achieve best practice standards in Corporate Governance.



## ASSETS AND LIABILITIES COMMITTEE

The Assets and Liabilities Committee (ALCO) was established to provide oversight of the Company's on- and off-balance sheet risks and to monitor the Company's risk management framework. The primary responsibility of the Committee is to ensure that the activities undertaken by Mayberry align with its risk appetite and strategic objectives. ALCO also ensures that the Company has adequate liquidity and capital in line with regulatory standards. The Committee cultivates a disciplined and constructive control environment by placing limits on the level of exposure that can be taken and ensuring adherence to these limits.

## COMPLIANCE AND DATA PROTECTION COMMITTEE

The major responsibility of the Compliance and Data Protection Committee is to monitor the effectiveness of the Company's internal control systems and compliance with applicable laws and regulations. The Committee has the added responsibility of ensuring that the Company's Anti-Money Laundering (AML) and Counter-Financing of Terrorism (CFT) policies and procedures are adhered to and that recommendations resulting from statutory and regulatory audits are implemented and continually observed. The Committee oversees management's monitoring of internal AML controls, compliance with policies and adequacy of the Company's compliance program.

The Compliance and Data Protection Committee's role is one of oversight with respect to the protection and responsible use of personal data that is processed by the Company, including confidential and proprietary information.

## REMUNERATION COMMITTEE

The Remuneration Committee supports the Board in the appropriate structuring of the compensation system for the Executive Directors and other senior management employees. The Committee also ensures the remuneration system is aligned with the business' strategy which is focused on the Company's sustainable development.

## DIRECTORS' REMUNERATION

Mayberry compensates its Directors fairly and aligns remuneration with the Company's strategy. The level of compensation reflects the time, commitment, and responsibilities involved and is appropriate to attract, retain and motivate the Directors. The remuneration of Directors is made up solely of fees, which are determined by their membership on various committees and any other objective circumstances that the Board may consider. Directors do not receive any share-based compensation but are however encouraged to purchase shares on the open market. The remuneration of Directors is disclosed in the annual report for transparency purposes.





## BOARD EVALUATION AND SELF-ASSESSMENT

The Board is committed to a regular, independent evaluation of its effectiveness. In December 2022, the Board conducted its annual self-assessment to gauge performance, conduct, leadership culture, and impact. The assessment was conducted by way of an anonymous online questionnaire comprising fifty-six (56) questions, which was administered by an independent external application.

### The assessment was broken down into 5 sections:

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

The results are used by the Board to build development plans that will improve its culture, communication, effectiveness, and performance. The results of the assessment are summarised below

### Board Evaluation

DIMENSION	SCORE
The Board's overall performance and effectiveness	89
The performance of individual Board members	92
The Board's conduct	95
The quality of the relationship with staff and how well the Board is supported	94
The Board's relationship with the CEO and Executive Chairman	94
<b>Average Score</b>	<b>93</b>

### Board Training and Development

In December 2022, the Directors participated in the annual Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) training as well as Corporate Governance Training, both of which were delivered by an external party.

### The Directors were made aware of the following:

1. Corporate Governance updates
2. Responsibilities of Directors
3. AML/CFT/CFP Compliance Program
4. Role of Directors in AML/CFT/CFP Compliance
5. Keys to effective AML/CFT/CFP oversight
6. Implications of non-compliance
7. Developments in the AML/CFT/CFP Arena

## Directors Training Attendance

NAME	POSITIONS	AML/CFT	CORPORATE GOVERNANCE
Christopher Berry	Executive Chairman	✓	✓
Konrad Berry	Executive Vice Chairman/ Company Secretary	✓	✓
Erwin Angus	Managing Director	✓	✓
Gary Peart	Executive Director/ Chief Executive Officer	✓	✓
Gladstone Lewars	Independent Director	✓	✓
Alok Jain	Independent Director	✓	✓
Walter Scott	Independent Director	✓	✓

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

### WHISTLEBLOWER POLICY

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

### HEALTH, SAFETY, AND DATA PROTECTION

Mayberry is committed to developing and applying effective health and safety practices to ensure the welfare of the Company's clients, employees, and all stakeholders, in alignment with the Occupational Safety and Health Act, of 2017. Mayberry has a responsibility to create a safe working environment and preserve the best possible working conditions for our staff, and ensure the safety and comfort of our clients.

With the passage of the Data Protection Act, Mayberry embarked on a robust framework to ensure its ability to comply with the requirements of the Act. Included in that framework is the approval of a Data Protection Policy, along with several other supplementary policies. These policies seek to protect the personal data of employees, including the rights of employees in relation to their health conditions as well as protecting employees against discrimination. It also seeks to outline the systems and measures for safeguarding clients' personal data.



## STAFF TRAINING

Annually, all staff members are required to participate in mandatory Anti-Money Laundering/Counter Financing of Terrorism/Counter Financing of Proliferation training. At the end of the training, a test is administered and the results are recorded and noted on each team member's employee file. For 2022, the participation rate for the AML/CFT/CFP assessment was 100%.

## BUSINESS CONDUCT AND ETHICAL PRACTICES

The Company's Code of Conduct, approved by the Board of Directors, maintains its commitment to the highest standards of ethical conduct. The Code of Conduct is supplemented by an Ethics Policy, also approved by the Board, that applies to Mayberry's Directors, officers, and employees.

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

1. Adhering to the law wherever the Company does business;
2. Avoiding conflicts of interest;
3. Conducting themselves honestly and with integrity;
4. Respecting confidentiality and protecting the integrity and security of assets, communication, information, and transactions and
5. Treating everyone fairly, equitably, and professionally - whether customers, suppliers, service providers, employees, or other stakeholders.

## ENVIRONMENTAL POLICY

Mayberry is committed to protecting and conserving the environment by ensuring not only the financial performance of the Company, but also the impact of its operations on society and the environment at large. In recent years, Mayberry has sought to digitize a number of our processes, thus limiting the use of paper and other resources. The Company ensures that environmentally friendly initiatives are integrated into our core business activities, thereby minimizing the negative impact of our operations on the environment. The Environmental Policy can be accessed on the Company's website at: [www.mayberryinv.com/investor-relations](http://www.mayberryinv.com/investor-relations).



**With our commitment to protecting and conserving the environment we have sought to digitize a number of our processes thus limiting the use of paper and other resources.”**

## SHAREHOLDER RIGHTS AND RESPONSIBILITIES

In accordance with the principles of transparency, equal treatment, and protection of shareholder interests, the Board of Directors is committed to maintaining dialogue with shareholders and improving the Company's existing relations with those stakeholders. Efforts are made by the Board to ensure that its shareholders have different options to express their views, as well as engage the Company. The Board is committed to maintaining dialogue with shareholders and improving the Company's existing relations with them.

The Annual General Meeting (AGM) provides this to its Shareholders by giving them the opportunity to directly interact with the Directors of the Company. The Company also utilizes other communication channels that provide timely and equal access to information, such as the Company's website, the Annual Report, the publication of financial results, and the use of traditional and social media marketing channels.

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

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

**“ The Board of Directors is committed to maintaining dialogue with shareholders and improving the Company's existing relationships with them”**



# CORPORATE DATA

## BOARD OF DIRECTORS

### Executives

**Christopher W. Berry**, B.Sc. (Hons.) - Chairman

**Konrad M. Berry**, B.Sc. (Hons.) - Vice Chairman

**Erwin L. Angus**, C.D., JP, B.A. (Hons.) - Managing Director

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

### Non-Executives

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

**Walter H. Scott**, Q.C.

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

### Company Secretary

**Janene E. Shaw**, FCA, FCCA, BSc (Accounting) (Hons.)

## REGISTRAR - TRANSFER AGENT

**Jamaica Central Securities Depository**

40 Harbour Street

Kingston, Jamaica

## AUDITORS

**PricewaterhouseCoopers**

Duke Street

Scotiabank Center

Kingston, Jamaica

Tel: (876) 922-6230

## ATTORNEYS-AT-LAW

**Patterson Mair Hamilton**

**Douglas Thompson**

**Walter H. Scott**, Q.C.

**DunnCox**

**Carolyn C. Reid & Co.**

## BANKERS

**First Global Bank Jamaica Limited**

**Bank of Jamaica**

**Citigroup**

**National Commercial Bank Jamaica Limited**

**Bank of Nova Scotia Jamaica Limited**

**Sagicor Bank Jamaica Limited**

## INVESTMENT BANKS

**Morgan Stanley**

**Raymond James and Associates**

**(formerly Morgan Keegan)**

**Oppenheimer**

**Standard Bank**





# OVER 37 YEARS

With you we look to the future with  
strategic planning and determination.

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**Phone**

876.929.1908-9

**Email**

[sales@mayberryinv.com](mailto:sales@mayberryinv.com)



[MayberryInvJa](#)




[MayberryInvestmentLtd](#)



[mayberryinv.com](http://mayberryinv.com)



# MANAGEMENT DISCUSSION & ANALYSIS

An abstract graphic at the bottom of the page features several overlapping, curved, triangular shapes in various shades of blue (from light sky blue to a deeper cerulean) and white. These shapes are arranged in a way that suggests movement or a stylized architectural structure, creating a modern and dynamic visual element.

# ECONOMIC AND BUSINESS ENVIRONMENT

The Jamaican economy continued to improve in 2022, with GDP increasing 5.9% year on year in the third quarter. The result was driven by a 6% gain in the Services sector and a 5.6% increase in the Goods Producing industries, demonstrating the economy’s steady recovery from the COVID-19 outbreak. The island’s tourism offering supported recovery, and the industry achieved one of the world’s fastest recoveries, with tourism stopover arrivals rebounding to 92% of pre-crisis levels. Other sectors also improved, contributing to the overall post-covid economic recovery efforts.

Economic activity and employment continue to improve, foreign exchange inflows are solid, and the country’s overseas reserves remain strong. Recent domestic inflation developments have encouraged the Bank of Jamaica (BOJ) to take more aggressive measures to influence a return of inflation to the Bank’s target range of 4% to 6% in the near future.

“

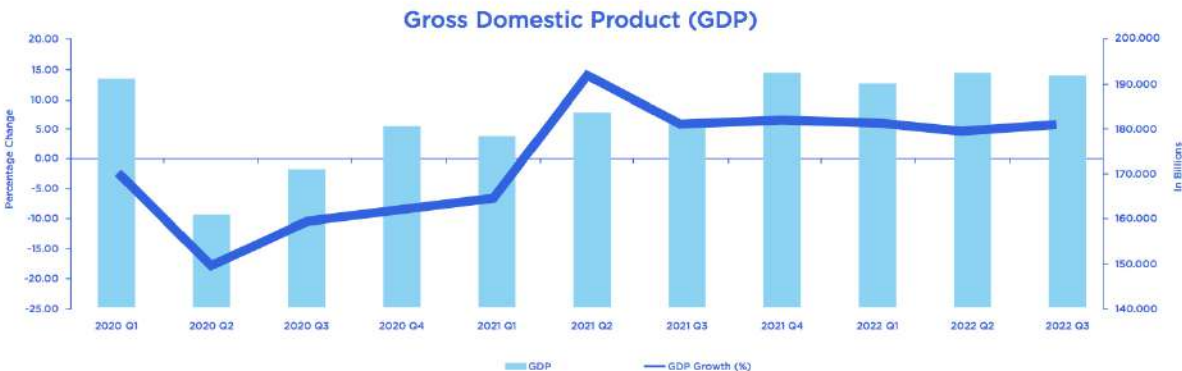
Jamaica’s Tourism industry experienced one of the world’s fastest recovery pre-covid with a

92%

increase with tourism stopover arrivals.

## GROSS DOMESTIC PRODUCT (GDP)

Economic activity continued to rise in the third quarter of 2022, with higher levels of activity recorded in all services industries, with Hotels and Restaurants (35.3%) posting the largest outturn. The increase in output levels in Agriculture, Forestry, and Fishing (17%) and Manufacturing (9.5%) was substantially responsible for the growth in the Goods Producing industries. However, the Mining and Quarrying and Construction industries fell by 27.6% and 3.1%, respectively. According to the BOJ, the Jamaican economy is predicted to expand at a slower rate of 3% to 5% in the December 2022 quarter, compared to the 5.9% increase recorded in the September 2022 quarter. With the exception of construction, all industries were expected to rise in the review quarter. Real GDP growth is expected to slow to 4% to 5.5% in FY2022/23, down from 8.2% in FY2021/22. This is higher than the Bank’s earlier forecast.

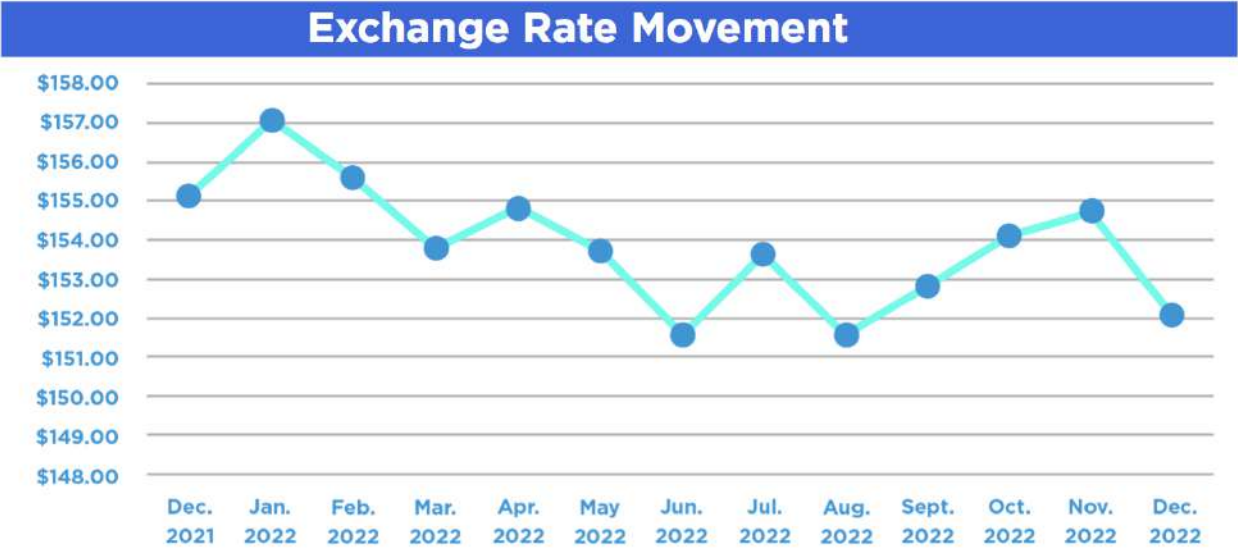




FOREIGN EXCHANGE

The Foreign Exchange Market saw a continuance of two-way oscillations in the exchange rate in 2022, with the dollar experiencing upswings and then trending downwards. Government involvement through the BOJ also had an impact on the market. In Jamaica, the highest monthly average exchange rate recorded in 2022 was J\$157.13 to US\$1, while the lowest exchange

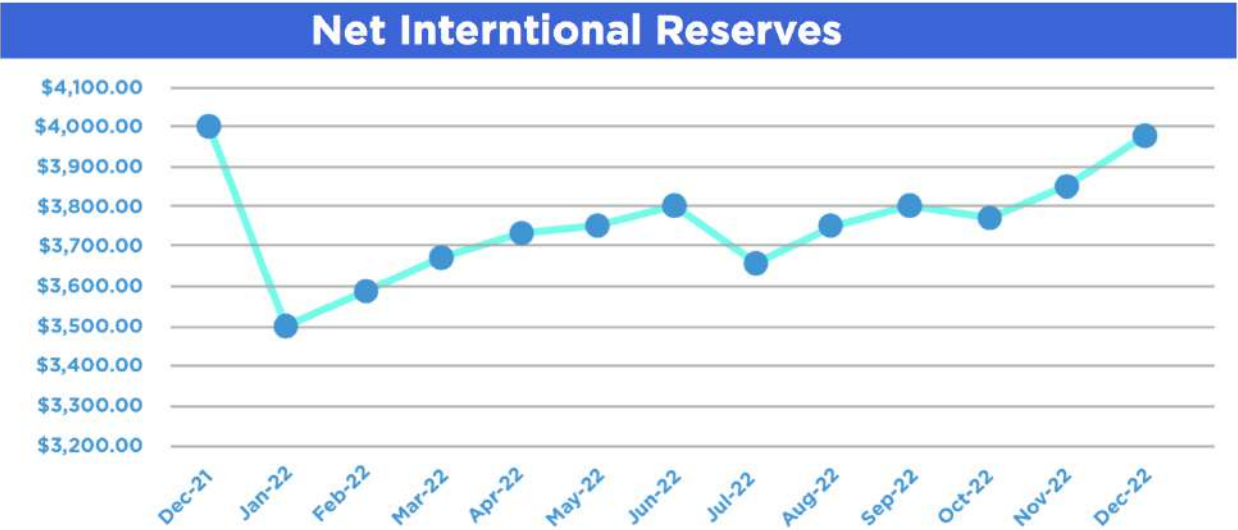
rate recorded for the year was J\$152.43 to US\$1 in August. The average monthly exchange rate for the year was J\$154.27 to US\$1, with the rate declining by 1.9% in 2022. The BOJ believes that the increase in interest rates, along with the other measures, will temper the demand for foreign currency and hence moderate the pace of depreciation in the exchange rate.



