



MAYBERRY
INVESTMENTS LIMITED
Established 1985

2023

ANNUAL REPORT



A photograph of three diverse professionals (two men and one woman) sitting at a table in an office, laughing and looking towards the left. The woman in the center has curly hair and wears glasses and a patterned blazer. The man on the left has a beard and glasses, wearing a dark suit. The man on the right is partially visible, also smiling. Large windows in the background show a city skyline.

“ The stock market is designed to transfer money from the Active to the Patient.”

- Warren Buffett

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.

A modern office interior with a large window on the left, a desk with a computer monitor, and a white ergonomic office chair. The background is a blue wall with a framed picture.

“ The intelligent investor is a realist who sells to optimists and buys from pessimists.”
- Benjamin Graham

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10 YEAR FINANCIAL HIGHLIGHTS

2014- 2023

Profit and Loss

| | 2014 \$'000 | 2015 \$'000 | 2016 \$'000 | 2017 \$'000 |
|--|----------------|----------------|----------------|----------------|
| Net Interest Income and Other Revenues | 969,408 | 699,846 | 1,546,623 | 936,277 |
| Interest Income | 981,852 | 745,022 | 682,209 | 713,903 |
| Net Interest Income | 189,551 | 232,721 | 117,737 | 147,012 |
| Net Other Income | 779,857 | 467,125 | 1,428,886 | 789,265 |
| Operating Expenses | 871,506 | 980,740 | 961,748 | 858,458 |
| Profit/(Loss) before Taxation | 97,902 | (280,894) | 584,848 | 77,821 |
| Net Profit/(Loss) | 145,619 | (192,556) | 568,314 | 36,109 |
| Total Comprehensive Income/(Loss) | 149,063 | (49,029) | 619,516 | 122,160 |

Balance Sheet

| | | | | |
|---------------------------------|------------|------------|------------|------------|
| Total Assets | 19,249,712 | 14,413,616 | 15,701,380 | 16,675,988 |
| Total Liabilities | 17,203,576 | 12,656,739 | 13,589,239 | 14,717,951 |
| Stockholders' Equity | 2,046,136 | 1,756,877 | 2,112,141 | 1,958,037 |
| Number of issued shares (units) | 1,201,149 | 1,201,149 | 1,201,149 | 1,201,149 |

Key Financial Ratios

| | | | | |
|------------------------------|--------|----------|--------|---------|
| Earnings per stock unit | \$0.12 | (\$0.16) | \$0.47 | \$0.03 |
| Book Value Per share | \$1.70 | \$1.46 | \$1.76 | \$1.63 |
| Return on Equity | 7.1% | (11.0%) | 26.9% | 1.8% |
| Return on Average Assets | 0.8% | (1.1)% | 3.8% | 0.2% |
| Assets Growth(%) | (0.3%) | (25.1%) | 8.9% | 6.2% |
| Net Profit/(Loss) Growth (%) | 160.6% | (232.2%) | 395.1% | (93.6)% |



| 2018 \$'000 | 2019 \$'000 | 2020-Restated \$'000 | 2021 \$'000 | 2022 \$'000 | 2023 \$'000 |
|----------------|----------------|-------------------------|----------------|----------------|----------------|
| 1,255,617 | 1,640,311 | 2,488,400 | 2,816,053 | 2,243,589 | 2,154,293 |
| 777,374 | 803,880 | 978,350 | 782,403 | 1,192,332 | 2,062,748 |
| 264,609 | 324,448 | 671,038 | 378,049 | 547,008 | 322,469 |
| 991,008 | 1,315,863 | 1,817,362 | 2,438,004 | 1,696,581 | 1,831,824 |
| 1,233,682 | 1,373,979 | 1,321,248 | 1,710,675 | 1,825,979 | 1,833,634 |
| 21,935 | 266,332 | 1,167,152 | 1,105,378 | 417,610 | 320,659 |
| (36,078) | 271,909 | 1,223,187 | 1,354,378 | 418,626 | 914,291 |
| 58,948 | 842,500 | 1,032,696 | 1,340,220 | 489,907 | 900,232 |
| | | | | | |
| 17,402,413 | 18,388,251 | 21,824,494 | 23,582,997 | 29,016,651 | 40,441,800 |
| 14,843,486 | 14,335,615 | 16,889,306 | 17,691,957 | 22,972,026 | 33,857,287 |
| 2,558,927 | 4,052,636 | 4,935,188 | 5,891,040 | 6,044,625 | 6,584,513 |
| 1,201,149 | 1,201,149 | 1,201,149 | 1,201,149 | 1,201,149 | 1,201,149 |
| | | | | | |
| \$0.13 | \$0.59 | (\$0.77) | \$1.72 | \$0.35 | \$0.76 |
| \$2.13 | \$3.37 | \$4.11 | \$4.90 | \$5.03 | \$5.48 |
| 6.3% | 17.5% | (18.6%) | 35.0% | 6.9% | 13.9% |
| (0.2%) | 1.5% | 6.1% | 6.0% | 1.6% | 2.6% |
| 4.4% | 5.7% | 18.7% | 8.1% | 23.0% | 39.4% |
| (199.9%) | 853.7% | 349.9% | 10.7% | (69.1%) | 118.4% |



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DIRECTORS' PROFILE

An abstract graphic featuring a large, thick white arc that curves from the bottom left towards the right side of the frame. The background is a solid blue color. The arc is composed of two concentric white lines, creating a sense of depth and movement.

CHRISTOPHER BERRY

B.sc. (Hons.)

EXECUTIVE CHAIRMAN

Mr. Christopher Berry is the Chairman of Mayberry Jamaican Equities Limited, Mayberry Investments Limited, Mayberry Holdings Limited and Mayberry Group Limited. He is also a director of three (3) other publicly listed companies: Caribbean Producers Jamaica Limited, Lasco Financial Services Limited and Supreme Ventures Limited.

Mr. Berry is also a Director of several private companies including Apex Health Care Limited and Apex Pharmacy Limited. He has over 30 years' of experience in the securities industry in Jamaica and holds a B.Sc. (Hons) degree in Industrial Engineering from the Georgia Institute of Technology.



KONRAD MARK BERRY

B.sc. (Hons.)

EXECUTIVE VICE CHAIRMAN,

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 and its teams. During 2002–2004, he successfully carried out major expansion of the Company’s corporate offices, growing it from one floor of 3,700 square feet to three floors of 12,650 square feet to comfortably house the Company’s growing staff complement.

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 Managers Limited.

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.



GARY PEART

M.B.A,B.sc. (Hons.)

**EXECUTIVE DIRECTOR,
CHEF 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.



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.

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

NON- EXECUTIVE 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 has consulted extensively across the region in the areas of Organizational Development, Human Resource Management, and Financial Effectiveness Reviews.

His contribution to national development has awarded him several accolades. 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 of Pricewaterhouse-Coopers (PwC), where he was the Leader of the Advisory division of the firm.

He currently serves as the Chairman of JN Cayman and the JN Cayman Money Services. He also serves as Director of the National Insurance Fund and the Secretary/Treasurer of the Jamaica College Trust.

In addition to this, 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, and acquisitions and mergers.

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



WALTER H. SCOTT

CD,K.C.

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-seven 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 School of Law, 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 a Director of Supreme Ventures Racing & Entertainment Limited, Supreme Ventures Guyana Holdings Inc., Supreme Ventures Enterprise Inc., Dolla Financial Services Limited, and is a Director of several private companies.

Chairman of the Compliance and Data Protection Committees as well as the Remuneration Committee. He also sits on the Audit Committee as an Independent Director.





MAYBERRY
INVESTMENTS LIMITED
Established 1985

Yes, we can give you a
RIDE TO WEALTH



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EXECUTIVE CHAIRMAN'S REVIEW

As we reflect on the past year, it is evident that 2023 was a year of profound resilience and gradual recovery amidst ongoing challenges in the global economy. The shadows of the pandemic have receded, but not without leaving enduring marks on our economic fabric. Geopolitical tensions, supply chain disruptions, and the urgent imperatives of climate change have further sculpted the economic landscape, influencing our strategies and operations.

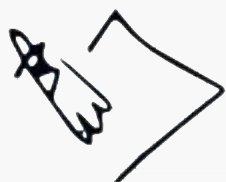
In this context, our organization stood steadfast, adapting to the evolving economic conditions with prudence and foresight. We have remained committed to our core values of integrity, innovation, and sustainability, ensuring that our operations are not just resilient but also aligned with our long-term vision for growth and excellence.

Our strategic investments in technology and sustainability continue to pay off, putting us in a good position for future possibilities and challenges. We continued to form important alliances, develop our global footprint, and innovate in our product and service offerings while remaining committed to our purpose of providing value to our stakeholders.



Looking ahead, the global economic picture is cautiously optimistic, with forecasts of further stabilisation and growth. Our primary focus will remain on improving operating efficiencies, investing in disruptive technologies, and maintaining our commitment to sustainability and corporate responsibility.

In closing, I'd want to express my heartfelt appreciation to our devoted staff, loyal customers, and valued stockholders for your unwavering support and trust. Together, we are navigating these difficult times and creating a stronger, more sustainable future for all.



Christopher Berry

Executive Chairman

CEO STATEMENT

In the 2023 fiscal year, local markets faced significant challenges due to elevated inflation rates, high interest rates, and the ongoing and growing geopolitical tensions in several countries. The difficult terrain led to a decrease in investor trust, limited availability of funds, and had a negative effect on the local stock market, causing a year-on-year decline in both the Main and Junior Market indices. The Group's 2023 results were adversely affected by these challenges in several of its business lines. However, the management team maintains a positive outlook on the future and the Group's ability to withstand such difficulties. In 2023, our ongoing investment in our integrated digital infrastructure MIL 2.0 is expected to establish a strong basis for enhancing efficiency in our service delivery and introducing valuable innovations to our clients and operations.

Financial Performance

Our Company produced a net profit of \$914.29 million in contrast to the prior year's net profit of \$418.63 million. This represents a 118% growth or \$495.67 million improvement. The Company's dividend income soared to \$848.14 million relative to \$55.06 million in 2022.

Net interest income slipped to \$322.47 million from \$547.01 million reported twelve months earlier. This decline in net interest income was mainly a result of higher interest costs resulting from the Mayberry public bond issued in January 2023. Notwithstanding the outturn, the results reflect continuous growth in interest income.

Our operating expenses inched up due to increases in salaries, statutory contributions and other staff costs and other operating expenses. Our consulting fees and net foreign exchange gains also reported favourable increases year over year.

The Company's profit before tax for the fiscal year ending December 31, 2023 totalled \$320.66 million compared to \$417.61 million for the corresponding period in 2022.

Our asset base increased by \$11.43 billion, owing to strong growth in loans and other receivables (up \$3.8 billion or 61%) and due from related companies (\$6.40 billion or 386%). Total liabilities climbed by \$10.89 billion, reaching \$33.86 billion. Mayberry Investments Limited's capital base grew in 2023, with shareholders' equity closing at \$6.58 billion, up from \$6.04 billion in 2022.

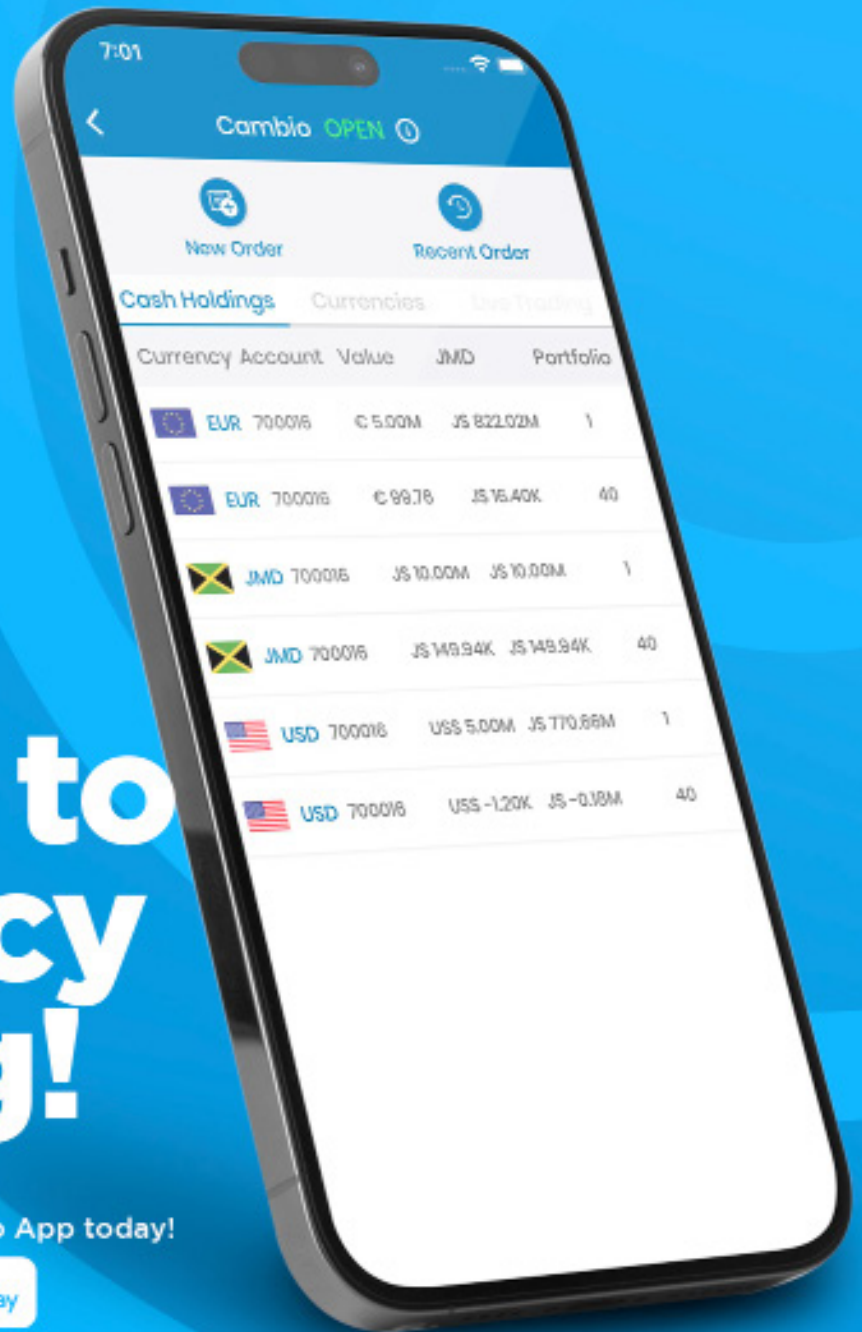


The Executive Management team remains optimistic about future market opportunities to grow our core businesses as we continue to improve service delivery and product options for our customers. We wish to thank our clients, shareholders and staff for their commitment and contribution to the successful milestones of the company and we remain committed to transforming lives positively.





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OUR MANAGEMENT TEAM





ANDREA WHITTAKER
Chief Operating Officer



DAN THEOC
Senior Vice President- Investment



KRISHNA SINGH
Chief Information Officer



ANDREA HO-SANG
Senior Vice President- Operations



STEPHANIE HARRISON
Vice President- Marketing





DAMIAN WHYLLIE

General Manager- Asset Management



JOSEPHINE BENNETT-DARMAND

Chief Financial Officer



KRISTEN RAYMORE REYNOLDS

Senior Vice President-
Human Resources
and Facilities



KAREN MITCHELL

Senior Vice President- Treasury and
Trading



JASON MARTINEZ

Vice President- Research





RACHEL KIRLEW

Assistant Vice President- Investment
Banking



RENE MITCHELL

Senior Vice President- Compliance



OKELIA PARREDON

Vice President- Sales & Client Services





VAUGHN CUNNINGHAM

Senior Manager- FX Trading



KAYREE BERRY TEAPE

Chief Executive Officer
- Mayberry Foundation



MARCIA MESSADO

Manager- Financial Planning & Analysis



CLAYON DENTON

Group Financial Controller

CORPORATE GOVERNANCE



Mayberry Investments Limited (“Mayberry”) has established precise corporate governance guidelines to facilitate the effective functioning of the Board and its committees. These guidelines are designed to uphold shareholder interests, maintain the highest standards of ethics, and ensure a shared understanding of the expectations for the roles and responsibilities of the Board, its committees, individual Directors, and senior management. The Board of Directors of Mayberry has formally adopted and endorsed a Corporate Governance Policy. This policy aligns with applicable laws, regulations, and both local and international best practices. It is in accordance with the Jamaica Corporate Governance Code 2021 issued by the Private Sector Organization of Jamaica (PSOJ) and the Rules of the Jamaica Stock Exchange. The most recent update to the Corporate Governance Policy was made in November 2022 and is accessible on our website at: www.mayberryinv.com.

Board Role and Function

The core responsibility of the Board of Directors is to oversee and lead the Company’s operations for the benefit of its shareholders and stakeholders, which include customers, team members, suppliers, regulators, and the local community. Within this context, the Board is tasked with establishing a framework to evaluate the performance of the Executive Management team based on defined performance criteria and effective controls.

The Board’s duties encompass:

- (i)** Articulating the Company’s vision, mission, and purpose
- (ii)** Setting the strategic course of the Company
- (iii)** Supervising the Company’s controls and accountability systems
- (iv)** Reviewing, endorsing, and monitoring risk management systems, internal controls, codes of conduct, and legal compliance
- (v)** Selecting a suitable Chief Executive Officer and Company Secretary
- (vi)** Tracking the progress and performance of the Executive Management team

Board decisions are guided by a thorough and fair assessment of all pertinent information. These decisions are not only ethical and compliant with legal obligations, but also take into account the reasonable expectations of all stakeholders, including shareholders, employees, customers, suppliers, creditors, and the broader community. Directors exercise independent judgment and prudent business sense in what they believe to be the Company’s best interests. In fulfilling this duty, Directors rely on the integrity and honesty of the Company’s management, external advisors, and auditors.

The Board maintains oversight and holds management responsible for the Company’s operational, strategic, and financial performance. As a result, management maintains open and transparent communication with the Board, bringing significant issues to its attention.

In its broader oversight role, the Board leads in establishing core policies, defining risk appetite, and nurturing the corporate culture. It shapes the Company’s structure and promotes suitable policies concerning corporate social responsibility.



Board Composition and Structure

Because of its composition and organizational structure, the Board of the Company is able to successfully carry out its tasks and provide value for the Company and its stakeholders in compliance with local, legal, and regulatory requirements as well as best practices. The number of Directors and their varied backgrounds, expertise, and experience enable the Board to efficiently carry out its mandate. Because there is a balance between executive and non-executive Directors on the Board, no one person or small group of people can control the decision-making process.

The Board is led by Mr. Christopher Berry and consists of seven (7) members as of December 31, 2023. Three (3) non-executive independent directors and four (4) executive directors make up the current composition of the board.

The Board is thought to be a suitable size for the Company and operates effectively. Each individual stands out due to their educational background, technical proficiency, industry understanding, professionalism, and honesty. When making judgments on behalf of the Company, the Company's best interests always come first, and personal relationships—such as friendships, family ties, or contracts—are not taken into consideration when making decisions.