Net International Reserves

Jamaica's Net International Reserves (NIR) totalled US\$3,865.64 million as at January 2023, reflecting an increase relative to the US\$3,507.66 million reported as at January 2022. For the year, the value

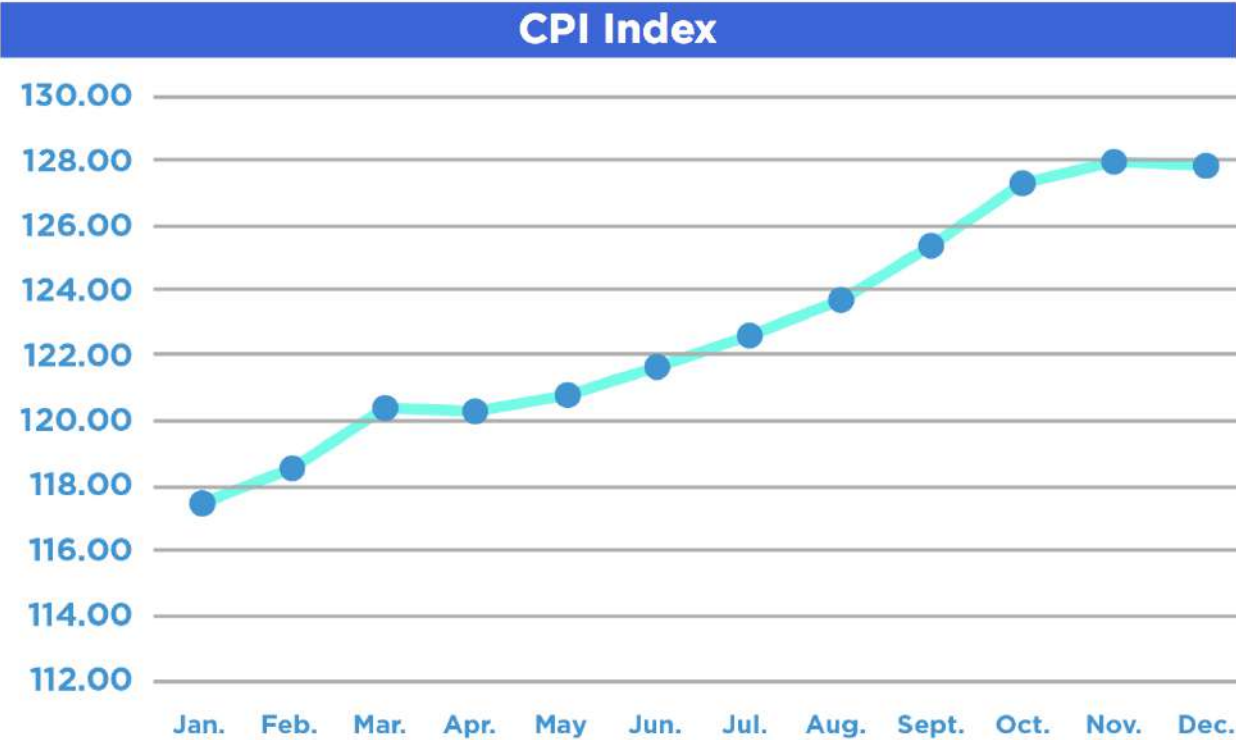
of the NIR stock was influenced by outflows from Government of Jamaica as well as net B-FXITT sales of US\$748.0 million, over the year. These outflows were partly offset by inflows through the PSE Facility and from surrenders by Authorised Dealers and Cambios.



INFLATION

Consumer Price Index rose to 8.8% for 2022, relative to 7.3 % in 2021. The uptick year over year remains above the Bank of Jamaica’s inflation target of 4% - 6%. The point-to-point inflation rate as at December 2022 was 9.4%, down from 10.3% in November 2022. The moderation in inflation mainly reflected decelerations in Housing, Water, Electricity.

Gas and Other Fuels (HWEG), Transport, Food and Non-Alcoholic Beverages (FNB) inflation due to low- er oil prices, base effects and a stable exchange rate. The BOJ projects that inflation will hover between 5.5% and 6.5% from March 2023 to December 2024 (the following eight quarters), which is lower than the prior eight-quarter prediction of 6% to 7%. During the following ten months, inflation is expected to slow and surpass the top limit of the Bank’s target range.



Policy Interest Rates

While statistics pointed to a favorable inflation outlook, the BOJ said that it would hold the policy interest rate largely constant at 7%. Yet, the short-term risks to the inflation prediction remain substantial and skewed to the upside. In an expanding domestic economy, labor market shortages may result in future pay adjustments, placing upward pressure on inflation. If unchecked, the expected amount of liquidity in the financial system poses major challenges to achieving the inflation target and maintaining currency market stability. Increased inflation may arise from deteriorating supply chain conditions and higher commodity costs if there are future geopolitical upheavals. On the downside, weaker-than-expected global growth may have a negative impact on local demand, and some planned price changes may not occur.



# MARKET DYNAMICS

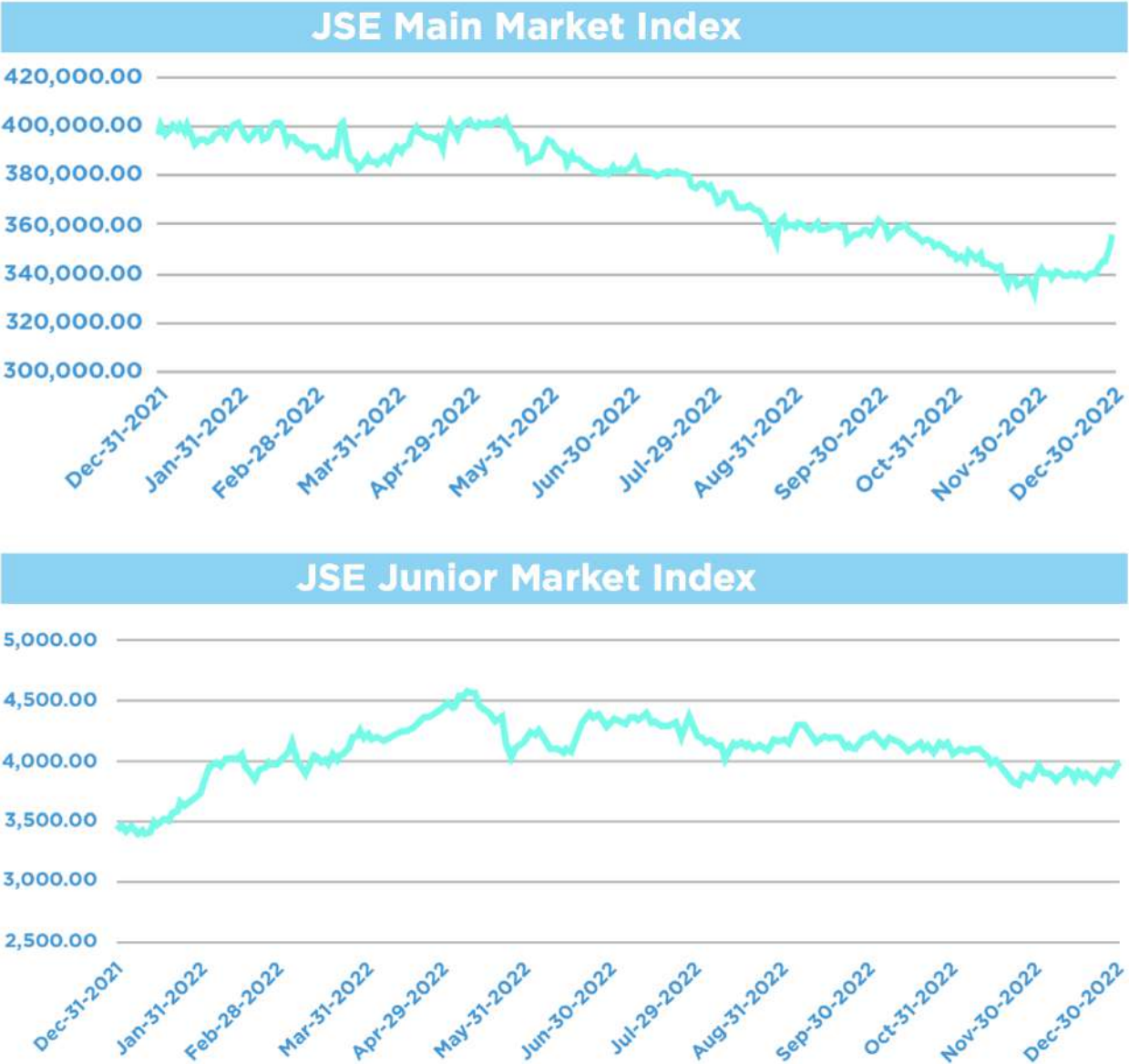
## Equities Market

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

The global pandemic severely impacted the markets in 2021; the JSE index contracted 10% to close the year at 355,896.64 points. The JSE Main Market capitalisation at the end of the year was J\$1.76 trillion.

The JSE Junior Market index increased 16.3% up to 3,986.44 points at the end of December 2022. The Junior Market had three additions in 2022, Jamaica Fibreglass Products Limited, Dolla Financial Services Limited and Regency Petroleum which sought to a raise \$280 million, \$500 million and \$287 million from the market respectively.

Thus far in 2023, we continue to see some encouraging signs of improvement in economic and market activity as the recovery persists. However, as at the end of February 2023, both the Main and Junior Market Indices have weakened 14.4% and 3.8% respectively.





## INDIVIDUAL RETIREMENT SCHEME

# PLAN AHEAD FOR YOUR RETIREMENT



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🌐 MayberryInvestmentLtd

🌐 mayberryinv.com

\*Conditions Apply\*



## CORPORATE OVERVIEW CORE ACTIVITIES

Mayberry Investments Limited is a leading investment banking, securities and investment management company that provides a wide range of financial services and products to a diversified client base. These include corporations, financial institutions, governments and individuals in the capital market. Our service offering includes strategic financial advisory services with emphasis on mergers and acquisitions; debt and equity restructuring; investment management services through separate and comingled managed portfolios; brokerage services; cambio and research services. Our mission of transforming lives positively through lasting relationships affords us the opportunity to create deep and enduring relationships with our customers. We do this by discovering their needs and delivering the most relevant product and service solutions to realise their investment objectives.

### Our 2023 focus will be on the following prongs:

- **Attract and retain** new business through new product development, consolidation, mergers, and acquisitions;
- **Preserve and Grow** client wealth through the timely dissemination of information and effective communication through the efficient use of our digital platforms;
- **Deliveries of efficient service** via MIL 2.0 (digitisation) business process redesign;
- **Effective development** of staff.



## FINANCIAL PERFORMANCE

### Overview

Profits achieved by parent company for 2022 totalled \$418.6 million. The Group's results were favourably impacted by the significant unrealised gains of \$5.2 billion in the subsidiary, Mayberry Jamaican Equities Limited reflected continued improvements in the fair value gains on Jamaican listed equities with the year over year increases in market prices. Widebase Limited contributed \$173 million to the Group's overall results consistent with our investment strategy.

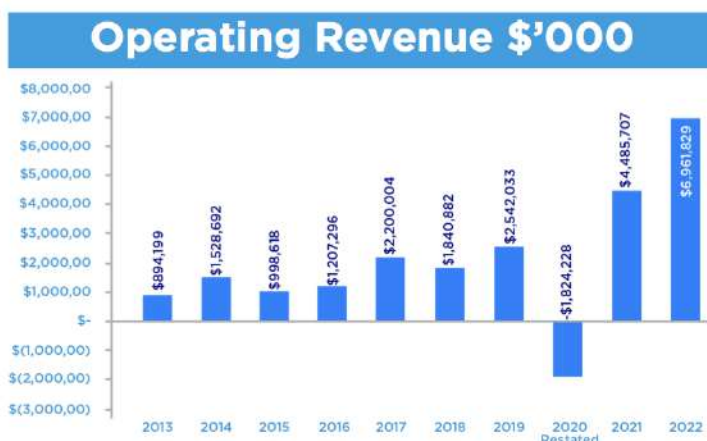
For the year ended December 31, 2022, the Mayberry Group recorded net interest income and other revenues of \$7 billion, an increase of 55.2% or \$2.5 billion when compared to the prior year. Total operating expenses increased by \$244.4 million or 12.2% to \$2.2 billion when compared to 2021. Group profits before share of profit from joint venture totalled \$4.7 billion representing a \$2.2 billion increase over the profits of \$2.5 billion in 2021. Group profits before tax for the year ending December 31, 2022 increased by \$1.9 billion or 68.6% 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.

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

Net interest income amounted to \$310.4 million for 2022 compared to \$169.9 million for the corresponding period in 2021. Reverse repurchase agreement income of \$485.8 million was higher by \$156.3 million over 2021. In addition, interest earned on client margin balances grew by \$227.7 million and income earned on investment securities at fair value through profit and loss (FVTPL) increased by \$15.6 million. In contrast, repo income declined by \$17.2 million year-over-year.

### Net Interest Income (\$'000)



Consulting fees and commission income grew by \$116.3 million or 29.6% 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. Despite delayed deals encountered during 2022, the Investment Banking unit executed on opportunities that arose and recorded private equity placements of over \$2 billion. The Company recorded increased transaction volumes for equities, in addition to steady growth of 12% from asset management fees as more customers invested in the Mayberry USD Corporate portfolio during 2022.

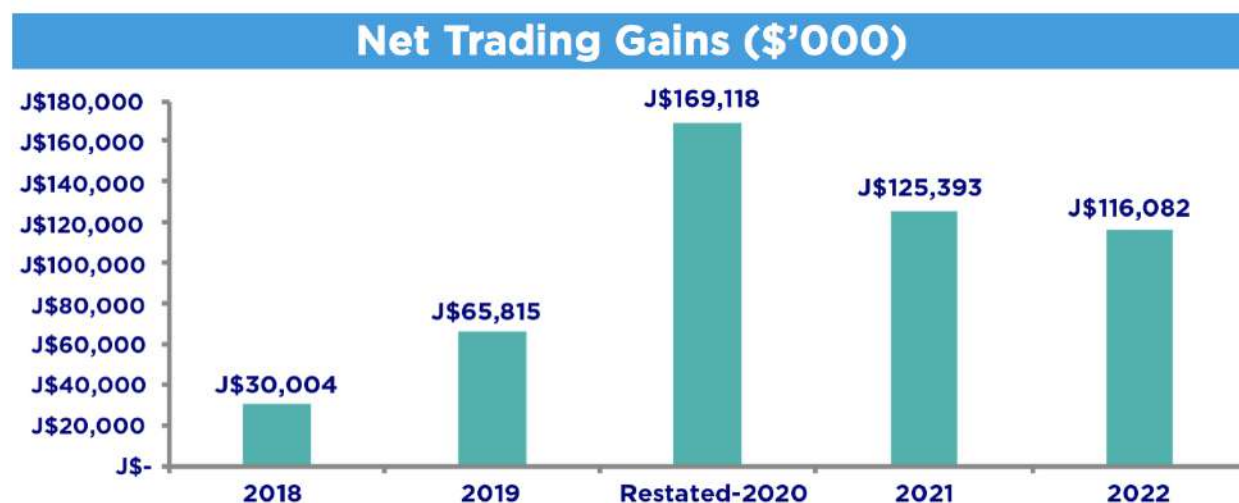
### Fees and Commission Incomes (\$'000)



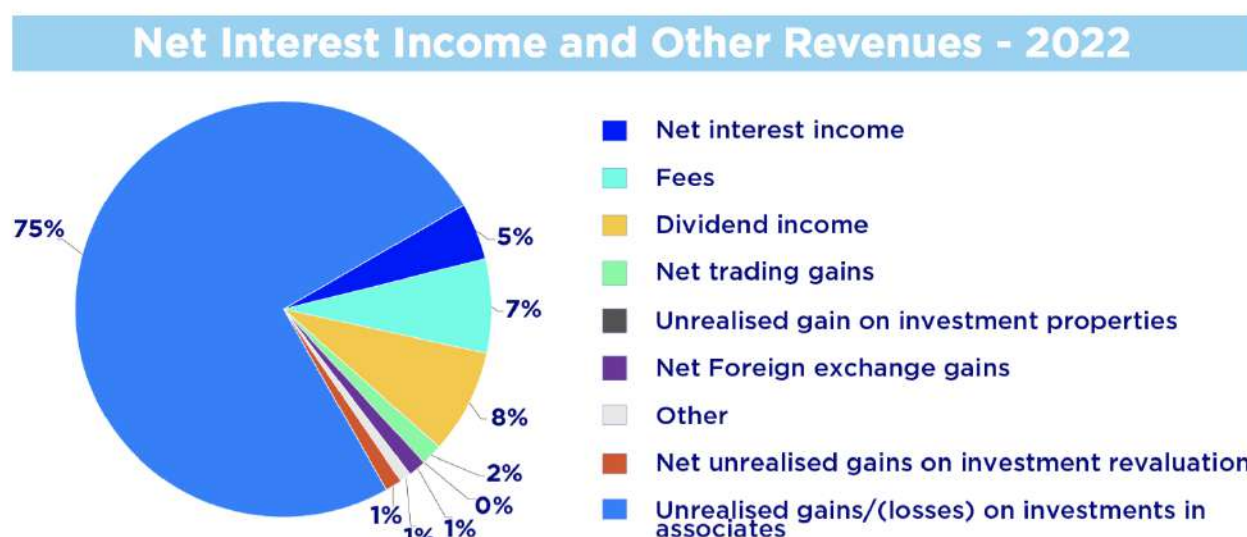
Dividend income increased by 44.3% or \$174.3 million representing higher pay-outs from corporates for quoted securities held.

Net unrealised gains on investments at FVTPL increased by \$2.7 billion or 103.2% to \$5.3 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 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 unrealised losses of approximately \$118 million from the revaluation of foreign currency balance sheet positions.

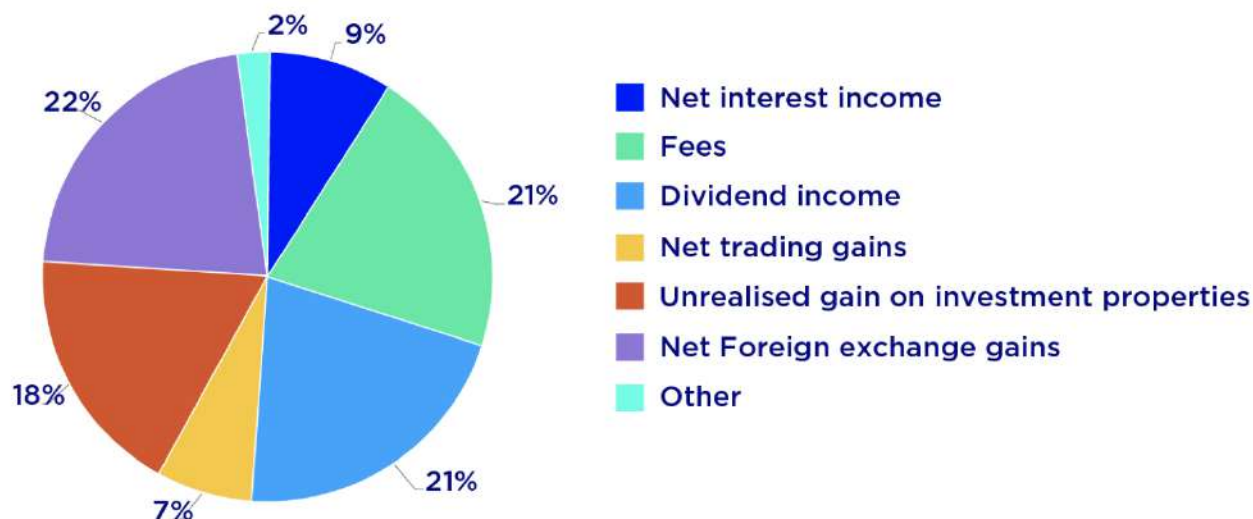


The major drivers of revenue for the year were unrealised gains on investment in associates 74.9%, dividend income 8.1%, consulting fees 7.3%, net interest income 4.4%, and net trading gains 1.7%. This was followed by net foreign exchange gains, net unrealised gains on investment revaluation and other income accounting for 1.4%, 1.3% and 0.9%, respectively for the 2022 financial period.





## Net Interest Income and Other Revenues - 2021



Higher funding costs of \$678.4 million were reported in 2022 for reverse repurchase agreements and corporate papers when compared to \$512.6 million for FY 2021. Finance costs of \$73 million were higher by \$43.4 million than that of the comparative period, due to additional funding.

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.

## OPERATING EXPENSES

The Group's operating expenses for 2022 increased by \$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,

employee costs declined by 6% attributable to reduced incentive provisions and depreciation and amortisation 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.

## OPERATING EXPENSES (\$'000)



# PERFORMANCE HIGHLIGHTS



## TOTAL ASSETS

**J\$52.1B**

**26% INCREASE**

DEC 31, 2022: J\$52.1B

DEC 31, 2021: J\$41.5B

## EARNINGS PER SHARE

**J\$1.85**

**7.4% INCREASE PER SHARE**

YTD DEC 2022: J\$1.85

YTD DEC 2021: J\$1.72

## TOTAL COMPREHENSIVE INCOME

**J\$4.6B**

YTD DEC 2022: J\$4.6B

YTD DEC 2021: J\$3.8B



## NET BOOK VALUE

**J\$13.98**

**INCREASED 9.5% PER SHARE**

DEC 31, 2022: J\$13.98

DEC 31, 2021: J\$12.77



## OPERATING REVENUE

**J\$6.9B**

**55% INCREASE**

YTD DEC 2022: J\$6.9B

YTD DEC 2021: J\$4.5B



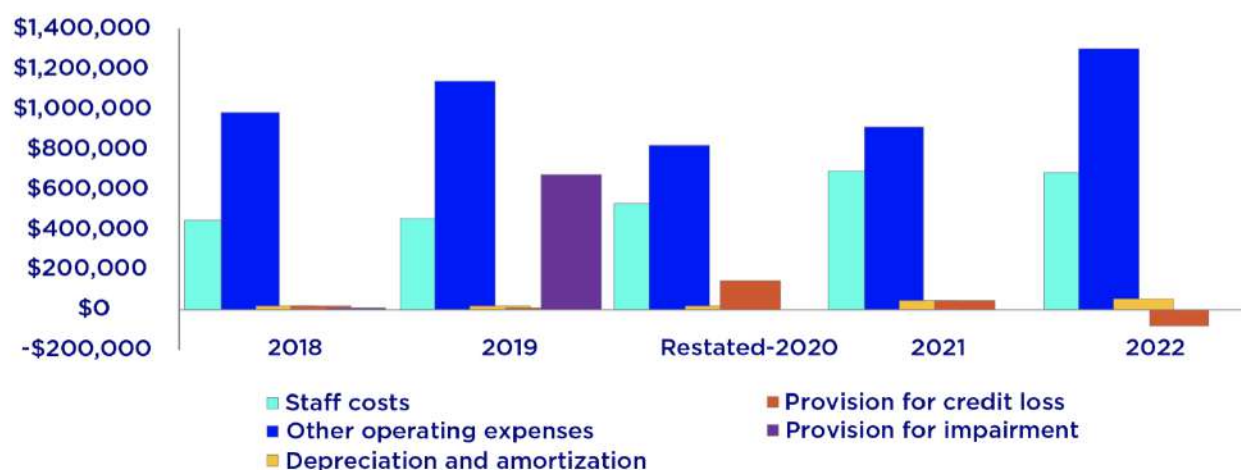
## RETURN ON EQUITY

DECEMBER 2022: 13.2%

DECEMBER 2021: 13.5%



## Non-Interest Expense Analysis (\$'000)



## TOTAL COMPREHENSIVE INCOME

The Group reported total comprehensive income of \$4.6 billion for the year ended 2022 compared to total comprehensive income of \$3.8 billion for the corresponding period of 2021. This was mainly due to increased unrealised fair value gains on investments at FVTPL of approximately \$2.7 billion.

## Total Comprehensive Income Attributable \$'000



## STATEMENT OF FINANCIAL POSITION

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% growth in our asset base, mainly attributable to an increase in cash, investment in associates, and increases in reverse repurchase agreements. This was complemented by increases for promissory notes, deferred tax asset and higher loans and other receivables of \$1.3 billion, \$171 million and \$1.3 billion, respectively.



## MAJOR ASSET CATEGORIES

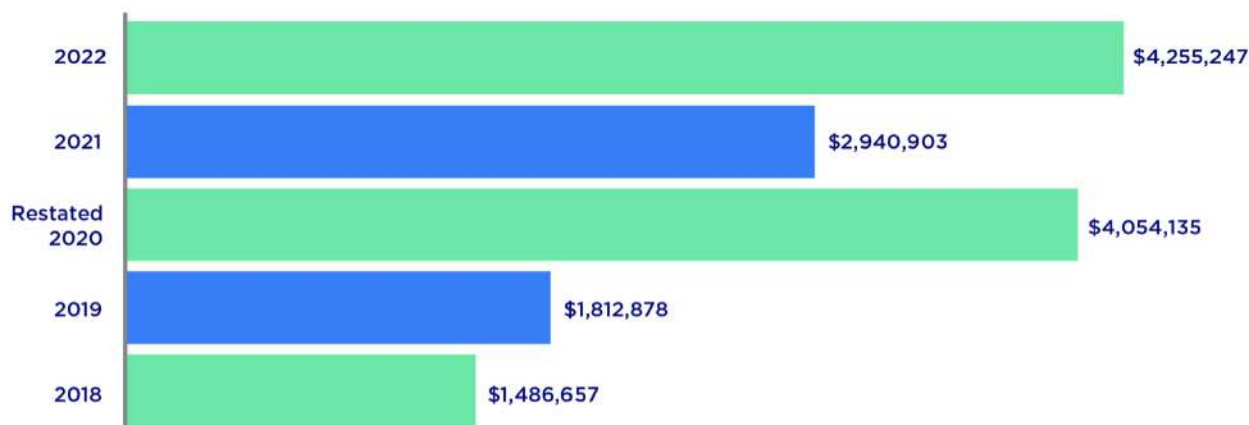
Cash resources, held for operational business, accumulated at year ended December 31, 2022 to \$2.7 billion. This positioned the Group to take advantage of market opportunities. Cash for the year ended December 31, 2021 amounted to \$1.3 billion.



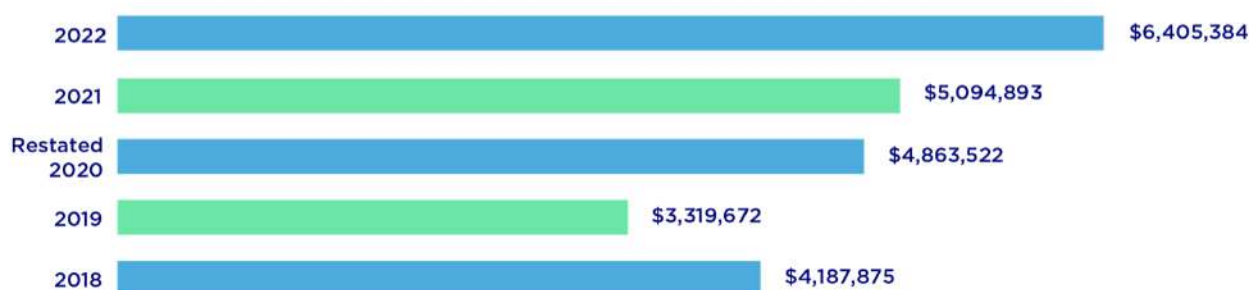
The Group's promissory notes totalled \$4.3 billion as of December 31, 2022, compared to \$2.9 billion for the prior year. This comprises Jamaican and United States dollar promissory notes from customers. These are hypothecated against balances held for the customers, registered mortgages and other properties.



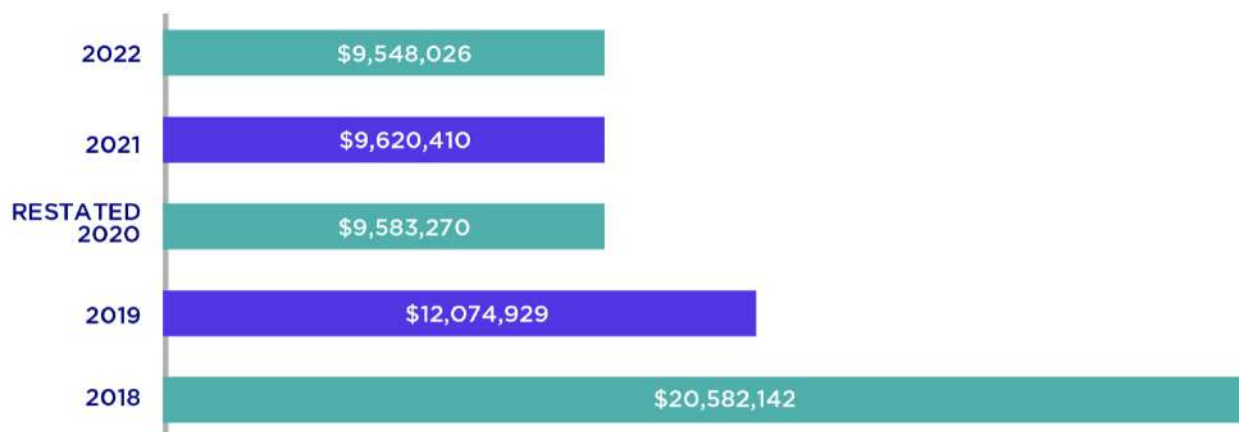
## Promissory Notes (\$'000)



## Loans and Receivables (\$'000)



## Investment Securities (\$'000)



## INVESTMENT IN ASSOCIATES

Investment in associates at the end of 2022 was \$18 billion, 41.4% higher than the balance for the prior comparative period. The Group material associates at FVTPL at the end of the reporting period, were namely, Supreme Ventures Limited, Caribbean Producers Jamaica Limited, Lasco Financial Services Limited, and Ironrock Insurance Company Limited.

## INVESTMENT IN JOINT VENTURE

Investment in joint ventures at the end of 2022 was \$1.9 billion, compared to \$2.7 billion for the prior comparative period. The Group, through its subsidiary, Widebase Limited holds equity in a joint venture operation. Joint ventures are entities over which the Group has joint control and has rights to the net assets of the investment.

## INVESTMENT PROPERTIES

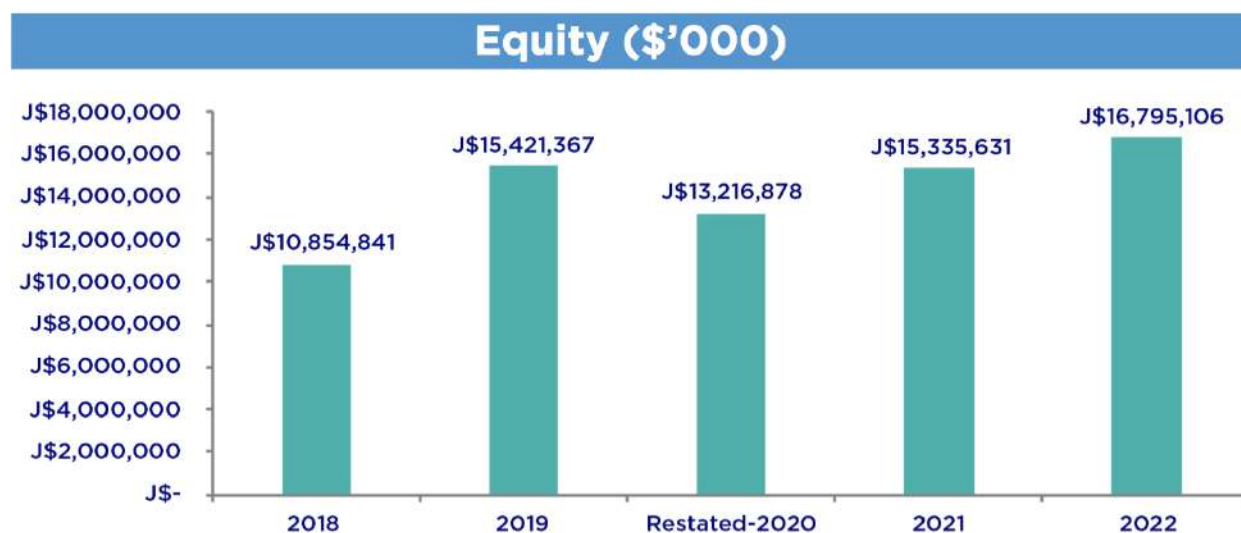
The Group and Company's total investment properties as at December 31, 2022 amounted to \$2 billion compared to \$2.2 billion for the prior year. These represent various properties that are owned by the Group and that are being held for capital appreciation.

## LIABILITIES

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.

## EQUITY

The Group recorded total equity of \$26.6 billion, with the amount attributable to shareholders of the parent being \$16.8 billion. This resulted in net book value per share closing at \$13.98, when compared to \$12.77, a \$1.22 increase over the corresponding 2021 financial period. The increase in 2022 was mainly due to an increase in retained earnings of \$2.1 billion. For the year ended December 31, 2021, fair value reserves closed at \$558.9 million compared to \$1.2 billion in the corresponding period.





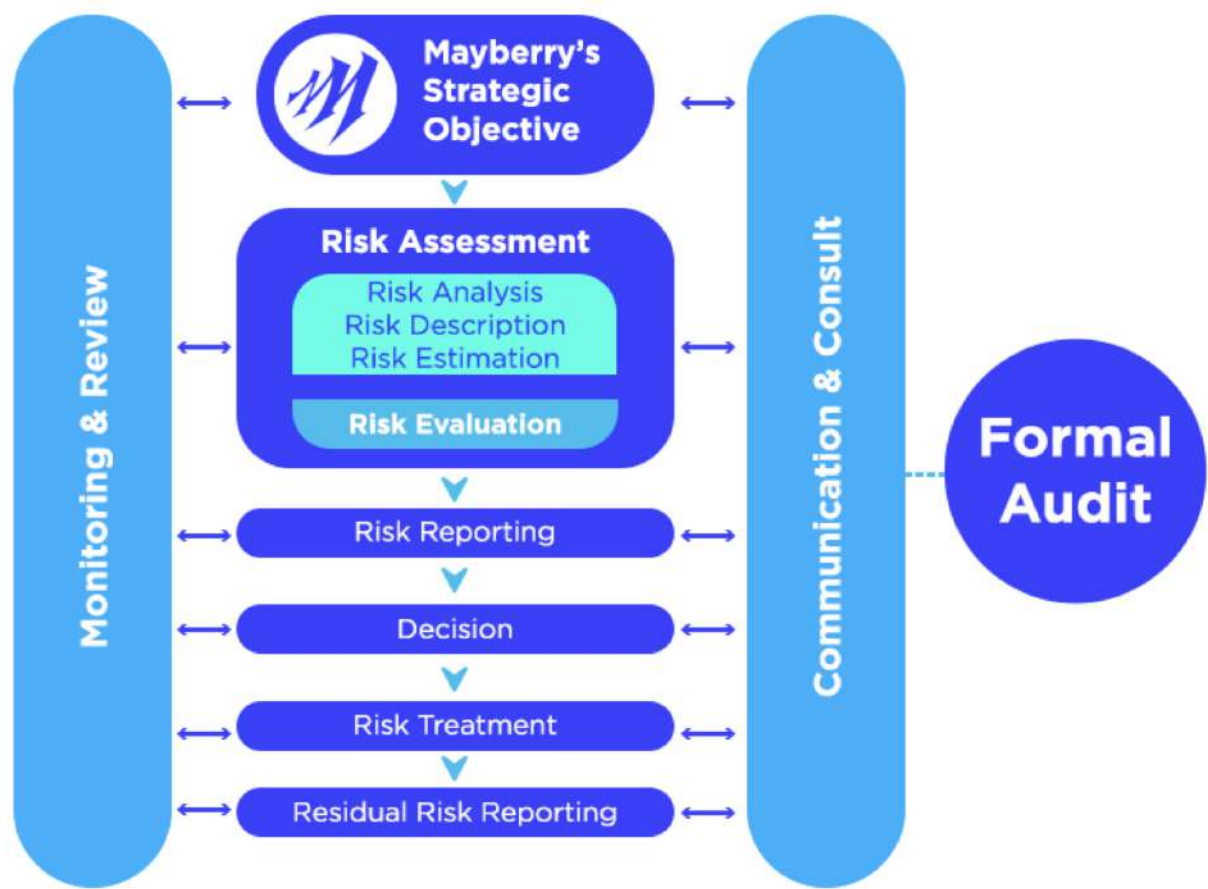
# RISK MANAGEMENT FRAMEWORK

An abstract graphic at the bottom of the page features several overlapping, curved, triangular shapes in various shades of blue (from light sky blue to a deeper cerulean) and white. These shapes are arranged in a way that suggests movement and depth, creating a modern, architectural feel.

Mayberry understands and recognizes the importance of risk management in an organization to protect shareholder value. As such, the Company has separated its Risk team from its Compliance team to focus better on managing risk proactively. Our proactive approach to risk management has enabled Mayberry to navigate smoothly through the Covid-19 pandemic and ensure appropriate identification and treatment of risks. This approach will enable the Company to identify and react quickly to any potential threats faced within our operating environment.