The collective professional backgrounds of the Board members provide a well-rounded blend of expertise, experience, and knowledge that allows the Board to effectively carry out its duties and obligations. The Board's diverse backgrounds include work in investment banking, law, auditing, corporate governance, information technology, strategic management, and general business management. Additionally, directors receive internal and external training to enhance their skills and expand their knowledge in various disciplines, including changes to the statutory and regulatory landscape, as well as any new or emerging corporate governance best practices.

The roles of the Chairman, Chief Executive Officer (CEO), and Managing Director are distinct and separate. This separation ensures an appropriate distribution of power, promoting heightened transparency, accountability, and enhanced decision-making independent of management. In leading the Board, the Chairman bears ultimate responsibility for guiding the company's strategy, overseeing management, and safeguarding shareholders' interests. The CEO, on the other hand, is tasked with executing the company's strategy as approved by the Board and managing the Company's day-to-day operations. Despite holding a controlling interest in Mayberry, the Board has thoroughly assessed and confirmed that neither the Chairman's significant stake in the company nor any external positions held interfere with his capacity to fulfill all obligations and responsibilities to the Board and Mayberry.

Directors maintain open and unrestricted communication with management across all levels and have complete access to pertinent information. This ongoing engagement between the Board and management enhances the Company's decision-making processes and ensures a suitable distribution of power.



Lead Independent Director

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

Diversity

One of the fundamental roles of the Board is to recognize significant opportunities and risks while providing strategic direction for the business. This necessitates a diverse and seasoned group of individuals operating within an environment that encourages diverse viewpoints. Prior to their appointment, careful consideration is given to candidates’ skills, experience, independence, and familiarity with the Company.

The array of career paths and educational backgrounds among Board members facilitates the fulfillment of their duties in accordance with statutory requirements, the Company’s Articles of Association, and established rules of procedure. To ensure the Board’s effectiveness, nominees or those up for reelection should possess the following qualities, among others:

- a. Unwavering personal and professional ethics, integrity, and values;
- b. Expertise that contributes to the organization and complements the backgrounds of other Board members; and
- c. A readiness and capacity to commit the necessary time to fulfil the duties and responsibilities of Board membership.

Outlined below is a matrix depicting some of the key skills that our Board has recognized as valuable for effective oversight and strategic implementation:

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

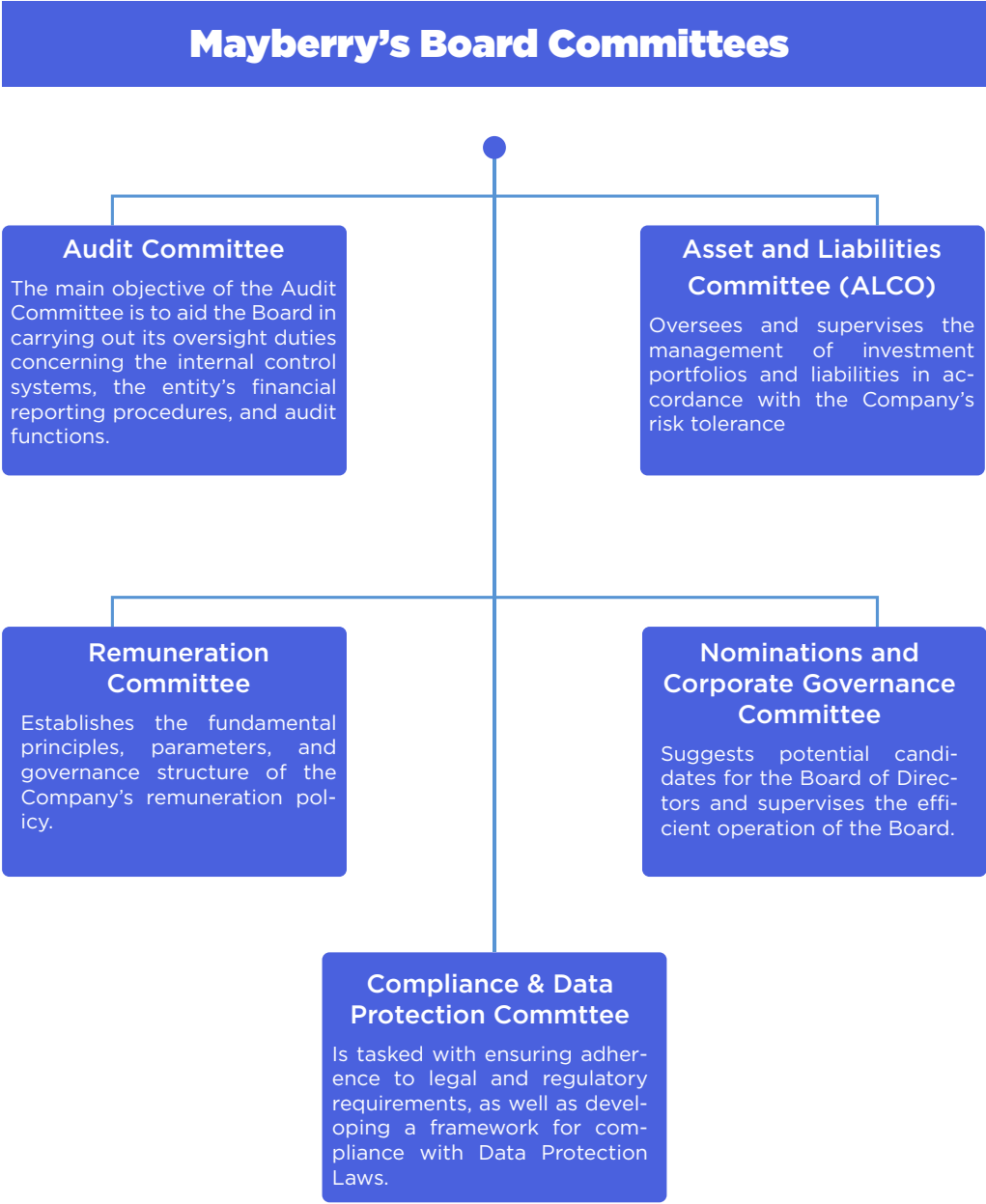
Interpretation of Skills and Expertise Matrix

| No Competence | Low Competence | Some Competence | High Competence | Expert |
|---------------|----------------|-----------------|-----------------|--------|
| | | | | |



Board Committees

The Board has instituted committees to enhance its effectiveness and efficiency in fulfilling its fiduciary duties and responsibilities. These board sub-committees address issues that necessitate thorough review or in-depth analysis, making decisions on behalf of the Board or presenting recommendations for its review. Specific responsibilities are assigned to these Board Committees, aiding the Board in executing its functions and guaranteeing independent supervision of internal controls and risk management. The Chair of each Board Committee provides the Board with reports on the topics discussed during Committee meetings. The following table outlines the standing Committees of the Board of Directors:



Board Committee Composition

| NAMES | POSITIONS | AUDIT | ALCO | Compliance & Data Protection | Nominations and Corporate Governance | Remuneration |
|-------------------|--|-------|------|------------------------------|--------------------------------------|--------------|
| Christopher Berry | Executive Chairman | | | | M | M |
| Konrad Berry | Executive Vice Chairmain | M | M | | | M |
| Erwin Angus | Managing Director | M | M | | | |
| Gary Peart | Executive Director/ 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 |

Director's Attendance: Board and Committee Meetings

| NAMES | POSITIONS | BOARD | AUDIT | ALCO | Compliance & Data Protection | Nominations and Corporate Governance | Remuneration |
|--------------------|---|-------|-------|------|------------------------------|--------------------------------------|--------------|
| Number of Meetings | | 16 | 4 | 10 | 3 | 2 | 2 |
| Christopher Berry | Executive Chairman | 13 | | | | | 2 |
| Konrad Berry | Executive Vice Chairmain | 16 | 4 | 10 | | | 2 |
| Erwin Angus | Managing Director | 16 | 4 | 10 | | | |
| Gary Peart | Executive Director/ Chief Executive Director | 16 | | 7 | 2 | | |
| Gladstone Lewars | Independent Director | 15 | 3 | 9 | 2 | 2 | |
| Alok Jain | Independent Director | 14 | 4 | | | 2 | |
| Walter Scott | Independent Director | 14 | 3 | | 3 | | 2 |

Audit Committee

The Audit Committee has the responsibility to provide independent oversight of the Company's financial reporting, internal controls, risk management, and audit function and give assurance that:

- i.** the Company's financial statements are accurate and reliable,
- ii.** that the Company has adequate internal controls in place, and
- iii.** that the audit function is independent and effective.

The objectives of the Committee include oversight of the following:

a) Financial Reporting Oversight – ensuring the integrity and accuracy of financial statements and reviewing significant accounting policies and practices.

b) Internal Controls Oversight – monitoring the effectiveness of the company's internal control systems and recommending improvements to internal controls as necessary.

c) External Audit Engagement – selecting and appointing the external auditor and reviewing the auditor's independence and effectiveness.

d) Risk Management – assessing the adequacy and effectiveness of the company's risk management processes and evaluating significant risk exposures and mitigation strategies.

e) Compliance and Legal Matters – ensuring that there is a robust system for monitoring and assuring compliance with all relevant laws and regulations as well as monitoring legal matters that may have a material impact on financial statements.

f) Ethical Conduct Assurance – ensure the Company is adhering to its Code of Conduct, ethical standards and its commitment to combating fraud, corruption, and other unethical practices as well as providing oversight of the Company's whistleblowing program.

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.