MAYBERRY’S RISK MANAGEMENT FRAMEWORK

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



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



## RISK MANAGEMENT GOVERNANCE

Mayberry's Risk Management Framework adopts a three lines of defence approach to governing risk, which promotes transparency, accountability, and consistency through the clear identification and segregation of roles: 1. Management of business lines, 2. Independent Compliance and Risk functions, and 3. Internal Audit. The three lines of defence collaborate with each other in structured forums and processes to bring various perspectives together and steer the organization towards outcomes that are in the clients' best interests and create economic value.

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

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

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

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



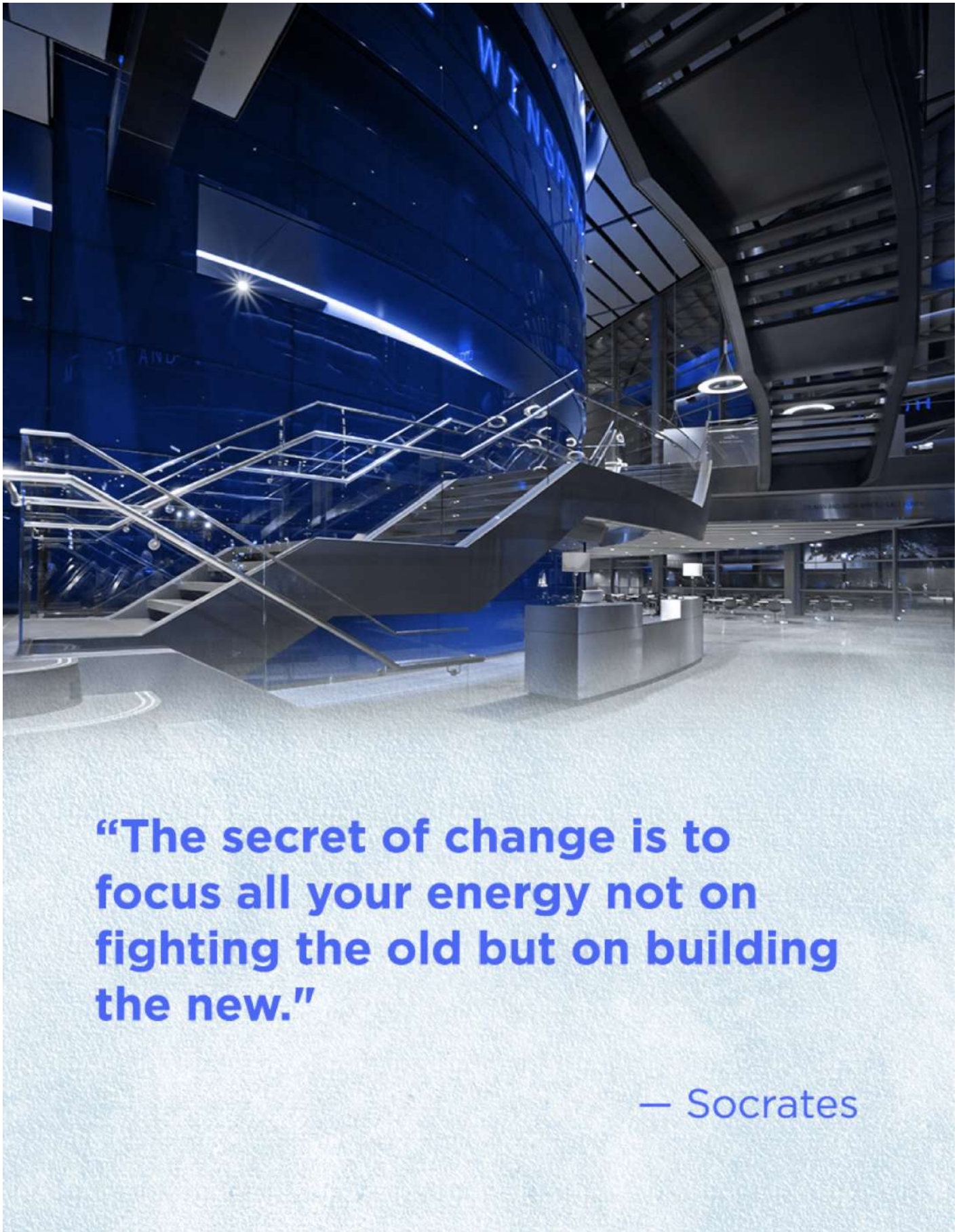
## KEY RISKS

Mayberry is inherently exposed to a myriad of risks by virtue of its business model, future performance or prospects, solvency, liquidity, reputation, deliverance of our strategic objectives, and economic factors. These risks include financial, operational, business, strategic, and reputational risks, together with external factors over which the Group may have little or no direct control. As part of our Risk Management Framework, we utilize risk assessment at the departmental level to ensure keen monitoring and identification of risks.

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

 <p><b>FINANCIAL RISK</b></p>	<p><b>Financial Risk</b> is the potential loss of income for shareholders, investors or other financial stakeholders due to the Company's investment or financial activities. Risk is innate in any business enterprise and good risk management is an essential aspect of running a successful business. Financial risk is categorized into three broad categories: market risk, credit risk and liquidity risk.</p> <p><b>Market Risk-</b> Market risk refers to the uncertainty in market conditions, such as changes in asset prices, interest rates, or currency exchange rates. The Risk Department has taken a practical approach in collaborating with the Markets &amp; Trading and Research Department in assessing market risk. MIL assesses market risk exposure through various metrics and risk models such as Value at Risk (VaR), sensitivity analysis, among others.</p> <p><b>Credit Risk-</b> Credit risk is the risk of financial loss if a counterparty fails to meet their financial obligations. MIL establishes counterparty limits to identify, monitor and assess credit risk exposure. We also use the five C's metric to evaluate creditworthiness of clients' character, capacity, capital, collateral and the current conditions.</p> <p><b>Liquidity Risk-</b> Liquidity risk is the potential loss from the company's inability to meet short-term obligations when due. This risk is managed by asset-liability management, cash management and the monitoring of the companies Liquidity Coverage Ratio.</p>
 <p><b>STRATEGIC RISK</b></p>	<p><b>Strategic Risks</b> are those associated with changes in the economic and regulatory environment that have the potential to disrupt the company's ability to achieve its strategic goals and objectives. As the Company continues to face emerging strategic risks, the risk management team will ensure that it protects shareholder value through continuous environmental scanning and by making risk a key component of the company's strategic planning activities.</p>
 <p><b>OPERATIONAL RISK</b></p>	<p><b>Operational Risk</b> are those associated with the loss arising from inadequate or failed internal processes, people, systems, or external events. At Mayberry, we maintain a system of company-wide policies and procedures, clear lines of accountability and separation of duties. We also implement an effective internal audit and control mechanisms to deter or reduce risks identified.</p>
 <p><b>PRIVACY RISK</b></p>	<p><b>Privacy Risk</b> refers to the potential harm or negative impact that can result from the unauthorized or inappropriate use, disclosure, or collection of personal information. At Mayberry we maintain a Privacy Risk Register and ensure that all Privacy Risks faced are properly addressed with appropriate controls put in place. All our staff members are also trained in data protection and privacy.</p>





**“The secret of change is to  
focus all your energy not on  
fighting the old but on building  
the new.”**

— Socrates

# DEPARTMENTAL REPORTS

An abstract graphic at the bottom of the page features several large, overlapping, curved shapes in various shades of blue (from a deep navy to a light sky blue) and white. These shapes resemble stylized, flowing forms or perhaps the sails of a ship, creating a dynamic and modern visual element.



## SALES

The Sales Department saw several shifts during the period. At the beginning of the year, the department had a staff complement of 32 Investment Advisors, which gradually increased to 35 high performers by year's end. We saw that the uncertainty caused by COVID-19 in the previous two years dwindled in 2022. The market became more receptive to investing, and that resulted in an increased sales performance, significantly outperforming the previously attained results for the period prior. We ended the year with an increase in our clientele, with an additional 1,348 clients, emerging from the successful MIL bond raise.

The Sales Department achieved total revenue of \$332.9 million in 2022, which increased 32% year-over-year, when compared to \$252.6 million in 2021. The department contributed 15% of the Company's overall revenue. Notably, six of Mayberry's advisors exceeded their annual revenue targets ranging between \$7.8 million to \$54 million, and the other commissioned advisors achieved more than 50% of their yearly targets. Furthermore, the online client onboarding portal introduced in 2020 contributed to a 100% seamless digital onboarding, permitting us to open over 1,000 new accounts. We exceeded our departmental revenue in the areas of Equities, Margin Fees, and Mayberry Managed Equity Portfolio fees.

In support of the Sales team recruitment drive, the Mayberry Corporate University provided comprehensive training programmes for all new hires, to make sure that they are fully competent and equipped with the latest sales strategies and technologies to meet their sales targets and provide the best client services possible. As a result, our advisors were able to deliver Mayberry's products and services in the most efficient way.

**“Our Managed Equity Portfolio's performance improved by 97% over 2022.”**

## ASSET MANAGEMENT

Asset management achieved a 31% improvement in fee income during 2022. This was a result of increases across two revenue lines specifically, a 97% year over year increase in our Mayberry Managed Equity Portfolio product – a major achievement for Mayberry as it shows that our Managed Equity Portfolio product was well received by our clients – despite the negative performance of the Main and Junior markets respectively. Additionally, we achieved a 49% increase in pension investment and administration fees. All of this was underpinned by a strong focus on technological innovation and digitisation across our operations.

## INVESTMENT BANKING

In 2022, the Investment Banking department remained committed to giving clients the best experience possible by creating high value financial solutions such as debt and equity capital raises. In addition, we have advanced numerous financial advisory transactions on behalf of our clients, which have and will result in successful capital raises now and in the future.

With a renewed emphasis on process digitization, our strategic goals remain focused on our core business. These initiatives will enable us to consistently expand our financial advisory and brokerage offerings in the future.



Stock Markets around the world experienced fluctuations as central banks adjusted policy rates to combat the effects of inflation. The Main Market Index of the Jamaica Stock Exchange declined by 10% while the Junior Market Index advanced by 16.3%. Contrastingly, 2022 was a very exciting year for the department. We brokered the Edufocal Limited IPO in the first quarter, raising J\$129 million. Additionally, we structured and brokered J\$2.2B in private equity placements throughout the year.

Due to increased economic activity, the debt market remained fervent. As a result, we were able to raise approximately J\$13 billion through private debt on behalf of both new and existing clients. The department also persisted in helping both new and existing clients achieve greater levels of growth and development by offering high-quality advisory services.

Investment Banking also executed the Mayberry Bond IPO which raised J\$6.39B across four tranches. The IPO will allowed investors to buy into the bond for as little as \$20,000JMD, which diversified and improved the inclusivity of the financial markets. These bonds will also be publicly traded after listing on the JSE Bond market.

Overall, the department intends to continue making its mark in 2023 by remaining a prominent player in the financial markets by offering appropriate financial solutions to assist our clients in making informed investment decisions. We have also found unique ways to reach new clients both locally and internationally through our digitization initiative.

We remain optimistic that our strategic growth plans will be a success as we continue to execute these initiatives and ensure that our clients remain our first priority. In light of this, we anticipate a notable increase in capital market activity in 2023.

## TREASURY AND TRADING

Our Treasury incorporates liquidity and investment management functions for the company. Liquidity management was key to our performance in 2022 given the Bank of Jamaica's Monetary Policy

Committee (MPC) monetary policies stance and market liquidity expansion during the year.

The liquidity management process includes monitoring cash flows and liquidity on a daily basis, maintaining a portfolio of highly marketable assets that can be liquidated quickly in the event of any unexpected cash outflow, maintenance of internal and regulatory requirements, managing the concentration and profile of debt maturities and utilizing long and short-term funding arrangements.

## Net interest Income

As with other institutions, the Company was impacted by higher funding costs in both the local and international markets particularly on our repurchase agreements. Nonetheless, prudent funding management resulted in interest income of \$547 million and represents a 45% increase over prior year of \$378 million.

The increase was primarily due to securities purchased under resale agreement of \$556 million for 2022 versus \$329 million for 2021. Loans and advances for 2022 was \$389 versus prior year \$211 million and represents an increase of 84%.

Interest expense for 2022 was \$645 million and represents an increase of 59.6% over 2021's interest expense of \$404 million.

## Cambio Trading

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 during the year.

## Global Fixed Income Performance

Emerging Market (EM) bond prices have fluctuated throughout the financial year in response to changes in recovery, inflationary pressures and expectations around potential US Federal Reserve tightening.



## ACCOUNTING AND FINANCE

Our activities for 2022 were reshaped by an uncharacteristically long audit process that was completed in May 2022. However, the new accounting team and new auditors sought to transform, correct, and elucidate several technical accounting matters and accounting policies across the group of companies, which better communicate the business model and financial performance of the Group. We expect this investment in personnel to improve the clarity of the Group's financial statements and financial results for stakeholders. The year was also characterized by an increase in the number and frequency of regulatory reports required by the primary regulator. We rose to the challenge and delivered all as required.

We completed several continuous improvement initiatives, including a shared services framework for the Group, and continued the investment in equipping the finance team with various training opportunities, both internally and externally, around international financial reporting standards and taxation. 2023 beckons and along with it, the Mayberry

**“As the staff complement grew, we were deliberate in our efforts to maintain a culture of high performance, customer-centricity, innovation, accountability, and teamwork.”**

Our remote work options were maintained for much of 2022, as we moved to a hybrid system where each employee was required to report to work in-office three days per week. As the year progressed and due to the diminished threat of COVID-19, we returned to the office on a full-time basis in the latter part of 2022. We believe this was instrumental in allowing our employees/team members to establish a sense of normalcy, as we emerged from the pandemic. We were also able to execute our regular staff engagement activities, with higher-than-usual participation and attendance rates. In preparation for our return to the office, safety training, and audits were conducted, and safety monitors were identified and trained. Moving forward we will continue to invest in our human capital through training and development and renew our efforts to attract and retain the best talent.

Group's re-organisation for which the finance team will undertake the development of the new accounting framework to ensure a seamless reporting transition and audit. Thanks to the finance team for their contribution to a successful year!

## OPERATIONS

The Company transitioned to in-office attendance, however, our work approach remains digital. Thereby reducing the need for physical storage and all the associated challenges.

We continue to provide testing of new applications and training for our employees, as the Company strives for increased digitisation. Our built-in controls are always dynamic and support the best practices within the financial sector while providing a customer-driven, secure environment in which our clients can confidently conduct their financial transactions.

The resilience of the Operations team was tested towards the end of the year, and as usual, they provided round-the-clock support for the Company's successful Bond Initial Public Offer.

## HUMAN RESOURCES

For 2022, we continued to focus on talent acquisition and performance management in keeping with the Company's growth objectives. As the staff complement grew, we were deliberate in our efforts to maintain a culture of high performance, customer-centricity, innovation, accountability, and teamwork. The Mayberry Corporate University also continued to develop and enhance initiatives that supported employees' professional development and expertise.



## MARKETING

The Marketing Department continues to cultivate a refined brand experience for our clients, by positioning the Company as a leader in innovation and sustaining brand recognition through sound communication, quality service and an immaculate client experience.

During the pandemic, the team was tasked with strategising ways to inject Mayberry in the digital space. Emerging from Covid-19, we successfully created a relationship with current and prospective clients by engaging them on our YouTube platforms. Mayberry's Financial Network (Weekly Investor Forum, Weekly Investor Update, & Investor Briefing) saw yet another successful year on YouTube, with a reported total of 285,898 views in 2022. The channel has grown to over 2,609 subscribers for the year 2022, compared to last year's subscribers of 1,076 in December 2021.

"Across social media, Mayberry has experienced a 117% organic growth across Instagram, Facebook, and Twitter." Our Instagram follower count grew to 23,147, in comparison to 18,730 followers in 2021. Our Facebook platform saw a 5% growth from 28,816 in 2021, to 30,409 in 2022. This is proof that the Marketing Department has successfully realigned the brand's presence by curating its space in the online world.

The Marketing Department looks forward to working towards a more productive and fruitful 2023.

## RESEARCH

The Research team's mission is to enlighten and educate our external clients while also supporting the Company's revenue-generating segments. In order to achieve our goal, the department offered timely reports to our external customers as well as the best recommendations to help them make investment decisions. These efforts are aided by our valuation and technical models and reports, such as our Daily Recommendations and Daily Picks, which provide daily information and synopsis evaluations of numerous financial assets.

We also keep our internal clients updated by distributing our Monthly Economic Review, Government Operations Outcomes, and other publications. The department continues to investigate various channels and procedures that will help to provide value to the capital markets.





## INFORMATION TECHNOLOGY

The Information Technology (IT) Department concentrated on the continuation of Mayberry's initiative to digitize all areas within the Company. We introduced an industry-first system in the form of a fully electronic Bond IPO platform and introduced new client-facing and internal systems to improve efficiencies and customer satisfaction.

We continued to expand our usage of cloud-based platforms and technologies to provide a secure and reliable system architecture for our clients. Additionally, this model reduces our time-to-production due to the ease of configuring additional infrastructure as needed.

During 2022, focus was placed on our information systems review and readiness, for compliance with the Data Protection Act. This includes the revision of systems and policies to ensure full compliance with the relevant requirements and standards.

Mayberry launched an industry-first platform was implemented that allowed our clients, and selling agents, to apply online for our Bond offer. This not only removed the dependence on paper-based processing but also automated the workflow to ensure that all steps were followed until the completion of the processing of electronic applications.

We implemented an online system that allows clients to conduct Cambio transactions through our mobile app and web portal. This not only streamlined the client Cambio process but also improved the internal efficiencies in processing these transactions.

Our Data Team continued to improve the online reporting systems, using data available in our Data Warehouse, to equipt decision-makers with concise and useful data.

As we progress into 2023, we will continue our drive to reduce dependencies on tangible infrastructure and provide a greater focus on cloud-based (online)

systems. This will lay the foundation for additional internal systems to be implemented to further improve efficiencies as we continue our digitisation.



## RISK MANAGEMENT

The role of the Risk Department involves identifying, analysing, and managing risks that could potentially impact the operations, finances, or reputation of Mayberry Investments Limited. Our specific responsibilities include identifying potential risks that the organisation may face, analysing the potential impact and likelihood of each risk, and establishing the effectiveness of controls implemented to manage these risks. The Risk Department also works with other departments to develop and implement strategies for managing risks and provides regular reports to senior management on the organisation's risk exposure.