The Audit Committee Charter adheres to 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 2023, the services of Ernst and Young were engaged to conduct the annual Anti-Money Laundering/Counter Financing of Terrorism audit. The scope of the examination was to assess the adequacy of the controls in relation to the following:



(i) Unusual and Suspicious Transactions

(ii) Know Your Customer (KYC)

(iii) High Risk Customers

(iv) Training

(v) Compliance Programme

(vi) Internal Reporting

(vii) Role of the Nominated Officer

(viii) Know Your Employee (KYE)

Nominations and Corporate Governance Committee

The Nominations and Corporate Governance Committee is established by the Board to enhance its effectiveness in overseeing matters related to director nomination, corporate governance, and board performance. The purpose of the Committee is to ensure the Board's composition reflects diverse skills and expertise, and to promote and uphold strong corporate governance principles in alignment with the principles of fairness, accountability, independence, responsibility, stewardship, and transparency.

Assets and Liabilities Committee

The Assets and Liabilities Committee ("ALCO") is established by the Board of the Company to provide oversight and strategic guidance related to the management of the company's assets and liabilities. The Committee is a subcommittee of the Board and operates within the framework of the overall governance structure of the organization. The purpose of ALCO is to ensure the effective management of the company's financial resources, optimize the balance between assets and liabilities, and align the management of risks with the company's strategic goals.

The objectives of the Committee include oversight of the following:

i. Strategic asset and liability management

ii. Risk management

iii. Liquidity management

iv. Interest rate management

v. Market risk management

vi. Capital adequacy



Compliance & Data Protection Committee

The major responsibility of the Compliance and Data Protection Committee is to oversee and ensure the organization's adherence to legal and regulatory requirements and to monitor the effectiveness of the Company's internal control systems and compliance with applicable laws and regulations. The purpose of the Committee is to safeguard the integrity, legality, and ethical conduct of the Company by providing oversight of compliance with relevant laws and regulations, as well as ensuring the robust protection of sensitive information in accordance with data protection and privacy standards.

Remuneration Committee

The Remuneration Committee (Committee) was established to oversee the remuneration policies and practices, ensuring alignment with the company's strategic goals, performance objectives and best corporate governance principles. The objectives of the Committee include oversight of the following:

- i. Executive compensation
- ii. Performance evaluation
- iii. Equity-based incentives

Directors' Remuneration

Mayberry ensures equitable compensation for its Directors, aligning remuneration with the Company's strategic objectives. The compensation level is reflective of the time, dedication, and duties involved, aiming to attract, retain, and incentivize the Directors appropriately. Director remuneration consists solely of fees, determined by their roles on different committees and any other relevant factors as deemed by the Board. Directors do not receive any form of share-based compensation; however, they are encouraged to acquire shares through open-market purchases. The remuneration details of Directors are disclosed in the annual report for transparency purposes.

Board Evaluation and Self-Assessment

The Board and its Committees undertake regular reviews of their effectiveness as part of their dedication to ongoing enhancement of their oversight, guidance, and constructive engagement with management. The Board remains steadfast in its commitment to undergo regular, independent evaluations of its effectiveness. In December 2023, the Board conducted its annual self-assessment to evaluate performance, conduct, leadership culture, and impact. The outcomes of these evaluations guide the Board in setting priorities and developing action plans. The evaluation utilized an anonymous online questionnaire consisting of fifty-six (56) questions, administered through an independent external application. The evaluation is divided into five (5) major categories:



1. The Board's overall performance and effectiveness – evaluation of the Board's effectiveness in fulfilling its responsibilities, including strategic planning, risk management, financial oversight, and stakeholder engagement. The assessment was broken down into the following five sections:

- **Conduct and Ethics:** Here, the focus was on the Board's adherence to the Company's Code of Conduct and Ethics Policies, as well as its commitment to transparency and integrity.
- **Leadership Culture:** This section assessed the Board's leadership style, communication practices, and ability to foster a culture of collaboration and innovation.
- **Impact:** The impact section gauged the Board's influence on the Company's performance, growth, and long-term sustainability.
- **Suggestions for Improvement:** Lastly, Directors were invited to provide feedback and suggestions for enhancing Board effectiveness and addressing any areas of concern.

2. The performance of individual Board members – assessment of the directors based on;

- **Strategic Vision and Planning:** Ability to contribute to the development and execution of the Company's strategic goals and initiatives.
- **Financial Oversight:** Competency in reviewing financial reports, budgets, and financial risk management practices.
- **Leadership and Communication:** Effectiveness in fostering a collaborative and inclusive environment, as well as clear and concise communication skills.
- **Committee Participation:** Engagement and contributions within Board committees, including Audit, Governance, Remuneration, and Risk

3. The Board's conduct – The conduct of the Board of Directors plays a crucial role in setting the tone for the Company's culture, ethical standards, and overall governance practices. The assessment was conducted based on observations, interactions, and feedback received during the evaluation period of the following:

- **Respectful Communication** – Board discussions were characterized by open, respectful communication, allowing for diverse viewpoints to be expressed.
- **Confidentiality** – Directors maintained strict confidentiality regarding sensitive Company information, ensuring the integrity and security of data.
- **Conflict Resolution** – Instances of differing opinions were managed constructively, with a focus on reaching consensus and making informed decisions in the Company's best interests.
- **Compliance with Policies** – The Board exhibited a strong commitment to compliance with the Company's Code of Conduct, Ethics Policies, and relevant regulatory requirements.

4. The quality of the relationship with staff and how well the Board is supported – The Board’s relationship with the Company’s staff members has been characterized by mutual respect, effective communication, and a commitment to collaboration. During the evaluation period, the Board members actively engaged with staff at various levels, recognizing their contributions, and fostering a culture of inclusivity.

5. The Board’s relationship with the CEO and Chairman – The relationship between the Chief Executive Officer (CEO) and Chairman was characterized by collaboration, transparency, and constructive dialogue. The CEO and Chairman worked closely with the Board, providing regular updates, seeking input on key decisions, and aligning strategies with Board objectives.

- **CEO and Board Alignment:** The CEO demonstrated a strong commitment to aligning the Company’s operations and initiatives with the Board’s strategic direction. Regular updates on operational performance, market trends, and risks were provided to the Board.
- **Chairman’s Leadership:** The Chairman of the Board led discussions effectively, ensuring that all Directors had the opportunity to voice their opinions and perspectives. The Chairman also facilitated constructive debates and decision-making processes.
- **Collaborative Decision-Making:** The Board and executive leadership worked collaboratively to address challenges, capitalize on opportunities, and drive the Company’s growth agenda forward.

Board Training and Development

In December 2023, the Directors took part in the yearly training sessions on Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT), along with Corporate Governance Training. These training sessions were conducted by external parties. The Directors were briefed on the following:

AML/CFT/CFP

- (i) Money Laundering, Terrorism Financing and Proliferation Financing
- (ii) Role of the Board in AML/CFT/CFP
- (iii) Review of Basel AML Index
- (iv) Review of Jamaica’s National Risk Assessment Report, 2021

Corporate Governance

- (i) Environmental, Social and Governance (ESG)
- (ii) Beneficial Ownership
- (iii) Role Clarity for Boards



Directors Training Attendance

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

Staff Training

Annually, all staff members are required to participate in mandatory Anti-Money Laundering/Counter Financing of Terrorism/Counter Financing of Proliferation training which is facilitated by the Compliance Department. At the end of the training, a test is administered and the results are recorded and noted on each team member's employee file.

Business Conduct and Ethical Practices

The Company's Board-approved Code of Conduct underscores its dedication to upholding the highest standards of ethical behavior. Complementing this Code is an Ethics Policy, also sanctioned by the Board, which applies to Mayberry's Directors, officers, and staff.

The Code of Conduct delineates the Company's regulations and expectations concerning the proper conduct of business and ethical behavior for Directors, officers, and employees. These include:

- i. Adherence to the law in all areas where the Company operates;
- ii. Avoidance of conflicts of interest;
- iii. Conducting themselves with honesty and integrity;



- iv. Upholding confidentiality and safeguarding the integrity and security of assets, communications, information, and transactions; and
- v. Treating all individuals fairly, impartially, and professionally—be they customers, suppliers, service providers, employees, or other stakeholders.

The Board has reasonable confidence in the continuous, suitable, and efficient process established for adhering to the Company's Code of Conduct and Ethics policies. Mayberry fosters a robust compliance culture by rigorously upholding the Company's Code of Conduct and Ethics Policies, and by taking firm disciplinary measures when necessary. Both the Code of Conduct and the Ethics Policy are accessible on the Company's website at www.mayberryinv.com/investor-relations.

Whistleblower Policy

Mayberry has a Whistleblower Policy that has received approval from the Board. This policy aims to offer a platform for all employees to confidentially and anonymously report any instances of illegal, unethical, or questionable practices without fear of retaliation. The policy is crafted to safeguard the integrity of the Company's financial reporting and business transactions, while also promoting adherence to the Code of Conduct. The Whistleblower Policy is available on the Company's website at www.mayberryinv.com/investor-relations.

Health and Safety

The health and safety of everyone within Mayberry is a top priority and are critical components of operational success. Through comprehensive policies, proactive measures, and ongoing training, the Company strives to create a secure and healthy environment. Continuous evaluation and improvement of our health and safety initiatives remain central to our commitment to the well-being of our employees, clients, and stakeholders. To that end, the Company has established robust policies aimed at ensuring the health and safety of all stakeholders, including:

- **Occupational Safety:** Regular inspections are conducted to identify and rectify potential hazards. This includes ensuring proper ergonomics, safe electrical systems, and appropriate ventilation.
- **Emergency Preparedness:** Protocols are in place for various emergencies such as fire, medical emergencies, and natural disasters. Regular drills are conducted to ensure employees are familiar with evacuation procedures.
- **Accident Reporting:** Employees are trained to report any accidents or incidents immediately. Detailed records are maintained to analyze trends and implement preventive measures.
- **Sick Leave Policy:** Clear guidelines are provided regarding sick leave, encouraging employees to stay home when ill to prevent the spread of contagious illnesses.



- **Health Education:** Periodic workshops and seminars are conducted to educate employees on various health topics such as stress management, healthy eating, and preventive care.

Data Protection

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. Resulting from these efforts, the Data Protection Unit achieved critical milestones in contributing to a more secure and privacy-focused future, namely:

- **Nonconformity Gap Analysis:** A foundation stone of Mayberry's data protection journey, this comprehensive analysis has been instrumental in identifying areas for improvement and ensuring alignment with the Data Protection Act.
- **Privacy Impact Assessments:** These assessments have been pivotal in understanding how personal data is used, thereby bolstering the privacy and security of client information.
- **Data Mapping Exercises:** By mapping the processing activities, Mayberry has gained invaluable insights into data flows, a crucial step in managing data more effectively.
- **Data Privacy Impact Assessment:** A thorough DPIA for all mapped processes has ensured that privacy risks are identified and mitigated before they become problematic.
- **Risk Treatment Plans:** Arising from the DPIAs, these plans have been key in proactively addressing potential data privacy risks.
- **Training Initiatives:** The continuous training of staff and specialized training sessions for the project team members highlights Mayberry's commitment to creating a privacy-aware culture.
- **Policy Development and Approval:** The successful preparation and approval of several policies and procedures by the Board of Directors reflect Mayberry's adherence to regulatory requirements and commitment to data protection.
- **Inbound Marketing Strategy:** Inbound Marketing Strategy is in development for integration with the Banking and Finance Management System (BFMS) in addition to the drafting of Data Processing agreements for all marketing data processors. This is in accordance with section 10 of the Data Protection Act.

To transform data protection from a checklist exercise to an intrinsic, value-adding component of Mayberry's operational and strategic ethos. The journey ahead is arduous, but with the foundation laid in 2023, Mayberry is well-equipped to navigate the complexities of data privacy in the digital age.

Environmental Policy

Mayberry recognizes the critical importance of environmental sustainability in today's world. By integrating environmental considerations into our operations, investments, and corporate culture, we aim to contribute positively to the environment while minimizing our ecological footprint. Our core principles include:

- **Compliance:** We commit to complying with all relevant environmental laws, regulations, and standards in every aspect of our operations.
- **Sustainable Practices:** We strive to adopt environmentally sustainable practices in our day-to-day activities, including energy consumption, waste management, and procurement.
- **Risk Management:** Recognizing environmental risks, we integrate environmental considerations into our risk management processes to safeguard our institution and stakeholders.

The Environmental Policy can be accessed on the Company's website at: www.mayberryinv.com/investor-relations.

Shareholder Rights and Responsibilities

In line with the principles of openness, fair treatment, and safeguarding shareholder interests, the Board of Directors is dedicated to fostering communication with shareholders and enhancing the Company's current relationships with these stakeholders. The Board endeavors to offer shareholders various avenues to express their perspectives and engage with the Company.

The Annual General Meeting (AGM) serves as a platform for Shareholders to directly engage with the Company's Directors. Additionally, the Company utilizes diverse communication channels that provide timely and equitable access to information. These channels include the Company's website, the Annual Report, the publication of financial results, and the utilization of both traditional and social media platforms for marketing purposes.

During each AGM, individual shareholders are encouraged to present questions to the Chairman and any other attending Board members. Moreover, the minutes of the preceding AGM are compiled and shared with shareholders for their perusal at the meeting. Complementing these efforts, the Investor Relations section of the Company's website at www.mayberryinv.com offers access to company announcements, media releases, audited financial statements, and annual reports.

The Company warmly welcomes inquiries from both individual and institutional investors concerning matters related to their shareholdings and Mayberry's operations. Please do not hesitate to reach out to the Chief Executive Officer at gary.peart@mayberryinv.com to share your feedback, suggestions, and concerns with us.





“

Know what you own, and know why you own it.”

- Peter Lynch

CORPORATE DATA

BOARD OF DIRECTORS

Executives

Christopher W. Berry, B.Sc. (Hons.) -Executive Chairman
Konrad M. Berry, B.Sc. (Hons.) - Executive 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

Gladstone L. Lewars, FCA, M.Sc. (Econ) (Hons.), M.Sc. (Accounting), B.Sc. (Econ) (Hons.)
Lead Independent Director
Alok K. Jain, M.Sc., FCA, FCCA, CGMA, CISA, CFA
Walter H. Scott, Q.C.
Richard Surage

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
Palomino, Gordon-Palomino
Walter H. Scott, K.C. DunnCox
Carolyn C. Reid & Co.

BANKERS

Bank of Jamaica
Citigroup
National Commercial Bank Jamaica Limited
Bank of Nova Scotia Jamaica Limited
Sagicor Bank Jamaica Limited
First Global Bank Limited

INVESTMENT BANKS

Morgan Stanley
Raymond James and Associates (formerly Morgan Keegan)
Oppenheimer
RBC Dominion Securities
Standard Bank





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MANAGEMENT DISCUSSION & ANALYSIS



Economic and Business Environment

The Jamaican economy continued to recover in 2023 as Gross Domestic Product (GDP) for the third quarter increased by 2.1% year on year. The performance stemmed from a 2.1% increase in the Services industries and a 2.1% growth in the Goods Producing Industries, reflecting the economy’s ongoing recovery from the effects of the COVID-19 pandemic.

Since the onset of the COVID- 19 pandemic ten consecutive quarters ago, the island’s tourism sector has consistently achieved remarkable growth figures, encompassing both revenue generation and visitor arrivals. The Ministry of Tourism noted that the influx of visitors is expected to generate US\$4.265 billion in tourism earnings for 2023, representing a projected increase of 17.8% over total inflows for 2022, and a 17.2% spike over the out-turn for the pre-pandemic year of 2019.

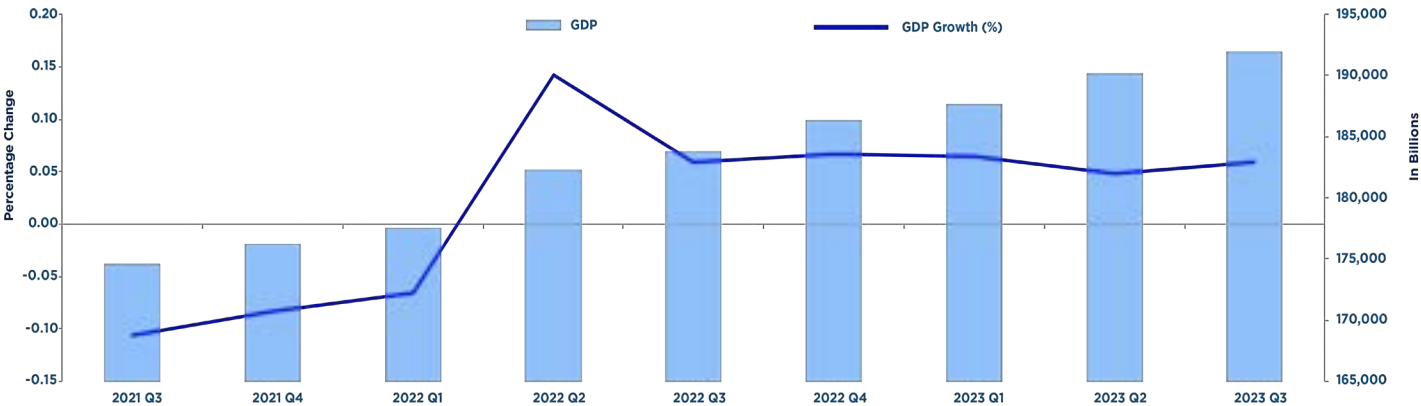
Economic activity and employment continues to rebound, inflows into the foreign exchange market are buoyant and the country’s international reserves have remained strong. Recent developments in domestic inflation have prompted the Bank of Jamaica (BOJ) to maintain measures to influence a return of inflation to the Bank’s target of 4% to 6% in the near to medium term.

Gross Domestic Product (GDP)

According to the Statistical Institute of Jamaica (STATIN), the Jamaican economy grew by 2.1% during the third quarter of 2023 relative to Q3 2022.

The growth was attributed to increases in both the Services and Goods Producing Industries (2.1%). In the services industries, growth was recorded in various sectors, including Transport, Storage & Communication (6.0%), Hotels & Restaurants (6.7%), Other Services (4.5%), Finance & Insurance Services (1.5%), Electricity & Water Supply (6.7%), Real Estate, Renting & Business Activities (0.9%), and Wholesale & Retail Trade; Repairs: Installation of Machinery & Equipment (0.3%). The growth in the Goods Producing Industries was largely attributable to higher output in Mining & Quarrying (103.1%) followed by Manufacturing (2.1%) and Construction (0.7%).