We believe effective risk management is crucial in helping Mayberry achieve its objectives of preserving its overall financial strength, for the benefit of all stakeholders and safeguarding its ability to continue as a strong local financial institution while generating sustainable long-term returns.



During the 2022 financial year, the Risk Department completed several key priorities, these included:

- Completion of our first Enterprise Risk Assessment (ERM) which ensured priority focus on our key risks. This was distributed to the senior management team and the Assets and Liabilities committee members. This will be updated annually as we believe our environment is ever-changing.
- Updated our Enterprise Risk Management policy to include amendments to our Risk scoring methodology.
- Developed and monitored Mayberry's key risk metrics which fall under the four categories: Financial risk, Technology risk, Strategic risk, and Human Resource risk.
- Updated and completed the Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) risk assessment methodology to ensure that the Company is aligned with the National Risk Assessment completed by the Bank of Jamaica in 2021.

While we continue to look at risks internally, the department is also focused on external risks and constantly engages in research and discussions on emerging risk topics and political and economic risks which may be detrimental to our operating environment.



**Effective risk management is crucial in helping Mayberry to continue as a strong financial institution while generating sustainable long term returns.**

## COMPLIANCE

The Compliance Department assists the Company in managing its compliance risk, the risk of legal or regulatory sanctions, financial loss, or loss to reputation due to its failure to comply with all

applicable laws, regulations, codes of conduct, and standards of good practice. In accordance with the strategic direction of Mayberry Investments Limited, the Compliance Department is focused on ensuring adherence to applicable regulations and policies and strives for a 100% enterprise-wide compliance rate.

The mission of the Compliance Department is to protect the company, its Board, Senior Management, Employees, and all Stakeholders against AML and regulatory risks, by ensuring adequate controls and policies are developed and implemented while promoting a culture of compliance throughout the organisation. The core values of the Unit are integrity, reliability, ethical conduct, high expectations, and accountability.

The major accomplishments achieved by the department in 2022 were:

- Continued improvements to the internal AML/CFT training programme, resulting in all new employees receiving training within the first two weeks of hire and a 100% participation rate by all staff and the Board of Directors in the annual AML/CFT training.
- Increased efficiency in the areas of client onboarding, client relationship management, and transaction monitoring through the use of digitisation. An Onboarding team was established to assist clients with the onboarding process.
- There were no adverse AML/CFT findings resulting from regulatory examinations conducted throughout the year.



**The Compliance Department is focused on ensuring adherence to applicable regulations and policies and strives for a 100% enterprise-wide compliance rate.**



## DATA PROTECTION

The Data Protection Officer (DPO) is tasked with monitoring and ensuring that MIL processes personal data in compliance with the Data Protection Act, 2020 (DPA). Under the DPA the Data Protection Officer in the Office of the DPO is also the liaison between the Company and the Information Commissioner, and the point of contact for data subjects seeking to exercise any of their rights under the DPA.

Primary initiatives of the DPO's Office include - ensuring that Mayberry is in a position to register with the Information Commissioner at the appropriate time, implementing the necessary compliance framework under the DPA, and building a robust culture of privacy across the organisation through awareness and training.

To ensure registration readiness, all necessary exercises to identify and assess the personal data processed by Mayberry have been completed and the required information needed for the submission of Registration Particulars to the Office of the Information Commissioner has been compiled. The Office of the DPO is now in the process of implementing the policies which will support Mayberry's privacy framework as required by the Act to mitigate possible contraventions than can lead to regulatory fines and reputational damage. These initiatives form part of the Office of the DPO's 2022-2023 strategic plan to ensure that the Company is in an advanced state of compliance when the Act becomes fully enforceable on November 30, 2023.



# MAKE THAT **BOLD** MOVE



## MAYBERRY **GOLD**

**Contact your Investment Advisor today to learn more!**

**Address**

1 ½ Oxford Road, Kingston 5, Jamaica

**Phone**

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   MayberryInvJa

 MayberryInvestmentLtd

 mayberryinv.com



# TOP TEN SHAREHOLDERS AND CONNECTED PERSONS

AS AT DECEMBER 31, 2022

NAME	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	
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

# MAYBERRY INVESTMENTS LTD. SHAREHOLDINGS OF DIRECTORS AND SENIOR MANAGEMENT

AS AT DECEMBER 31, 2022

DIRECTORS	SHAREHOLDINGS	CONNECTED PERSONS
Christopher Berry	—	471,792,602
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

SENIOR MANAGEMENT	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 Whyllie	1,000,000	—
Okelia Parredon	629,000	—

\*\* Includes holdings in joint accounts





# CHARITIES AND SPONSORSHIPS

Amateur Swimming Association of Jamaica

Budding Farmers Jamaica

Campion College

Issa Trust Foundation

Jamaica Amateur Body Building and Fitness Association

Association of Consultant Physicians of Jamaica

CB UWI 5K & Smart Eggs Kids K

Rotary Club of St. Andrew North

The Parish of St. Margaret

Wolmer's High School

Superstars of Port Antonio

Mona Preparatory School

The Jamaica Institution of Engineers

Portland Arts and Vocational Education

St. George's College

Supreme Ventures Racing and Entertainment Limited

Webster Memorial United Church

# CORPORATE SOCIAL RESPONSIBILITY



## Education is priceless

Our Executive Vice Chairman, Mr. Konrad Mark Berry (left) and S.T.G.C. Chairman, Father Rohan Tulloch.



## Youth and Community Development

The Mayberry Foundation continues to support the St. George's College students through its work with the institution's track and field programme! Through the Foundation's sponsorship on his athletic and academic journey, Throws Captain and Co-Captain of the S.T.G.C. Track Team, De'Andre Bristol, pictured with our Executive Vice-Chairman, Mr. Konrad Mark Berry, has achieved new Personal Best times and represented his team at this year's CARIFTA Games! The Mayberry Foundation has also covered the travel expenses associated with the young Grenadian's trip back home to visit his family.



## Mona Preparatory School

At Mayberry, we believe that the nation's children can learn how to take risks, fall gracefully, and overcome failure through active participation in sporting events. The Mayberry Foundation is proud to donate J\$100,000 to the Mona Preparatory School Track Team for the upcoming Inter-Prep Championship! (From left) Track and Field Coach, Mr. Locksley Anderson, and Team Manager, Ms. Kenisha Huslin, with our Executive Vice Chairman, Mr. Konrad Mark Berry, presenting a cheque.



## Roman Catholic Archbishop of Kingston

Our Executive Vice-Chairman, Mr. Konrad Mark Berry, S.T.G.C. Principal, Mrs. Margaret Campbell, and Roman Catholic Archbishop, Kenneth Richards engaged in a riveting discussion on the importance of systemic reform in our education system.



# ACKNOWLEDGING OUR ACHIEVEMENTS FOR 2022 AND OUR PLANS FOR THE FUTURE



**“The Mayberry Foundation continues to make a difference in all facets of society through charitable endeavors. After all, we have committed much of our time and resources over the years to supporting specialized organisations in Jamaica. We had another opportunity in 2022 to make a real difference in the community at large, by promoting environmental health, and educational initiatives. Financial literacy and community development are still top of mind.”**

**- Kayree Berry-Teape, CEO, Mayberry Foundation**



## OUR COMMITMENT

Mayberry aims to make positive contributions to its communities and to impact key areas requiring needed support.

**Our CSR strategy is robust, and continues to guide our work across:**

- Reinforcing our core values
- Realising our Company's mission
- Ensuring that Mayberry Investments Limited is driven by long-term success while providing benefits to our employees, customers, suppliers, shareholders, and our communities.
- Performing competitively (and profitably) while adhering to ethical business practices
- Striving towards sustainability, emphasising economic, social, environmental, and ethical goals in our business activities.

Our Corporate Social Responsibility (CSR) policy covers financial literacy, community development, youth, and educational development. For more than 37 years, we have invested in these mandates and will continue to do so.

## KEY AREAS



### EDUCATION IS PRICELESS

At Mayberry Investments Limited, one of our core values is the pursuit of knowledge. As our education system continues to grapple with the impact of the COVID-19 Pandemic, Mayberry Investments Limited remains committed to playing its part in restoring Jamaica land we love!

The Mayberry Foundation is thrilled to have donated towards the St. George's College Enrichment Program for Fifth Form Students who have been experiencing challenges with English Language and Mathematics. Naturally, when we were alerted to the challenges faced by the students and staff at St. George's College and the recently implemented Enrichment Programme, we acted swiftly to ensure the efforts towards the continuation of this programme are buttressed by our Company. We spoke with S.T.G.C. Chairman, Father Rohan Tulloch, who has a superb vision for his students as they grow into their purpose.





“For many years, this school has strived to equip our youth with the tools needed to make themselves contributing members of society. The journey is at times harder than we might like, with each student facing challenges unique to their academic trajectory. The Enrichment Plan is one means through which we are attempting to mitigate said challenges. Mayberry's assistance in making this a reality is truly invaluable, and we are extremely grateful. It is our wish to partner with them for the foreseeable future.”

- S.T.G.C. Chairman, Father Rohan Tulloch



## YOUTH AND COMMUNITY DEVELOPMENT

Youth and Community Development remains a top priority under our philanthropic arm. At Mayberry Investments Limited, we are firm believers in investing in our youth, with a particular focus on sports. Across the globe, Jamaica is renowned for its groundbreaking athletes, who share the same beginning as today's children. We have assisted schools, among other entities, in empowering our youth by continuing to support wholeheartedly their development in their respective disciplines.

### Knights to the Rescue!

As the Manning Cup takes effect, the St. George's College (S.T.G.C.) Manning Cup team sighed with relief as they now have the luxury to focus on the game. S.T.G.C. recently received a \$2 million check from sports supporter Mayberry Foundation to aid with the team's development.



As the Manning Cup takes effect, the St. George's College (S.T.G.C.) Manning Cup team sighed with relief as they now have the luxury to focus on the game. S.T.G.C. recently received a \$2 million check from sports supporter Mayberry Investments Limited (MIL) to aid with the team's development. (Left to Right) For a symbolic photo of sportsmanship, Executive Chairman, Christopher Berry stands alongside St. Georges College (S.T.G.C.) football team's Technical Director, Neville Bertis Bell, the Chairman of S.T.G.C.'s Board, Father Rohan Tulloch, and Vice Chairman of MIL, Konrad Mark Berry.





## IN THE WIDER COMMUNITY

We have rooted ourselves in communities throughout Jamaica, providing a unique opportunity to make a difference through philanthropy and public works. Our dedication to our mission has allowed us to partner with a myriad of entities striving every day to make a difference in the lives of our children, and upstanding citizens. Here are a few projects that kept us busy throughout the year.

### Police National Netball Team

The Mayberry Foundation is elated and honoured to have supported the Police National Netball Team for yet another year!

We wished them all the best at the Winners Inc. Sports Club's Annual Netball Tournament in Fort Lauderdale, Florida, we know they will make us proud!



(Left to Right) Joan Benjamin, Technical Director and Advisor - PNNT; Barbara Quarrie, Inspector of Police and Secretary - PNNT; Mr. Konrad Mark Berry, Executive Vice-Chairman - MIL; Donna Hill-Young, District Constable and Treasurer - PNNT; Alex Bloomfield, Sergeant of Police, President and Coach - PNNT; and Fay Campbell, Floor Member - PNNT





## FINANCIAL LITERACY

For 37 years, we have sought innovative ways to inform and update customers and the general public on how to achieve financial independence and become more financially literate. Mayberry has remained committed to that goal through our Virtual Investment Forum, which we have hosted for the past 25 years.

Our Forum gives investors access to information about the state of the local and international markets and the Jamaican economy. Our expert facilitators share information with and respond to questions posed by the public and private sectors during the forum.

Our Virtual Investor Forum continued to enlighten viewers as guests shared investor updates and answered questions posed by investors and the general public. Mayberry also successfully shared information about regional markets to investors through the weekly live streams of its Investor Updates and Investor Briefings, hosted by Senior Vice President, Investment Banking, Dan Theoc.

### Mayberry kicks off the new year with the Minister of Finance at the flagship Investor Forum event.

Mayberry Investments Limited Senior Vice-President, Dan Theoc stands with the Minister of Finance and the Public Service, Dr. The Honourable Nigel Clarke at the first Investor Briefing for 2022. For almost three decades, our Investor Forum has provided timely market updates and advice to guide our clients in making wise financial decisions and actively participating in their financial futures. We look forward to another three decades of educating and discussing all things finance with our clients, stakeholders, and the general public.





## MAYBERRY'S VIRTUAL INVESTOR **FORUM<sup>20</sup><sub>22</sub>**

The Mayberry Virtual Investor Forum serves as our main investment and financial advisory and public relations medium and is our way of sharing valuable information about investment opportunities. The Investor Forum features panellists who are the leading minds in the local financial industry. These include: Christopher Berry, Executive Chairman; Gary Peart, Chief Executive Officer; and our moderator, Dan Theoc, SVP of Investment Banking. The programme also features expert presenters who give their insights as well which contribute to the overall success of the forum.

### PANELLIST



**CHRISTOPHER BERRY**  
EXECUTIVE CHAIRMAN,  
MAYBERRY INVESTMENTS LIMITED



### PANELLIST



**GARY PEART**  
CHIEF EXECUTIVE OFFICER,  
MAYBERRY INVESTMENTS LIMITED



### MODERATOR



**DAN THEOC**  
SVP-INVESTMENT BANKING,  
MAYBERRY INVESTMENTS LIMITED



The forums have been led by business professionals within their respective industry, both locally and internationally, who have provided investors with relevant and beneficial information to guide their financial decisions. Now, in its 25th year, the Virtual Investor Forum has become the standard avenue for investor education and allows investors to share their thoughts, refine ideas, and actively participate in discussions about their financial futures. The forum is stacked with a plethora of information and insights to feed our clients so that they can have healthy growth in the market. Our forums are intended to promote "Investing in Jamaica" and to transform lives positively through lasting relationships, providing the latest strategies and investing opportunities for individuals' financial success.



# FORUM HIGHLIGHTS



**DR. THE HONOURABLE  
NIGEL CLARKE**

MINISTER OF FINANCE AND THE PUBLIC SERVICE

Dr. The Honourable Nigel Clarke engaged clients and stakeholders in an insightful discussion analyzing Jamaica's economic climate and the overall stock review for 2022.



**JEREMY BARNES**  
MANAGING DIRECTOR

Jeremy Barnes, Managing Director of FESCO, was special guest speaker and provided insights into the transportation of fuel, and a financial overview of the Company.



**GORDON SWABY**  
FOUNDER AND  
CHIEF EXECUTIVE OFFICER

Gordon Swaby, Founder and CEO of EduFocal, discussed schools returning to face-to-face lessons and whether this will impact the company's financial performance.



**MARK HART**  
EXECUTIVE CHAIRMAN

**TOM TYLER**  
EXECUTIVE CO-CHAIRMAN

Mark Hart, Executive Chairman and Tom Tyler, Executive Co-Chairman both engaged viewers with an in-depth discussion, delving into the Company's cash position and potential for future growth.





**GARY PEART**  
EXECUTIVE CHAIRMAN

Gary Peart, Executive Chairman, Supreme Ventures Limited, discussed the quarterly performance of the gaming and entertainment giant.



**ALEXANDER MELVILLE**  
MANAGING DIRECTOR

Alexander Melville, Managing Director of Tropical Battery Jamaica discussed the possibility of recycling lithium batteries, among other insightful topics, when he rejoined our panel in June 2022.



**KADEEN MAIRS**  
CHIEF EXECUTIVE OFFICER

Kadeen Mairs, Dolla Financial CEO, explained how the Company intended to navigate the company in an environment of rising interest rates both locally and internationally.



**JACINTH HALL-TRACEY**  
MANAGING DIRECTOR

Jacinth Hall-Tracey, Managing Director, Lasco Financial Services spoke to the Company's decision to invest in technology in 2017, which led to a significant increase in revenues for the 2022 period.



**LASCELLES CHIN, OJ, CD**  
FOUNDER AND EXECUTIVE CHAIRMAN

Lascelles Chin, LASCO Founder and Executive Chairman, along with James Rawl, Executive Deputy Chairman, LASCO Manufacturing Limited, and John de Silva, Managing Director, LASCO Distributors, made a presentation on the Group during an insightful episode of our Virtual Investor Forum. The discussion was centered around the performance of LASCO Manufacturs and LASCO Distributors.





# VIRTUAL INVESTOR UPDATE

The Mayberry Virtual Weekly Investor Update Series is the standard for investor education in Jamaica. The Investor Update features host, Dan Theoc - SVP of Investment Banking, and Rachel Kirlew - AVP of Investment Banking and co-hosts, Justin Scott Investment Banking Analyst, Asha Smellie, Assistant Manager-Sales and Brandon Thomas, Investment Advisor.

The Investor Update Series comprises quarterly reviews of Companies that are listed on the Jamaica Stock Exchange and highlights the performance of those companies. Through this platform, Mayberry provides market insights on the latest news and economic highlights. Our Investor Update is designed to promote "Investing in Jamaica".

The programme allows individuals to become enveloped in the world of investment through comprehensive insights into markets. Additionally, it gives people access valuable information, as we use this medium to promote investor education. Individuals can look forward to learning the latest investment strategies and informed about top investment opportunities that can guide their future financial decisions. Furthermore, as we engage the public in the briefings, our expert panellists provide answers to thought-provoking questions and clarity on concerns about the financial market.

Mayberry's Weekly Virtual Investor Update helps individual investors achieve their financial and investment goals while also achieving top investment opportunities to aid their growth in the market. The programme disintegrates societal stigmas that are associated with the financial market and debunks myths that impede new investors' or potential investors' future success. The experts operate as parents in the stock market, guiding and nurturing investors throughout their investment journey. This comes in accordance with Mayberry's aim of "Transforming lives positively through lasting relationships".