Gross Domestic Product (GDP)

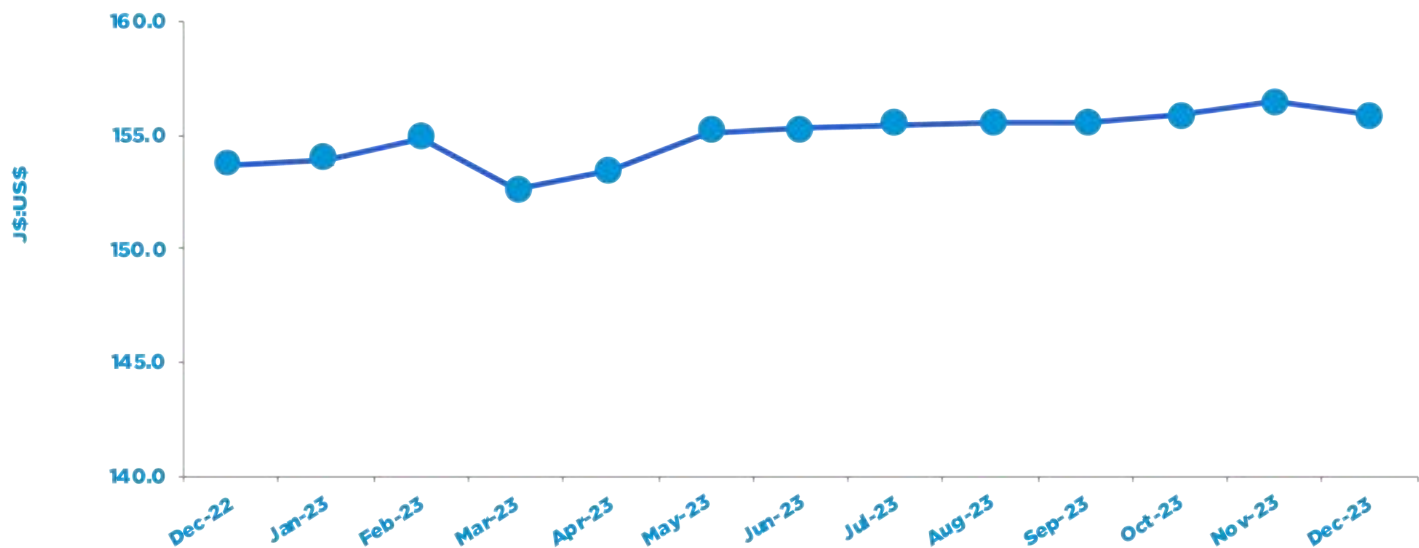


Foreign Exchange

For the year 2023, the foreign exchange market observed a continuation of two-way movements in the exchange rate. The Jamaican dollar (JMD) appreciated against the USD for the month of December 2023. The JMD appreciated by \$0.51 to close the month at an average of \$155.94 relative to the \$156.45 recorded in November 2023. Year over year, the JMD has depreciated by approximately 1.46%.

The BOJ indicated that the foreign exchange market has remained relatively stable over the last four months. Additionally, the stability in the foreign exchange market reflects continued strong tourism and remittance inflows as well as actions taken by the bank to prevent undue volatility.

Exchange Rate Movement



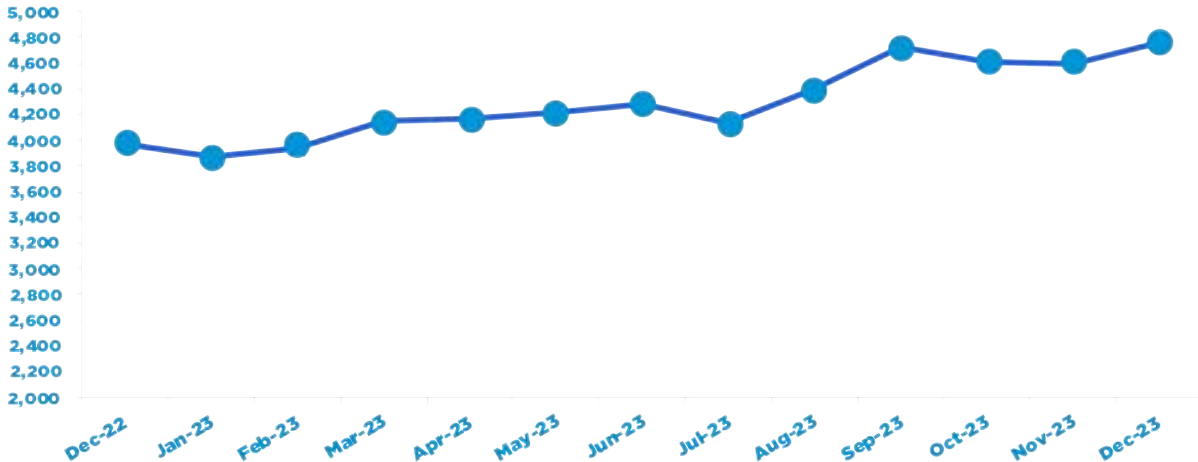
Net International Reserve

BOJ has reported that Jamaica’s Net International Reserves as at December 31, 2023 stood at US\$4,748.14 million, reflecting an increase of US\$150.55 million when compared to the US\$4,597.58 million reported at the end of November 2023.

Foreign Assets totalled US\$4,858.54 million, US\$131.33 million more than the US\$4,727.21 million reported in November 2023. ‘Currency & Deposits’ held by the BOJ as at December 31, 2023 totalled US\$3,162.43 million, reflecting an increase of US\$120.70 million compared to the US\$3,041.73 million reported in November 2023. ‘Securities’ were valued at US\$1,579.20 million; US\$9.90 million more than the US\$1,569.30 million reported at the end of November 2023. The country’s Special Drawing Rights rose to US\$80.22 million relative to the US\$79.71 million recorded a month prior. ‘IMF Reserve Position’ rose to US\$36.69 million from the US\$36.46 million reported last month. Liabilities to the IMF fell US\$19.22 million to US\$110.41 million against the US\$129.63 million reported at the end of November 2023.



Net International Reserves



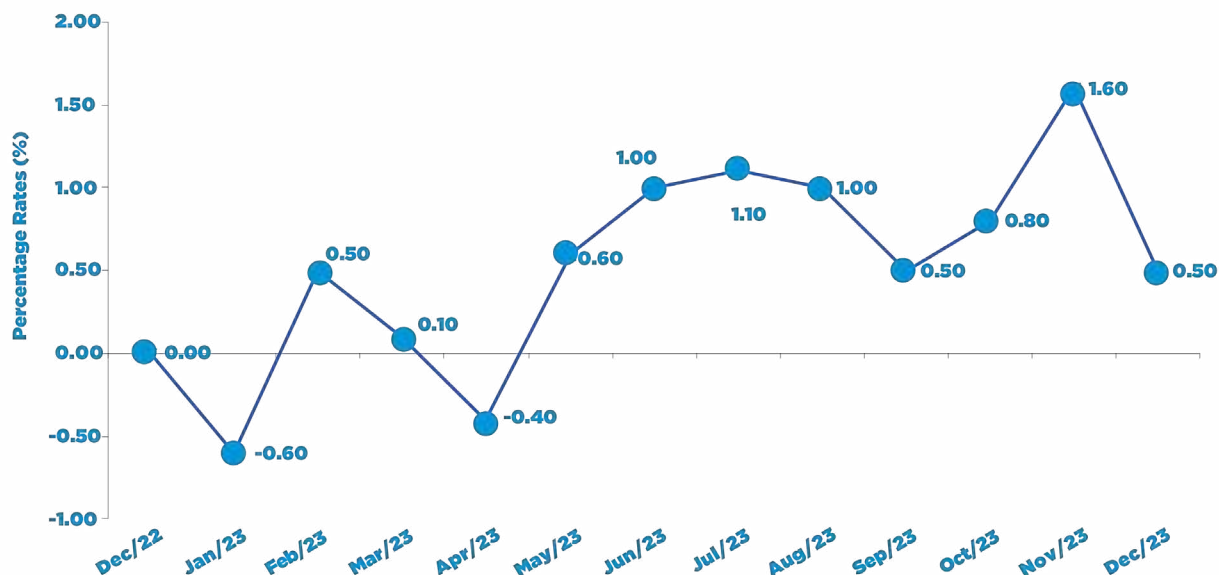
Inflation

STATIN reported that for December 2023, the point-to-point inflation rate was +6.9%; 0.6 percentage points higher than the prior point-to-point inflation rate. However, for the month of December 2023, the inflation rate was +0.5%.

The main driver of the monthly increase (0.5%) was a 2.5% rise in the index for the 'Housing, Water, Electricity, Gas and Other Fuels' division, owing to higher rent, electricity, water, and sewage rates. Another contributor to the increase was a 0.3% rise in the index for the 'Food and Non-Alcoholic Beverages' division due mainly to increases in the classes: 'Ready-made food and other food products' (4.2%) and 'Fruit and nuts' (1.8%). The monthly increase was tempered by a 0.4% fall in the index for the 'Transport' division, owing to lower fuel prices.

According to the BOJ, inflation is projected to continue to rise above the Bank's target range for much of the period between the December 2023 and March 2025 quarters, primarily due to the continued impact of the increases in selected PPV fares.