## HOSTS



**Dan Theoc**  
SVP - INVESTMENT BANKING



**Rachel Kirlew**  
AVP - INVESTMENT BANKING

## CO-HOSTS



**Justin Scott**  
INVESTMENT BANKING ANALYST



**Asha Smellie**  
ASSISTANT MANAGER - SALES

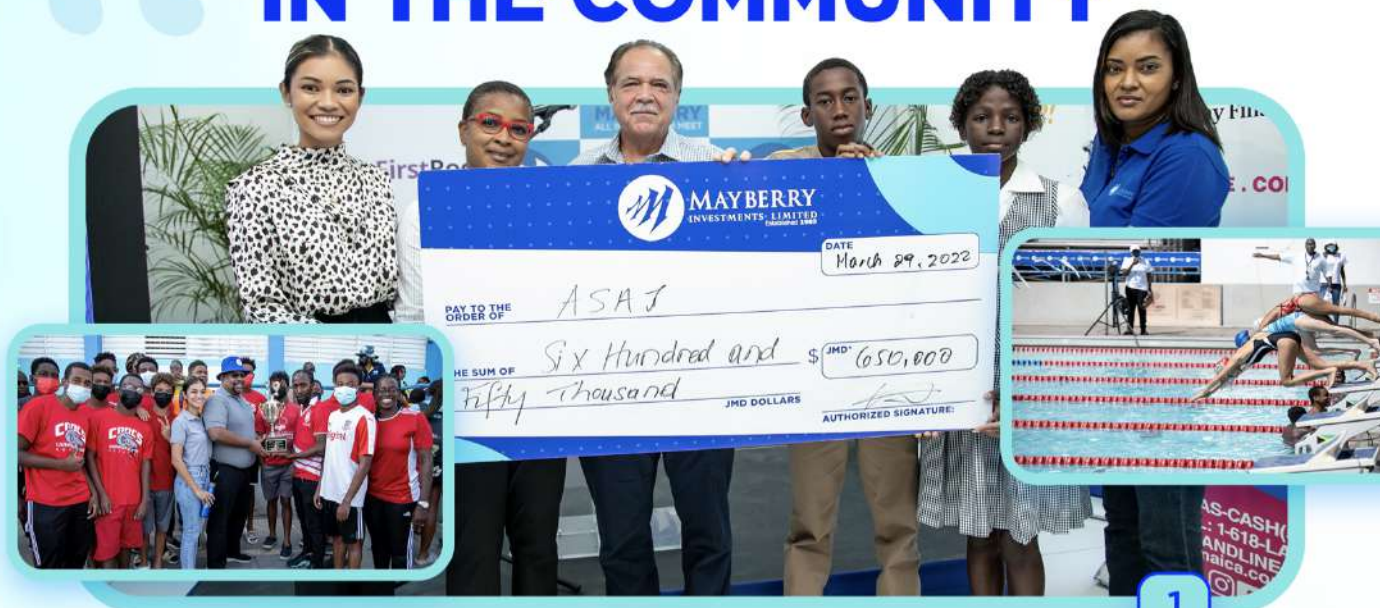


**Brandon Thomas**  
INVESTMENT ADVISOR





## IN THE COMMUNITY



## HELPING WHERE IT COUNTS



“No matter the hardship, we aim to make a difference in all the ways that matter. We continue to align with causes that uplift the lives of our youth and highlight the best of Jamaican culture. Several partnerships that we achieved in 2022 are a true reflection of this mission.”

- Gary Peart, CEO - Mayberry Investments Limited

### MAYBERRY'S ALL ISLAND SWIM MEET

After a long COVID-19 hiatus, the team was ecstatic to once again host the Mayberry All Island Swim Meet. The 2022 staging of the event was held on April 1st at the National Aquatic Centre, National Stadium. We pride ourselves on contributing to the communities that matter the most. The Mayberry All Island Swim Meet is one such event that showcases the diverse talent among the Jamaican people. This event has been going strong for 20 years and has endeavoured to become the biggest swim meet on the island. We are always stoked to host this yearly event for the continued growth of the swimming community in Jamaica. None of this is possible without our sponsors, First Rock Group, IronRock Insurance Company, Lasco Microfinance, Lasco ICool Water, and Pure Country Juices.

**1. MAYBERRY'S ALL ISLAND SWIM MEET** Stephanie Harrison (far left), Assistant VP of Marketing, and Okelia Parredon (far right), VP of Sales and Client Relations, presents a symbolic cheque of \$650,000 to Martin Lyn (3rd left), ASAJ President and Shauna Jackson (2nd left), ASAJ honorary secretary during the media launch of the 24th Mayberry swim meet at the National. Also taking part in the presentation are two student-athletes.





2

## CB UWI 5K AND SMART EGGS KIDS K

We had the honour of partnering with the University of the West Indies in the CB Group UWI 5K and Smart Eggs Kids K. For two years, this event was held virtually due to the pandemic. This made the 2022 staging a special moment for us, as the UWI 5k could once more be experienced in person by excited patrons. We are especially grateful for this partnership as the proceeds from the event were put towards talented students from across the country, each looking to sharpen their various skills, and represent Jamaica to the best of their ability.



### MAYBERRY RUNNING TEAM

**2. CB UWI 5K AND SMART EGGS KIDS K** - We were proud to partner with The University Of The West Indies in The CB Group UWI 5K and Smart Eggs Kids K. Our Executive Vice Chairman, Konrad Mark Berry, is pictured here presenting a cheque to Mrs. Elizabeth Buchanan-Hind, Executive Director, The University Of The West Indies.

**3. SUPERSTARS OF PORT ANTONIO MARLIN TOURNAMENT (SOPA)** - Christopher Berry, Executive Chairman shares lens with Bobby Stewart, Tournament Director of SOPA, At the Superstars Marlin Tournament Prize Giving Awards.



3

## SUPERSTARS OF PORT ANTONIO MARLIN TOURNAMENT (SOPA)

The Superstars of Port Antonio Marlin Tournament returned in full effect in 2022. The angling event attracted entries from overseas who had arrived on the island for a chance at three days of fishing in the beautiful parish of Portland. Anglers competed for \$100,000 in cash along with sectional prizes. Like all our partners, the Superstars Marlin Tournament means a great deal to the Mayberry team. The sport of Fishing has a unique history in Jamaica; one that not all Jamaicans are aware of. By being the title sponsor of this event, we believe we are making ourselves a part of something unique, and integral to the Jamaican identity.







## **AMBITIOUS MATHEMATICS INSTRUCTIONAL PRACTICES WORKSHOP**

Partnering with the Ambitious Mathematics Instructional Practices Workshop was an important move for the team. Dr Cross-Francis and her team gave us the opportunity to be a part of her work shop to see her teaching methods first hand. She has dedicated herself to understanding the motivators of teacher actions as they plan and implement lessons in mathematics in order to reform how we teach the curriculum. We are proud to partner with a cause that showcases the genius of our students rather than limit them to a single mode of thought!



**4. AMBITIOUS MATHEMATICS INSTRUCTIONAL PRACTICES WORKSHOP** - Our team put on their thinking caps at the Mathematics Instructional Practices workshop for teachers, sponsored by Mayberry's Foundation! From left: Investment Advisors Othniel Miller and Dominic Johnson, Dr Dionne Cross-Francis, and Assistant Manager-Sales, Asha Smellie.

**5. MAYBERRY TENNIS/CHAMPIONSHIPS** - The teams were all smiles during the press launch of the Junior Tennis Championships. From left: Gareth Walker, General Manager, The Liguanea Club, Stephanie Harrison, AVP Marketing-Mayberry Investments Limited, Janice Carby, Sales and Marketing Manager - The Liguanea Club and Lockett McGregor, Tournament Director.



## **MAYBERRY TENNIS CHAMPIONSHIPS**

The Mayberry Tennis Championships returned in 2022 to much success! Mayberry is proud to support the development of tennis as we would like to see more young people participating in the sport. The event's organiser, Lockett McGregor, called the event a "development tournament", because it nurtures the talents of the young children and prepares them for future success - both on and off the court. Like the Swim Meet, the Tennis Championships focuses on a sport that is not as popular among the Jamaican public to increase participation.







## **BUDDING FARMER'S SUMMER GROW CAMP**

Working with the Ministry of Agriculture and Fisheries for the first in-person Summer Grow Camp was an honour. The event was organised by Budding Farmers Jamaica. Running for three weeks in July, this initiative promotes farming among the young minds of Jamaicans. It gave us an opportunity to engage with the bright young minds, discussing with them a number of invaluable topics including financial literacy. The Summer Grow Camp is a much-needed event and we applaud all parties involved.



8



## **MAYBERRY SUPPORTS PAVE CENTRE'S 'LIGHT THE WAY GALA!' EVENT**

Mayberry supported the PAVE Centre's fundraising efforts by being the platinum sponsor for its gala event held at [insert location and date.] As a platinum sponsor, Mayberry donated US\$10,000.00 that will go towards helping the Centre which provides practical training, mentoring, and hands-on experience to empower students to excel in their desired fields, refining their proficiencies and making them more marketable in the worldwide job market.

"We're honoured to be platinum sponsors of the PAVE Centre's gala event with a contribution of USD \$10,000. At Mayberry, we believe in supporting initiatives that empower the youth and uplift the community. The PAVE Centre's approach to education aligned with our values, and we were proud to be part of this noble cause," Chief Operations Officer (COO) at Mayberry Investments Limited, Andrea Whittaker.

**6. BUDDING FARMER'S SUMMER GROW CAMP** - Our team had a blast stimulating the young minds of the future at the Summer Grow Camp in partnership with the Ministry of Agriculture. Our Former Investment Advisor, Percival Braham (left) had an opportunity to emphasise the importance of Financial Literacy during his interactions at camp.

**7. PORTLAND ARTS AND VOCATIONAL EDUCATION (PAVE) CENTRE LIGHT THE WAY GALA** - (From Left): Our COO, Andrea Whittaker, and Former VP of Sales & Client Services, Christine Benjamin elegantly strike a pose for a photo-op at the PAVE Centre Light the Way Gala. All proceeds from this event go towards sustaining our vocational training program for at-risk youth in Portland, Jamaica.

**8. ISSA TRUST FOUNDATION CHARITY GALA** - Our ladies showed out at the ISSA Trust Foundation Charity Gala in New York. All proceeds from the Gala were put towards developing a health centre for children in the Ocho Rios area. From left: Okelia A Parredon, VP Sales and Client Services and Kristen Raymore-Reynolds, VP Human Resources and Facilities.





**MAYBERRY**  
INVESTMENTS LIMITED  
Established 1985

# MILESTONES FOR 2022



**EduFocal**  
making learning FUN<sup>2</sup>



Mayberry Investments Limited served as the lead brokerage firm in the listing of EduFocal Limited on the Jamaica Stock Exchange. The Company successfully offered 129.6 million ordinary shares at the price of J\$1.00. The offer opened on March 3, 2022, at 9.00 am and was closed 9:01 am, as a result of an oversubscription of approximately 230%. All applications from the general public received up to the first 10,000 shares along with a pro-rata allocation of approximately 16.57% of the excess shares for which they applied above the bases of allotment. On Mar 15, 2022, with Mayberry as its advisor, Edufocal Limited became the 44th Company listed on the Junior Market of the Jamaica Stock Exchange, raising over J\$428.42 million from the offer.

**MAYBERRY'S  
BOND  
IPO**



On December 2, 2022, Mayberry Investments Limited (MIL) offered an invitation for subscription to Secured Bonds, having an aggregate principal amount of J\$5 billion, comprised of four tranches of \$1.25 billion each.

Mayberry Bond IPO is scheduled to close on January 6, 2023. Investors will be able to purchase minimum increments of J\$20,000.

The Mayberry Bond IPO will officially be listed on the Jamaica Stock Exchange in 2023.

**“The Mayberry team is always working to find new ways to help investors grow their money. We are immensely appreciative of the support received on this Bond IPO, and it is our priority to ensure that your investment remains safe and secure and that it maximizes its growth potential”**

- Gary Peart  
Chief Executive Officer,  
Mayberry Investments Limited



# AUDITED FINANCIAL STATEMENTS





**Mayberry Investments Limited**

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**31 December 2022**

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## 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.

PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica  
T: (876) 922 6230, F: (876) 922 7581, [www.pwc.com/jm](http://www.pwc.com/jm)

R.I. Scott B.J. Dunning G.A. Reace P.A. Williams R.S. Nathan C.I. Bell-Wisdom G.K. Moore T.N. Smith DaSilva K.D. Powell







### **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.

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### **Our audit approach**

#### **Audit scope**

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

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### **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
<p><i>Investment in Associates (Group)</i></p> <p><i>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.</i></p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>We performed the following procedures, amongst others, as it pertains to Investment in Associates as follows:</p> <ul style="list-style-type: none"> <li>• Performed inquiries and evaluated management's accounting policies against the requirements of the applicable accounting standards;</li> <li>• Read and evaluated management's position papers on the determination of the designation of the investments as associated companies;</li> <li>• Independently confirmed shareholdings of related associates with the local securities deposits registry;</li> <li>• Corroborated board and sub-committee membership through inspection of published submissions to the Jamaica Stock Exchange; and</li> <li>• Challenged management's assertion that it qualifies for the exemption from equity accounting under IAS 28 paragraph 18 by assessing the following: <ul style="list-style-type: none"> <li>◦ The nature of the subsidiary's operations;</li> <li>◦ How the business is managed;</li> <li>◦ How the performance of the subsidiary is assessed and management of the subsidiary is remunerated; and</li> <li>◦ Compared the underlying information to the types of entities that IAS 28 describes as being eligible for exemption.</li> </ul> </li> </ul> <p>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.</p>





### 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.

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#### 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.

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

A stylized, handwritten-style signature of "PricewaterhouseCoopers" in a dark blue or black ink.

Chartered Accountants  
1 March 2023  
Kingston, Jamaica

# Mayberry Investments Limited

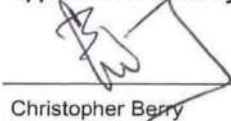
## Consolidated Statement of Financial Position

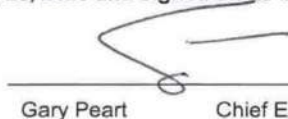
31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
<b>ASSETS</b>			
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
<b>Total Assets</b>		<b>52,057,342</b>	<b>41,461,387</b>
<b>LIABILITIES</b>			
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
<b>Total Liabilities</b>		<b>25,457,096</b>	<b>20,108,954</b>
<b>EQUITY</b>			
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
<b>Equity Attributable to Shareholders of the Parent</b>		<b>16,795,106</b>	<b>15,335,631</b>
Non-Controlling Interest	36	9,805,140	6,016,802
<b>Total Equity</b>		<b>26,600,246</b>	<b>21,352,433</b>
<b>Total Equity and Liabilities</b>		<b>52,057,342</b>	<b>41,461,387</b>

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
<b>Net Interest Income and Other Revenues</b>			
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
		<u>6,961,829</u>	<u>4,485,707</u>
<b>Operating Expenses</b>			
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	<u>2,246,655</u>	<u>2,002,255</u>
<b>Operating profit</b>		<u>4,715,174</u>	<u>2,483,452</u>
<b>Share of profit of joint venture</b>		<u>21,440</u>	<u>326,147</u>
<b>Profit before taxation</b>		<u>4,736,614</u>	<u>2,809,599</u>
Taxation credit	10	1,016	251,630
<b>Net Profit for the Year</b>	11	<u><u>4,737,630</u></u>	<u><u>3,061,229</u></u>
<b>Attributable to:</b>			
Stockholders of the parent		2,218,806	2,064,765
Non-controlling interest	36	<u>2,518,824</u>	<u>996,464</u>
		<u><u>4,737,630</u></u>	<u><u>3,061,229</u></u>
<b>EARNINGS PER STOCK UNIT – BASIC AND DILUTED</b>	12(a)	<u><u>\$ 1.85</u></u>	<u><u>\$ 1.72</u></u>

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



## 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 \$'000	Fair Value Reserves \$'000	Translation Reserve \$'000	Other Reserves \$'000	Retained Earnings \$'000	Non controlling Interest \$'000	Total \$'000
<b>Balance at 31 December 2020</b>	1,201,149,291	1,582,382	1,400,809	4,625	77,939	10,151,123	3,634,190	16,851,068
<b>Total Comprehensive Income</b>								
Net profit	-	-	-	-	-	2,064,765	996,464	3,061,229
Other comprehensive income	-	-	394,499	114,911	-	-	274,601	784,011
<b>Total comprehensive income</b>	-	-	394,499	114,911	-	2,064,765	1,271,065	3,845,240
<b>Transfer Between Reserves</b>								
From fair value reserves	-	-	(877,232)	-	-	877,232	-	-
<b>Transaction with Owners</b>								
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
<b>Balance at 31 December 2021</b>	1,201,149,291	1,582,382	1,174,016	119,536	77,939	12,381,758	6,016,802	21,352,433
<b>Total Comprehensive Income</b>								
Net profit	-	-	(30,944)	(33,736)	-	2,218,806	2,518,824	4,737,630
Other comprehensive income	-	-	-	-	-	-	(100,521)	(165,201)
<b>Total comprehensive income</b>	-	-	(30,944)	(33,736)	-	2,218,806	2,418,303	4,572,429
<b>Transfer Between Reserves</b>								
From fair value reserves	-	-	(603,218)	-	-	603,218	-	-
<b>Transactions with Owners</b>								
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
<b>Balance at 31 December 2022</b>	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
<b>Cash Flows from Operating Activities</b>			
<b>Profit before taxation</b>		4,736,614	2,809,599
Adjustments for:			
<b>Items not affecting cash:</b>			
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		<u>(366,572)</u>	<u>707,917</u>
<b>Cash Flows from Investing Activities</b>			
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		<u>392,536</u>	<u>(377,780)</u>
<b>Cash Flows from Financing Activities</b>			
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 subsidiary		-	(191,927)
Dividend payment		(372,056)	(405,229)
Lease payment	20	(19,466)	(29,546)
Cash provided by/(used in) financing activities		<u>1,000,040</u>	<u>(178,891)</u>
<b>Net Increase in Cash and Cash Equivalents</b>		<u>1,026,004</u>	<u>151,246</u>
Exchange (loss)/gain on foreign cash balances		(23,970)	163,409
Cash and cash equivalents at beginning of year		<u>3,680,584</u>	<u>3,365,929</u>
<b>Cash and Cash Equivalents at End of Year</b>	13	<u>4,682,618</u>	<u>3,680,584</u>



# Mayberry Investments Limited


## Company Statement of Financial Position


**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
<b>ASSETS</b>			
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
<b>Total Assets</b>		<b>29,016,651</b>	<b>23,582,997</b>
<b>LIABILITIES</b>			
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
<b>Total Liabilities</b>		<b>22,972,026</b>	<b>17,691,957</b>
<b>EQUITY</b>			
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
<b>Total Equity</b>		<b>6,044,625</b>	<b>5,891,040</b>
<b>Total Equity and Liabilities</b>		<b>29,016,651</b>	<b>23,582,997</b>

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
<b>Net Interest Income and Other Revenues</b>			
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
		<u>2,243,589</u>	<u>2,816,053</u>
<b>Operating Expenses</b>			
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	<u>1,825,979</u>	<u>1,710,675</u>
<b>Profit before Taxation</b>		417,610	1,105,378
Taxation credit		1,016	249,000
<b>Net Profit for the Year</b>		<u>418,626</u>	<u>1,354,378</u>



## Mayberry Investments Limited

Company Statement of Comprehensive Income

**Year ended 31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net Profit for the Year</b>	418,626	1,354,378
<b>Other Comprehensive Income Net of Taxation:</b>		
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)
<b>Total Comprehensive Income for the Year</b>	<u>489,907</u>	<u>1,340,220</u>

## 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
<b>Balance at 31 December 2020</b>	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
<b>Transaction with Owners</b>						
Dividend paid (Note 35)	-	-	-	-	(384,368)	(384,368)
<b>Balance at 31 December 2021</b>	1,201,149,291	1,582,382	688,078	77,939	3,542,641	5,891,040
Profit for the year	-	-	71,281	-	418,626	418,626
Other comprehensive income	-	-	-	-	-	71,281
Total comprehensive income	-	-	71,281	-	418,626	489,907
<b>Transfer Between Reserves</b>						
From fair value reserves	-	-	(410,936)	-	410,936	-
<b>Transactions with Owners</b>						
Dividend paid (Note 35)	-	-	-	-	(336,322)	(336,322)
<b>Balance at 31 December 2022</b>	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
<b>Cash Flows from Operating Activities</b>			
Profit before taxation		417,610	1,105,378
Adjustments for:			
<b>Items not affecting cash:</b>			
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		<u>261,030</u>	<u>687,167</u>
<b>Cash Flows from Investing Activities</b>			
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		<u>769,733</u>	<u>683,574</u>
<b>Cash Flows from Financing Activities</b>			
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		<u>(11,662)</u>	<u>(1,219,384)</u>
<b>Net Increase in Cash and Cash Equivalents</b>		<u>1,019,101</u>	<u>151,357</u>
Exchange (loss)/gain on foreign cash balances		(18,117)	138,733
Cash and cash equivalents at beginning of year		<u>3,366,682</u>	<u>3,076,592</u>
<b>Cash and Cash Equivalents at End of Year</b>	13	<u><u>4,367,666</u></u>	<u><u>3,366,682</u></u>

# 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.



# Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

## 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	-



## Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

### 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.

## Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(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 its 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	31 December	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



## Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(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 its 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	31 December	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

# Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

## 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.



## Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

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### 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.

# Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

## 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.



## Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

### 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.

# Mayberry Investments Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

## 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.



# Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

## 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.

# Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

## 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.



# Mayberry Investments Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

## 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.

# Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

## 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)



# Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

## 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.

# Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

## 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.



# Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

## 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.

# Mayberry Investments Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

## 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.



# Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

## 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.

## Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

### 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.



## Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

### 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.

# Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

## 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.



## Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

### 4. Net Interest Income

	<b>The Group</b>		<b>The Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Interest income -</b>				
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
	<u>1,118,845</u>	<u>736,374</u>	<u>1,192,332</u>	<u>782,403</u>
<b>Interest expense -</b>				
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
	<u>808,402</u>	<u>566,414</u>	<u>645,324</u>	<u>404,354</u>
	<u><b>310,443</b></u>	<u><b>169,960</b></u>	<u><b>547,008</b></u>	<u><b>378,049</b></u>

## Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

### 5. Consulting Fees and Commissions

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

### 6. Dividend Income

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'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
	<u>567,826</u>	<u>393,568</u>	<u>55,063</u>	<u>55,333</u>

### 7. Net Trading Gains

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'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)	-
	<u>116,082</u>	<u>125,393</u>	<u>1,005,621</u>	<u>1,201,095</u>



## Mayberry Investments Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

### 8. Salaries, Statutory Contributions and Staff Costs

	<b>The Group</b>		<b>The Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
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
	<u>761,476</u>	<u>806,676</u>	<u>753,770</u>	<u>802,187</u>

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

# Mayberry Investments Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

## 9. Expenses by Nature

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'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
	<b>2,246,655</b>	<b>2,002,255</b>	<b>1,825,979</b>	<b>1,710,675</b>



## Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

### 10. Taxation

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

	<b>The Group</b>		<b>The Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
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.

	<b>The Group</b>		<b>The Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
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.

# Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

## 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
<b>Other Comprehensive Income for the Year</b>	<b>(335,029)</b>	<b>169,828</b>	<b>(165,201)</b>	<b>745,086</b>	<b>38,925</b>	<b>784,011</b>
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)
<b>Other Comprehensive Income for the Year</b>	<b>(98,547)</b>	<b>169,828</b>	<b>71,281</b>	<b>(49,242)</b>	<b>35,084</b>	<b>(14,158)</b>
Deferred taxation (Note 27)		169,828			35,084	



## Mayberry Investments Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

### 11. Net Profit

	<b>2022</b> <b>\$'000</b>	<b>2021</b> <b>\$'000</b>
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)
	<u>4,737,630</u>	<u>3,061,229</u>
Attributable to:		
Stockholders of the parent	2,218,806	2,064,765
Non-controlling interest	2,518,824	996,464
	<u>4,737,630</u>	<u>3,061,229</u>

# Mayberry Investments Limited

## Notes to the Financial Statements

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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.

	<b>2022</b>	<b>2021</b>
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.

	<b>2022</b>	<b>2021</b>
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.

	<b>2022</b>	<b>2021</b>
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.

	<b>2022</b>	<b>2021</b>
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



## Mayberry Investments Limited

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### 13. Cash Resources

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'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
	<u>2,732,187</u>	<u>1,282,456</u>	<u>2,417,235</u>	<u>968,554</u>

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

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'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)
	<u>4,682,618</u>	<u>3,680,584</u>	<u>4,367,666</u>	<u>3,366,682</u>

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.

# Mayberry Investments Limited

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## 14. Investment Securities

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Investment securities at FVTPL -</b>				
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
<b>Investment securities at FVTOCI -</b>				
Equities	5,588,024	5,591,997	626,406	723,362
Total FVTOCI	5,588,024	5,591,997	626,406	723,362
<b>Investment securities at amortised cost, net of ECL -</b>				
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).



# Mayberry Investments Limited

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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.

	<b>The Group and Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Reverse repurchase agreements	5,218,312	3,649,887
Interest receivable	85,638	31,413
	<u>5,303,950</u>	<u>3,681,300</u>

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

	<b>The Group</b>		<b>The Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
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
	<u>4,255,247</u>	<u>2,940,903</u>	<u>5,255,247</u>	<u>3,944,815</u>

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

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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
<b>Cost -</b>							
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
<b>Accumulated Depreciation -</b>							
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
<b>Net Book Value -</b>							
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

	<b>The Group and Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
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	<u>2,027,738</u>	<u>2,174,302</u>

Amounts recognised in profit or loss for investment properties

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

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.



# Mayberry Investments Limited

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## 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

## Mayberry Investments Limited

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### 21. Investment in Associates

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

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
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
	<u>18,011,477</u>	<u>12,740,921</u>

### 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:

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
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	<u>1,964,454</u>	<u>2,654,808</u>

- 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

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



## Mayberry Investments Limited

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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

	<b>2022</b> <b>\$'000</b>	<b>2021</b> <b>\$'000</b>
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
<b>(Loss)/profit after tax and Total comprehensive (loss)/income</b>	<b>(116,078)</b>	<b>816,512</b>

# Mayberry Investments Limited

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## 23. Cash Flows

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

	Note	The Group		The Company	
		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)



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### 24. Investment in Subsidiaries

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
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
	<u>1,092,779</u>	<u>1,230,001</u>

During 2018, the Company disposed of 20% of its ownership in its subsidiary, Mayberry Jamaican Equities Limited, through a 10% dividend in specie to its shareholders and 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:

	<b>The Group</b>		<b>The Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
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	<u>20,574,521</u>	<u>15,440,458</u>	<u>1,933,035</u>	<u>1,686,806</u>

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### 26. Loans

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'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	-
	<u>7,450,123</u>	<u>5,825,050</u>	<u>5,251,495</u>	<u>3,628,251</u>

(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:

- Interest coverage ratio must be at least 1.5X;
- Total debt to equity ratio must not exceed 40%
- 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:

	<b>The Group &amp; Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
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	<u>387,764</u>	<u>216,920</u>

Net deferred income taxation is due to the following items:

	<b>The Group &amp; Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
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
	<u>634,366</u>	<u>610,278</u>
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
	<u>246,602</u>	<u>393,358</u>
Net deferred tax asset/(liability)	<u>387,764</u>	<u>216,920</u>

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

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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
71,619	2,398	-	-	315,660	30,384	420,061
(60,954)	1,314	76,015	14,454	36,537	122,851	190,217
10,665	3,712	76,015	14,454	352,197	153,235	610,278
20,944	2,195	(42,949)	(3,424)	(356)	47,678	24,088
31,609	5,907	33,066	11,030	351,841	200,913	634,366

Deferred income tax assets:

As at 1 January 2021

(Charged)/Credited to profit or loss

As at 31 December 2021

(Charged)/Credited to profit or loss

As at 31 December 2022

	Interest receivable	Property, plant and equipment	Unrealised foreign exchange gain	Unrealised fair value gain	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
	12,832	11,899	63,840	399,636	488,207
	23,996	(903)	(63,840)	(19,018)	(59,765)
	-	-	-	(35,084)	(35,084)
	36,828	10,996	-	345,534	393,358
	5,324	22,655	-	(4,907)	23,072
	-	-	-	(169,828)	(169,828)
	42,152	33,651	-	170,799	246,602

Deferred income tax liabilities:

As at 1 January 2021

Charged/(Credited) to profit or loss

Credited to other comprehensive income

As at 31 December 2021

Charged/(Credited) to income statement

Credited to other comprehensive

As at 31 December 2022



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### 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
	<u>634,366</u>	<u>610,278</u>	<u>634,366</u>	<u>610,278</u>
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
	<u>246,602</u>	<u>393,358</u>	<u>246,602</u>	<u>393,358</u>
Deferred tax asset/(liabilities), net	<u>387,764</u>	<u>216,920</u>	<u>387,764</u>	<u>216,920</u>

### 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
	<u>13,003,717</u>	<u>8,964,785</u>	<u>12,717,275</u>	<u>8,744,587</u>

### 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	<u>1,582,382</u>	<u>1,582,382</u>

## Mayberry Investments Limited

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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

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Capital redemption reserve fund	51,343	51,343
Stock option reserve	26,596	26,596
	<u>77,939</u>	<u>77,939</u>

### 32. Retained Earnings

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

# Mayberry Investments Limited

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## 33. Intangible Asset

	<b>The Group</b>		
	<b>Computer Software \$'000</b>	<b>Work in progress \$'000</b>	<b>Total \$'000</b>
<b>At Cost –</b>			
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
<b>Amortisation –</b>			
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
<b>Net book value -</b>			
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.

	<b>The Company</b>		
	<b>Computer Software \$'000</b>	<b>Work in progress \$'000</b>	<b>Total \$'000</b>
<b>At Cost –</b>			
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
<b>Amortisation -</b>			
1 January 2022	-	-	-
Charge for the year	4,759	-	4,759
At 31 December 2022	4,759	-	4,759
<b>Net book value -</b>			
31 December 2022	22,584	955,617	978,201
31 December 2021	-	707,419	707,419



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31 December 2022

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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:

	<b>The Group</b>		<b>The Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Due from subsidiaries:</b>				
Mayberry Jamaican Equities Limited	-	-	1,096,373	26,229
Widebase Limited	-	-	558,490	1,127,847
	<u>-</u>	<u>-</u>	<u>1,654,863</u>	<u>1,154,076</u>
<b>Loans and other receivables:</b>				
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	<u>307,743</u>	<u>262,262</u>	<u>307,743</u>	<u>262,262</u>
<b>Promissory Note</b>				
Mayberry Jamaican Equities Limited	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>1,003,912</u>
<b>Accounts payable:</b>				
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	<u>141,732</u>	<u>195,053</u>	<u>141,732</u>	<u>195,053</u>
 (ii) The following are transactions with related parties				
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	<u>354,874</u>	<u>89,998</u>	<u>-</u>	<u>-</u>
<b>Key management compensation</b>				
Salaries and other short term employee benefits	195,808	120,013	188,102	120,013
Pension contributions	<u>4,129</u>	<u>3,142</u>	<u>4,129</u>	<u>3,142</u>
<b>Directors' emoluments:-</b>				
Fees	61,513	57,444	56,337	55,922
Executive directors' remuneration	82,240	96,258	82,240	96,258
Pension contributions	<u>3,475</u>	<u>2,723</u>	<u>3,475</u>	<u>2,723</u>

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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

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
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
	<u>372,056</u>	<u>405,229</u>

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:

	<b>2022</b> <b>\$'000</b>	<b>2021</b> <b>\$'000</b>
<b>Summarized statement of financial position</b>		
Total assets	24,355,036	18,414,622
Total liabilities	(4,578,635)	(3,443,729)
Net assets	<u>19,776,401</u>	<u>14,970,893</u>
Attributable to non-controlling interest	9,805,140	6,016,802
<b>Summarized statement of comprehensive income</b>		
Revenue	<u>5,812,480</u>	<u>2,992,219</u>
Profit for the period	5,080,322	2,479,383
Other comprehensive income	(202,746)	683,258
Total comprehensive income	<u>4,877,576</u>	<u>3,162,641</u>
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	<u>2,418,303</u>	<u>1,271,065</u>
<b>Summarized statement of cash flows</b>		
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	<u>78,972</u>	<u>(928,042)</u>
Cash flows (used)/from financing activities	<u>(72,069)</u>	<u>927,931</u>
Net increase/(decrease) in cash and cash equivalents	<u>6,903</u>	<u>(111)</u>
Cash and cash equivalents at the beginning of year	<u>313,902</u>	<u>289,337</u>
Exchange (losses)/gains on cash and cash equivalents	<u>(5,853)</u>	<u>24,676</u>
Cash and cash equivalents at end of year	<u>314,952</u>	<u>313,902</u>



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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

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## 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.

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### 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
<b>Financial Liabilities:</b>						
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
<b>Total liabilities (contractual maturity dates)</b>	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
<b>Financial Liabilities</b>						
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
<b>Total liabilities (contractual maturity dates)</b>	11,396,300	2,612,373	3,031,213	3,550,662	107,572	20,698,120

# Mayberry Investments Limited

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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
<b>Financial Liabilities</b>						
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
<b>Total liabilities (contractual maturity dates)</b>	<b>16,308,653</b>	<b>2,550,488</b>	<b>2,147,035</b>	<b>2,403,348</b>	<b>49,325</b>	<b>23,458,849</b>
	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
<b>Financial Liabilities</b>						
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
<b>Total liabilities (contractual maturity dates)</b>	<b>11,389,719</b>	<b>2,395,701</b>	<b>2,871,709</b>	<b>1,231,037</b>	<b>107,572</b>	<b>17,995,738</b>

## Mayberry Investments Limited

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### 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.



## Mayberry Investments Limited

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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 \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non-Interest Bearing \$'000
<b>Financial Assets</b>						
Cash resources	2,732,187	-	-	-	-	-
Investment securities	15,375	128,846	480,441	1,666,826	214,012	7,055,193
Reverse repurchase agreements	2,359,124	1,883,132	1,061,694	-	-	-
Promissory notes	461,010	173,130	96,088	2,176,519	1,348,500	-
Loans and other receivables	5,473,601	59,225	-	-	-	874,051
<b>Total assets</b>	<b>11,041,297</b>	<b>2,244,333</b>	<b>1,638,223</b>	<b>3,843,345</b>	<b>1,562,512</b>	<b>7,929,244</b>
<b>Financial Liabilities</b>						
Bank overdraft	50,337	-	-	-	-	-
Securities sold under repurchase agreements	1,516,573	2,116,059	1,236,642	-	-	-
Loans	2,242,800	454,279	2,750,052	2,002,992	-	-
Other	1,086	2,192	10,201	20,840	49,326	13,003,717
<b>Total liabilities</b>	<b>3,810,796</b>	<b>2,572,530</b>	<b>3,996,895</b>	<b>2,023,832</b>	<b>49,326</b>	<b>13,003,717</b>
<b>Total interest rate sensitivity gap</b>	<b>7,230,501</b>	<b>(328,197)</b>	<b>(2,358,672)</b>	<b>1,819,513</b>	<b>1,513,186</b>	<b>(5,074,473)</b>
<b>Cumulative interest rate sensitivity gap</b>	<b>7,230,501</b>	<b>6,902,304</b>	<b>4,543,632</b>	<b>6,363,145</b>	<b>7,876,331</b>	<b>2,801,858</b>
<b>2021</b>						
	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non-Interest Bearing \$'000
<b>Total assets</b>	<b>8,074,349</b>	<b>2,056,860</b>	<b>1,591,759</b>	<b>2,539,246</b>	<b>961,134</b>	<b>7,086,114</b>
<b>Total liabilities</b>	<b>2,859,030</b>	<b>2,374,542</b>	<b>2,474,675</b>	<b>3,357,837</b>	<b>78,085</b>	<b>8,964,785</b>
<b>Total interest rate sensitivity gap</b>	<b>5,215,319</b>	<b>(317,682)</b>	<b>(882,916)</b>	<b>(818,591)</b>	<b>883,049</b>	<b>(1,878,671)</b>
<b>Cumulative interest rate sensitivity gap</b>	<b>5,215,319</b>	<b>4,897,637</b>	<b>4,014,721</b>	<b>3,196,130</b>	<b>4,079,179</b>	<b>2,200,508</b>

# Mayberry Investments Limited

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(expressed in Jamaican dollars unless otherwise indicated)