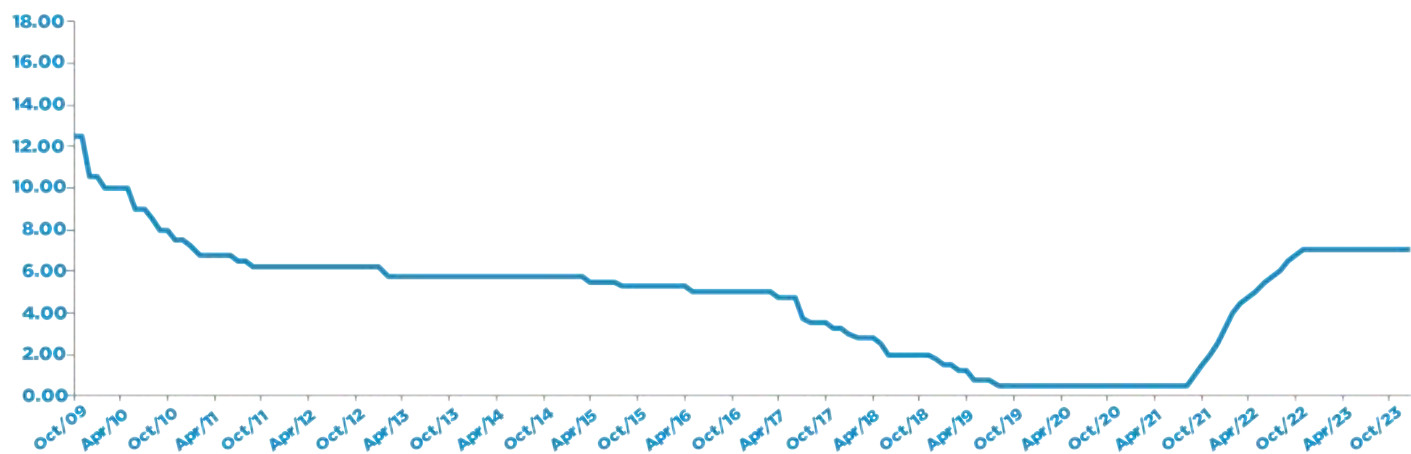
CPI Index



Policy Interest Rates

The Bank of Jamaica’s Monetary Policy Committee (MPC) unanimously decided to maintain the policy interest rate at 7.0%, to preserve tight Jamaican dollar liquidity conditions, and ensure relative stability in the foreign exchange market. The MPC’s decision was based on the positive trends in the key drivers of headline inflation, stable core inflation and the expectation that the impact of the public passenger vehicle (PPV) fare increase will be temporary. The BOJ’s updated assessment of the inflation outlook forecasts inflation to continue to rise above the Bank’s target range for much of the period between the December 2023 and March 2025 quarters, primarily due to the continued impact of the increases in selected PPV fares.

BOJ Policy Interest Rate



MARKET DYNAMICS

Equities Market

Jamaica Stock Exchange (JSE) Main and Junior Markets

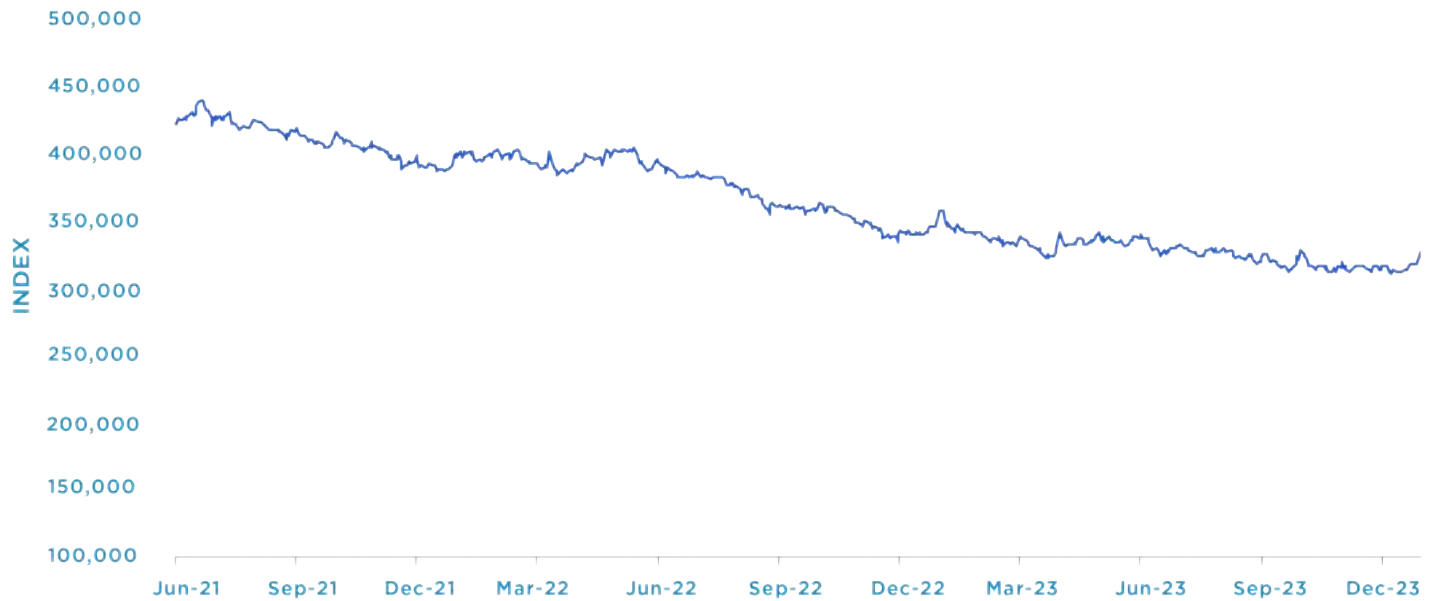
On the last trading day of 2023, the market experienced a rally, leading to a gain of over one point in the JSE Combined Index, encompassing the JSE Main Market, JSE Junior Market, and JSE US Denominated Index.

The JSE Main Market Index closed the year ended December 29, 2023, at 325,699.79 points, reflecting a decline of 25,524.02 points or 7.84% relative to its initial 2023 level. Additionally, the JSE Junior Market Index closed the year 2023 at 3,848.33 points, declining by 63.22 points or 1.64%.

The JSE Main Market, comprising the most heavily capitalized stocks, recorded its third-worst performance in a decade. Its most severe downturn occurred in 2020, plummeting by 22.4% due to the impact of the pandemic. In contrast, the JSE Junior Market, featuring small and medium-sized companies broke a two year streak of gains. During the pandemic in 2020, the junior market suffered a 21% decline.



JSE Main Market Index



JSE Junior Market Index



International

In the latter part of 2023, the International Monetary Fund (IMF) noted that the global economy was slowly recovering from the impacts of the pandemic, Russia's invasion of Ukraine, and a cost-of-living crisis. Despite disruptions in energy and food markets due to the war and efforts to combat high inflation through global monetary tightening, the economy has not stalled but was experiencing slow and uneven growth. There were significant divergences in global economic performance, with emerging markets and developing economies facing challenges in achieving a full recovery to pre-pandemic levels. Inflation, both headline and underlying, was gradually being brought under control. However, global growth was projected to slow from 3.5 percent in 2022 to 3 percent in 2023 and further to 2.9 percent in 2024, indicating a downgrade of 0.1 percentage point for 2024 compared to previous projections in July 2023. This forecast remains below the historical average.

The World Bank's Global Economic Prospects in June 2023 noted that the earlier resilience shown by global economic activity was anticipated to diminish. The global economy was poised for a significant slowdown in 2023, attributed to the ongoing tightening of monetary policy aimed at curbing high inflation. Subsequently, a modest recovery is projected for 2024, with an expected growth rate of 2.4 percent. Inflationary pressures persist, and the impact on growth from continued monetary tightening is projected to peak in 2023 across several major economies. Additionally, recent stress in the banking sector is anticipated to further constrain credit conditions.

Most economies prioritize achieving sustainable disinflation in response to the cost-of-living crisis. Given the potential risks of tighter monetary conditions and reduced growth impacting financial and debt stability, it is crucial to employ macroprudential measures and enhance mechanisms for debt restructuring. Targeted fiscal assistance is essential for focusing on those most affected by escalating food and energy prices. Broad-based fiscal relief initiatives should be scaled back, to uphold the advantages of the rules-based multilateral system. Climate change should be addressed through emission reduction and increased green investment, as such, enhanced international cooperation is necessary.

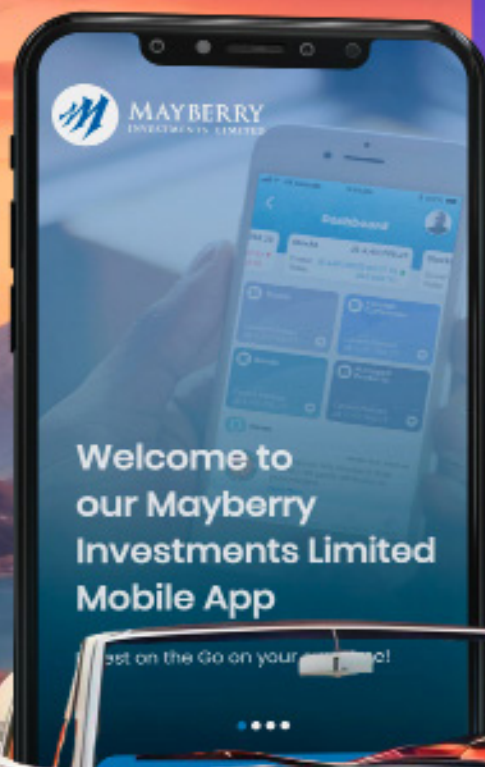
Reorganisation of the Mayberry Group of Companies

At an extraordinary General Meeting held on July 26, 2023, the stockholders of Mayberry Investments Limited (MIL) approved the reorganisation of the Mayberry Group of Companies under a Scheme of Arrangement. The Scheme of Arrangement was then approved by the Supreme Court of Jamaica in September 2023 in accordance with the Jamaica Companies Act. In December 2023, the new holding company, Mayberry Group Limited (MGL) was listed on the Jamaica Stock Exchange and at the same time MIL was delisted. The existing shareholders of MIL exchanged their shares for MGL shares of equal value. At December 31, 2023, MIL also transferred ownership of all its subsidiaries directly to MGL. The consideration for the transfer of ownership of the subsidiaries from MIL to MGL was effected by interest bearing promissory notes.

The management discussion and analysis included in this report represents results only for Mayberry Investments Limited.



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CORPORATE OVERVIEW CORE ACTIVITIES

Mayberry Investments Limited continues to be the principal operating company in the Mayberry group of companies. It 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.