## 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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>						
Cash resources	2,417,235	-	-	-	-	-
Investment securities	15,375	128,846	480,441	1,666,826	214,012	662,825
Reverse repurchase agreements	2,359,124	1,883,132	1,061,694	-	-	-
Promissory notes	461,010	173,130	96,088	3,176,519	1,348,500	-
Due from subsidiaries	-	-	-	-	-	1,654,863
Loans and other receivables	5,430,642	-	-	-	-	861,160
<b>Total assets</b>	<b>10,683,386</b>	<b>2,185,108</b>	<b>1,638,223</b>	<b>4,843,345</b>	<b>1,562,512</b>	<b>3,178,848</b>
						<b>24,091,422</b>
<b>Financial Liabilities</b>						
Bank overdraft	50,337	-	-	-	-	-
Securities sold under repurchase agreements	1,516,573	2,116,059	1,236,642	-	-	-
Loans	2,242,800	414,950	590,753	2,002,992	-	-
Other	1,086	2,192	10,201	20,840	49,326	12,717,275
<b>Total liabilities</b>	<b>3,810,796</b>	<b>2,533,201</b>	<b>1,837,596</b>	<b>2,023,832</b>	<b>49,326</b>	<b>12,717,275</b>
<b>Total interest rate sensitivity gap</b>	<b>6,872,590</b>	<b>(348,093)</b>	<b>(199,373)</b>	<b>2,819,513</b>	<b>1,513,186</b>	<b>(9,538,427)</b>
						<b>1,119,396</b>
<b>Cumulative interest rate sensitivity gap</b>	<b>6,872,590</b>	<b>6,524,497</b>	<b>6,325,124</b>	<b>9,144,637</b>	<b>10,657,823</b>	<b>1,119,396</b>
	2021					
	2021					
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total assets</b>						
Total assets	7,744,935	2,056,860	1,591,759	3,543,158	961,134	2,716,059
Total liabilities	2,859,030	2,374,542	2,474,675	1,161,038	78,085	8,744,587
<b>Total interest rate sensitivity gap</b>	<b>4,885,905</b>	<b>(317,682)</b>	<b>(882,916)</b>	<b>2,382,120</b>	<b>883,049</b>	<b>(6,028,528)</b>
<b>Cumulative interest rate sensitivity gap</b>	<b>4,885,905</b>	<b>4,568,223</b>	<b>3,685,307</b>	<b>6,067,427</b>	<b>6,950,476</b>	<b>921,948</b>

## Mayberry Investments Limited

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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	
	%	%	%	%
<b>Assets</b>				
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
<b>Liabilities</b>				
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)	-



# Mayberry Investments Limited

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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
<b>Financial Assets</b>				
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
<b>Total assets</b>	<b>97,204</b>	<b>7,318,220</b>	<b>53,192</b>	<b>63,219</b>
<b>Financial Liabilities</b>				
Securities sold under repurchase agreements	-	1,011,118	-	-
Loans and other payables	80,430	5,667,046	16,363	-
Other	-	121,423	-	-
<b>Total liabilities</b>	<b>80,430</b>	<b>6,799,587</b>	<b>16,363</b>	<b>-</b>
<b>Net position</b>	<b>16,774</b>	<b>518,633</b>	<b>36,829</b>	<b>63,219</b>

# Mayberry Investments Limited

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**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

## 38. Financial Risk Management (Continued)

### (d) Currency risk (continued)

	The Group			
	2021			
	GBP	US\$	CAN\$	EURO
	J\$'000	J\$'000	J\$'000	J\$'000
<b>Financial Assets</b>				
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	-	-
<b>Total assets</b>	<b>39,378</b>	<b>8,865,965</b>	<b>20,063</b>	<b>67,932</b>
<b>Financial Liabilities</b>				
Securities sold under repurchase agreements	-	913,888	-	-
Loans and other payables	66,627	1,311,392	56,613	-
<b>Total liabilities</b>	<b>66,627</b>	<b>2,225,280</b>	<b>56,613</b>	<b>-</b>
<b>Net position</b>	<b>(27,249)</b>	<b>6,640,685</b>	<b>(36,550)</b>	<b>67,932</b>

# Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

## 38. Financial Risk Management (Continued)

### (d) Currency risk (continued)

	The Company			
	2022			
	GBP	US\$	CAN\$	EURO
	J\$'000	J\$'000	J\$'000	J\$'000
<b>Financial Assets</b>				
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
<b>Total assets</b>	<b>97,204</b>	<b>7,207,022</b>	<b>53,192</b>	<b>63,219</b>
<b>Financial Liabilities</b>				
Bank overdraft	-	643	-	-
Securities sold under repurchase agreements	80,430	1,011,118	-	-
Loans and other payables	-	5,667,046	16,363	-
<b>Total liabilities</b>	<b>80,430</b>	<b>6,678,807</b>	<b>16,363</b>	<b>-</b>
<b>Net position</b>	<b>16,774</b>	<b>528,215</b>	<b>36,829</b>	<b>63,219</b>



# Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

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## 38. Financial Risk Management (Continued)

### (d) Currency risk (continued)

	The Company			
	2021			
	GBP J\$'000	US\$ J\$'000	CAN\$ J\$'000	EURO J\$'000
<b>Financial Assets</b>				
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	-	-
<b>Total assets</b>	<b>39,378</b>	<b>8,531,967</b>	<b>20,063</b>	<b>67,932</b>
<b>Financial Liabilities</b>				
Securities sold under repurchase agreements	-	913,888	-	-
Loans and other payables	66,627	1,311,392	56,613	-
<b>Total liabilities</b>	<b>66,627</b>	<b>2,225,280</b>	<b>56,613</b>	<b>-</b>
<b>Net position</b>	<b>(27,249)</b>	<b>6,306,687</b>	<b>(36,550)</b>	<b>67,932</b>
Sensitivity analysis				

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

	The Group			
	Change in Currency Rate	Effect on Loss before Taxation	Change in Currency Rate	Effect on Loss before Taxation
	2022 %	2022 \$'000	2021 %	2021 \$'000
<b>Currency:</b>				
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)

# Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

## 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
<b>Currency:</b>				
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.

## Mayberry Investments Limited

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### 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.



# Mayberry Investments Limited

Notes to the Financial Statements

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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	2021	2022	2021
	\$'000	\$'000	\$'000	\$'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	<u>4,255,247</u>	<u>2,940,903</u>	<u>6,291,802</u>	<u>5,094,893</u>

	Company			
	Promissory Notes		Loans and Other Receivables	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'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	<u>5,255,247</u>	<u>3,944,815</u>	<u>6,291,802</u>	<u>4,960,958</u>

## Mayberry Investments Limited

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### 38. Financial Risk Management (Continued)

#### (e) Credit risk (continued)

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

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

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:

	<b>The Group</b>					
	<b>At 31 December 2022</b>			<b>At 1 January 2022</b>		
	<b>Gross Carrying Amount</b>	<b>Loss Allowance</b>	<b>Expected Loss Rate</b>	<b>Gross Carrying Amount</b>	<b>Loss Allowance</b>	<b>Expected Loss Rate</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
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
	<b>6,431,374</b>	<b>298,477</b>		<b>4,954,585</b>	<b>170,192</b>	

	<b>The Company</b>					
	<b>At 31 December 2022</b>			<b>At 1 January 2022</b>		
	<b>Gross Carrying Amount</b>	<b>Loss Allowance</b>	<b>Expected Loss Rate</b>	<b>Gross Carrying Amount</b>	<b>Loss Allowance</b>	<b>Expected Loss Rate</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
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
	<b>6,326,066</b>	<b>298,477</b>		<b>4,833,599</b>	<b>170,192</b>	

# Mayberry Investments Limited

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

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



# Mayberry Investments Limited

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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	Lifetime	Lifetime	
	ECL	ECL	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
<b>Gross carrying amount</b>	5,083,817	23,633	400,008	5,507,458
Loss allowance	(47,052)	(259)	(204,900)	(252,211)
<b>Carrying amount</b>	5,036,765	23,374	195,108	5,255,247

	The Company			
	2021			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime	Lifetime ECL	
	ECL	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
<b>Gross carrying amount</b>	3,898,861		320,114	4,218,975
Loss allowance	(63,296)	-	(210,864)	(274,160)
<b>Carrying amount</b>	3,835,565	-	109,250	3,944,815

# Mayberry Investments Limited

Notes to the Financial Statements

31 December 2022

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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			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
	\$'000	\$'000	\$'000	\$'000
<b>Maximum exposure to credit risk as at January 01, 2022</b>	2,894,949	-	320,114	3,215,063
<b>Transfer from Stage 1 to Stage 3</b>	(79,894)	-	79,894	-
<b>Transfer from Stage 1 to Stage 2</b>	(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)
<b>Maximum exposure to credit risk as at December 31, 2022</b>	<b>4,083,817</b>	<b>23,633</b>	<b>400,008</b>	<b>4,507,458</b>

	The Group 2021			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
	\$'000	\$'000	\$'000	\$'000
<b>Maximum exposure to credit risk as at January 01, 2021</b>	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
<b>Maximum exposure to credit risk as at December 31, 2021</b>	<b>2,894,949</b>	<b>-</b>	<b>320,114</b>	<b>3,215,063</b>

# Mayberry Investments Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

## 38. Financial Risk Management (Continued)

### (e) Credit risk (continued)

Promissory notes (continued)

	The Company 2022			Total
	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	
	\$'000	\$'000	\$'000	\$'000
<b>Maximum exposure to credit risk as at January 01, 2022</b>	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)
<b>Maximum exposure to credit risk as at December 31, 2022</b>	<b>5,083,817</b>	<b>23,633</b>	<b>400,008</b>	<b>5,507,458</b>

	The Company 2021			Total
	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	
	\$'000	\$'000	\$'000	\$'000
<b>Maximum exposure to credit risk as at January 01, 2021</b>	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
<b>Maximum exposure to credit risk as at December 31, 2021</b>	<b>3,898,861</b>	<b>-</b>	<b>320,114</b>	<b>4,218,975</b>



# Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

## 38. Financial Risk Management (Continued)

### (e) Credit risk (continued)

Promissory notes (continued) Movement in the loss allowance:

	The Group and Company			
	2022			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL \$'000	Lifetime ECL \$'000	Lifetime ECL \$'000	\$'000
<b>At 1 January 2022</b>	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	-	-	-	-
<b>At 31 December 2022</b>	47,052	259	204,900	252,211

	The Group and Company			
	2021			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL \$'000	Lifetime ECL \$'000	Lifetime ECL \$'000	\$'000
<b>At 1 January 2021</b>	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)
<b>At 31 December 2021</b>	63,296	-	210,864	274,160

# Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

## 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	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	\$'000	\$'000	\$'000	\$'000
Standard risk	2,313,719	-	-	2,313,719
Past due risk	-	-	-	-
Credit impaired	-	-	-	-
<b>Gross carrying amount</b>	2,313,719	-	-	2,313,719
Loss allowance	(37,724)	-	-	(37,724)
<b>Carrying amount</b>	2,275,995	-	-	2,275,995

	The Group and Company			
	2021			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	\$'000	\$'000	\$'000	\$'000
Standard risk	3,196,032	-	-	3,196,032
<b>Gross carrying amount</b>	3,196,032	-	-	3,196,032
Loss allowance	(15,352)	-	-	(15,352)
<b>Carrying amount</b>	3,180,680	-	-	3,180,680

# Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

## 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	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	
	\$'000	\$'000	\$'000	\$'000
<b>Maximum exposure to credit risk as at January 01, 2022</b>	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)
<b>Maximum exposure to credit risk as at December 31, 2022</b>	<b>2,313,719</b>	<b>-</b>	<b>-</b>	<b>2,313,719</b>

	The Group and Company 2021			
	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	
	\$'000	\$'000	\$'000	\$'000
<b>Maximum exposure to credit risk as at January 01, 2021</b>	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
<b>Maximum exposure to credit risk as at December 31, 2021</b>	<b>3,196,032</b>	<b>-</b>	<b>-</b>	<b>3,196,032</b>

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.



## Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

### 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.

## Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

### 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.

## Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

### 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.



# Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

## 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
<b>Financial assets -</b>				
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
	<u>24,837,757</u>	<u>2,236,553</u>	<u>216,245</u>	<u>27,290,555</u>

	The Group 2021			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets -</b>				
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
	<u>18,783,009</u>	<u>2,390,572</u>	<u>139,233</u>	<u>21,312,814</u>

# Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

## 39. Fair Values (Continued)

The Company				
2022				
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets -</b>				
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
<hr/>				
The Company				
2021				
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets -</b>				
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	
<b>Assets</b>				
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
<b>Liabilities</b>				
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

# Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

## 39. Fair Values (Continued)

	2021			
	Group		Company	
	Carrying Value \$'000	Fair Value \$'000	Carrying Value \$'000	Fair Value \$'000
<b>Assets</b>				
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
<b>Liabilities</b>				
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	-	-



## Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

### 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 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Intangible assets	154,912	185,011	40,935	185,011
	<u>154,912</u>	<u>185,011</u>	<u>40,935</u>	<u>185,011</u>

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.

## Mayberry Investments Limited

Notes to the Financial Statements

**31 December 2022**

(expressed in Jamaican dollars unless otherwise indicated)

### 44. Tax Laws Coming into Effect

#### End of Grandfathered Status

As of 1<sup>st</sup> July 2021, all Grandfathered International Business Corporations (IBC's) incorporated prior to 15<sup>th</sup> 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 1<sup>st</sup> 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.



# PUBLIC ADVISORY

## NOTICE OF COURT HEARING TO HOLD ANNUAL GENERAL MEETING

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

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







Sworn on behalf of: Claimant  
 Sworn by: Marlene Street Forrest  
 Affidavit No: 2  
 Exhibit: "MSF-4", "MSF-5"  
 Date Sworn: May 3, 2021  
 Date Filed: May , 2021



**AFFIDAVIT OF MARLENE STREET FORREST  
 IN SUPPORT OF FIXED DATE CLAIM FORM**

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

**IN THE COMMERCIAL DIVISION**

**CLAIM NO.** SU 2021 CD 00196

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

**AND**

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

**I, MARLENE J. STREET-FORREST**, being duly sworn make oath and say  
 as follows:

1. I am the Managing Director of the Claimant, the Jamaica Stock Exchange, and my address for the purpose of these proceedings is 40 Harbour Street, in the parish of Kingston.
2. In so far as the facts herein are within my knowledge, they are true and in so far as they are not within my personal knowledge, they are true to the best of my knowledge information and belief.
3. On March 13, 2020, the Prime Minister of Jamaica, the Most Hon. Andrew Holness, by the Disaster Risk Management (Enforcement Measures) Order declared Jamaica a disaster area due to the effects of the novel Coronavirus COVID-19. This order which was made pursuant to the Disaster Risk Management Act, imposed various restrictions including restricting the size of public gatherings.

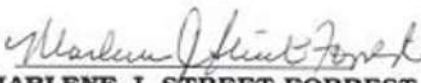
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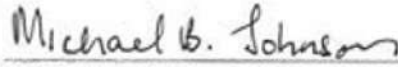


22. The Claimant has been appointed as a representative of the Directors and the Companies to make an application pursuant to section 130 of the Companies Act on their behalf.
23. The Companies the subject of this application have registered their articles of incorporation with the Office of the Registrar of Companies which maintains a public registry from which the articles may be accessed.
24. I exhibit and mark "MSF-5", an indexed bundle of copies of the articles of incorporation of each of the Companies.
25. In these circumstances, the Claimant seeks orders in the terms of the Fixed Date Claim Form.

Sworn to by **MARLENE J. STREET-FORREST**

at 40 Harbour Street  
in the Parish of Kingston  
this 3<sup>rd</sup> day of May, 2021  
before me:-

)  
)   
) **MARLENE J. STREET-FORREST**

  
**JUSTICE OF THE PEACE FOR THE  
PARISH OF Kingston**

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

**FORMAL ORDER****IN THE SUPREME COURT OF JUDICATURE OF JAMAICA****IN THE COMMERCIAL DIVISION****CLAIM NO. SU 2021 CD 00196****IN THE MATTER OF THE COMPANIES ACT OF JAMAICA****AND****IN THE MATTER OF AN APPLICATION BY THE JAMAICA  
STOCK EXCHANGE LIMITED FOR DIRECTIONS PURSUANT  
TO SECTION 130(2) OF THE COMPANIES ACT OF JAMAICA****IN CHAMBERS VIA VIDEO CONFERENCE****ON THE 10<sup>th</sup> DAY OF MAY 2021****BEFORE THE HONOURABLE MR JUSTICE DAVID BATTS**

**UPON** the Applicant's *Without Notice* Application to Appoint Representative Party and for Service by Specified Method filed May 5, 2021 coming on for hearing **AND** after hearing **KEVIN O. POWELL** and **KERRI-ANNE MAYNE** instructed by Hylton Powell, Attorneys-at-law for the Applicant,

**IT IS HEREBY ORDERED THAT:**

1. The Applicant, the Jamaica Stock Exchange Limited, is appointed as the representative party pursuant to Rule 21.1 of the Civil Procedure Rules, 2002 for the conduct of Claim SU 2021 CD 00196 on behalf of the public companies and their directors listed in the Appendix to this order.



2. The first date hearing of the Fixed Date Claim is fixed for 12:00 noon on the 31<sup>st</sup> of May 2021.
3. The personal service of the Fixed Date Claim is dispensed with.
4. The Applicant to serve the Fixed Date Claim Form, the Affidavit in Support of the Fixed Date Claim Form, this Order and any other process by:
  - a) Posting the said documents on the Applicant's website and the websites, if any, of the individual companies represented; and
  - b) By a notice published in a Sunday edition of a newspaper with national circulation at least 7 days before the hearing of the Fixed Date Claim and indicating that the documents may be viewed on the Applicant's website.
5. This order shall be prepared, filed and served in the manner provided for above by the Applicant's Attorneys-at-law.

**BY THE COURT**



**JUDGE/REGISTRAR**

**Filed by Hylton Powell**, 11A Oxford Road, Kingston 5 in the parish of Saint Andrew, Attorneys-at-Law for and on behalf of the Applicant (Attention: Kerri-Anne Mayne – Attn # 5683), whose address for service is that of its Attorneys-at-law. Telephone: 926-1672 & Fax: 929-7587. Email: kamayne@hyltonpowell.com

## This image shows a single page of white paper with horizontal blue lines, resembling notebook paper. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

## NOTES

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## NOTES

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