FINANCIAL HIGHLIGHTS

For the year ended December 31, 2023, the Company recorded a net profit attributable to shareholders of \$914.3 million. Total operating income and other revenues totalled \$2.2 billion decreasing by \$89 million or 4% when compared to the corresponding period in 2022, while total operating expenses for the year marginally increased by 0.4% to close at \$1.8 billion. Total comprehensive income for the year ended December 31, 2023 totalled \$900.2 million compared to comprehensive income of \$490 million for the prior year.

The Board of Directors of Mayberry Investments Limited convened a meeting on June 28, 2023, and approved an ordinary dividend of \$0.30 per share. The dividend of \$360 million was paid on July 31, 2023 to all shareholders on record as at July 12, 2023.

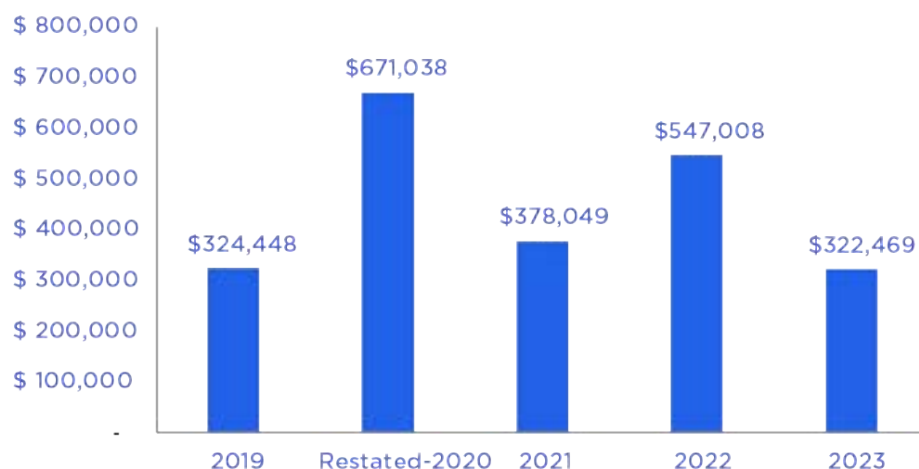
FINANCIAL PERFORMANCE

Net Interest Income

Net interest income for the year ended December 31, 2023, amounted to \$322.5 million representing a decrease of \$224.5 million or 41% over the corresponding period in 2022. During the period, interest income grew by \$870 million or 73% primarily due to higher interest earned on loans and advances and growth in the loan book which increased to \$9.7 billion from \$4.9 billion when compared to December 31, 2022. In addition, bond interest income grew by \$91 million or 37%. On the other hand, interest expense increased by \$1.1 billion or 170% primarily attributable to higher interest costs on repurchase agreements and corporate papers mainly attributable to higher interest rates and finance charges for the \$6.3 billion Mayberry bond issued in January 2023.



Net Interest Income



Consulting Fees and Commissions

The Company reported consulting fees & commission income of \$521 million for the year ended December 31, 2023, an increase of \$12.5 million or 2% over the comparative period. Significant contributors to this variance are:

- Brokerage fees increased by \$7 million or 2% on account of increased earnings from selling fees debt and corporate advisory transactions during the period. Commission selling fees from IPO transactions declined by \$37 million or 98% based on reduced volumes over the comparative period.
- Loan processing fees increased by \$26 million or 38% over the corresponding period in 2022 driven by the increase in loan growth.
- Asset management fees were lower by \$16.7 million or 13% attributable to reduced fees earned for pension management and the USD money market portfolio.

Other Operating Income

Major variances are as follow:

- Dividend income of \$848 million improved by \$793 million on account of dividend income received from a subsidiary during Q4 2023.
- Net unrealized gains on investments of \$99.6 million was higher by \$146 million or 314% primarily due to unrealized gains on investment properties of \$86 million recorded when compared to unrealized loss of \$22 million reported for the corresponding period in 2022.
- Net trading gains decreased by \$908.7 million or 90% to \$97 million when compared to the corresponding period in 2022. Gains on the disposal of shares in a subsidiary was the main driver of the gains in the prior period.



- Net foreign exchange gains of \$202 million were higher by \$92 million or 84% resulting mainly from higher cambio volumes and spreads and reduced losses on the revaluation of foreign currency balance sheet positions.

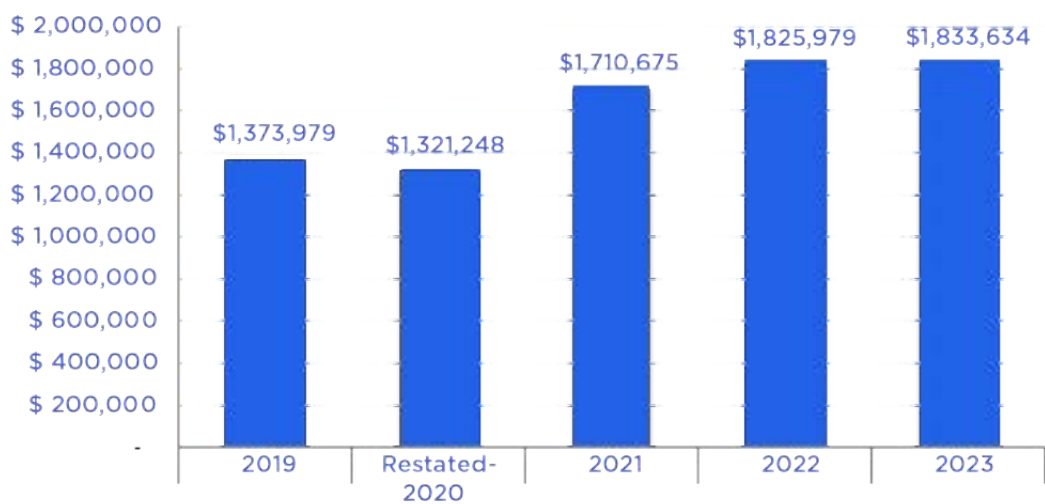
Operating Expenses

Total operating expenses amounted to \$1.8 billion for the year ended December 31, 2023, representing a marginal increase of \$7.7 million or 0.4% compared to \$1.8 billion for the corresponding period in 2022. The major contributors to the increase are as follows:

- Security costs increased by 78% attributable to increases in the minimum wage granted to that industry during the year.
- Legal and professional fees were higher by 91% due to additional services procured for the review of organization policies and internal controls.
- Consulting fees increased by 53% due to additional services procured for cyber security services.
- Computer expenses increased by 35% due to increases in the rate of licenses fees and storage costs.

The position was offset by 91% reduction in donations and a 64% reduction in directors travelling. The Company’s assessment of its credit risk resulted in lower provisions for expected credit losses of 146% when compared to the prior year.

Operating Expenses

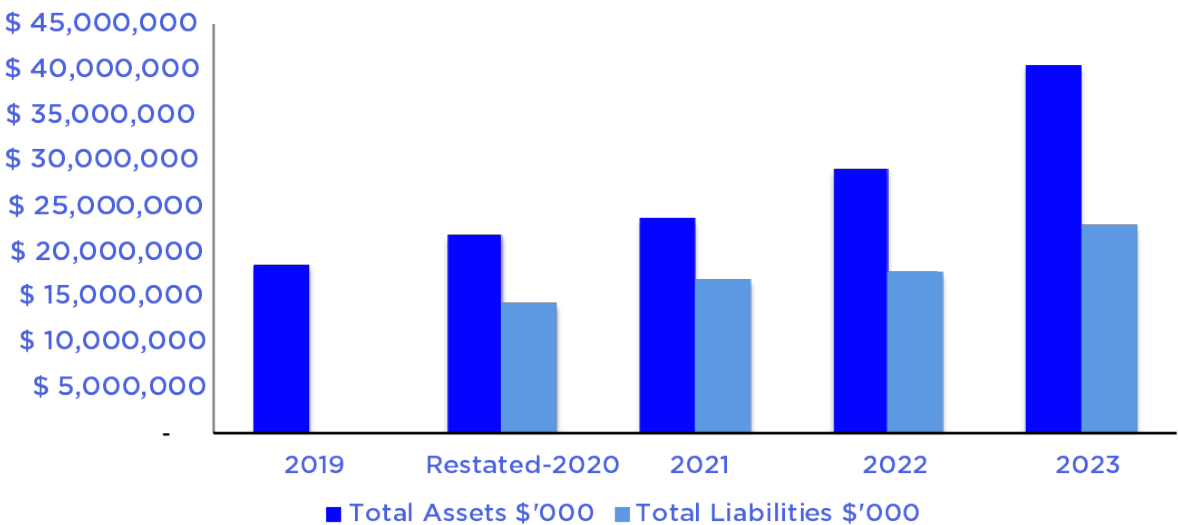


Assets and Liabilities

Total assets increased by \$11.4 billion or 39% compared to the prior year. The growth in the asset base was due primarily to year over year increases in the following assets: balances due from related companies increased by \$6.4 billion or 386% to \$8 billion due to interest bearing loans, loans and other receivable balances higher by \$3.8 billion or 61% due to increased take up in the margin loans, and promissory notes higher by \$1.2 billion or 23%. In addition, investment securities grew \$494 million or 16%, deferred taxation was higher by \$761 million or 196% due to tax credits earned, and intangible assets increased by \$264 million representing the Company’s continued investment in its new digital platform. This performance was mainly offset by a reduction in reverse repurchase agreements by \$1.7 billion or 32% and investment in subsidiaries down by \$1 billion with the transfer of former subsidiaries Mayberry Jamaican Equities Limited and Widebase Limited to the new group parent company Mayberry Group Limited in exchange for promissory notes, consequent on the reorganization of the Group.

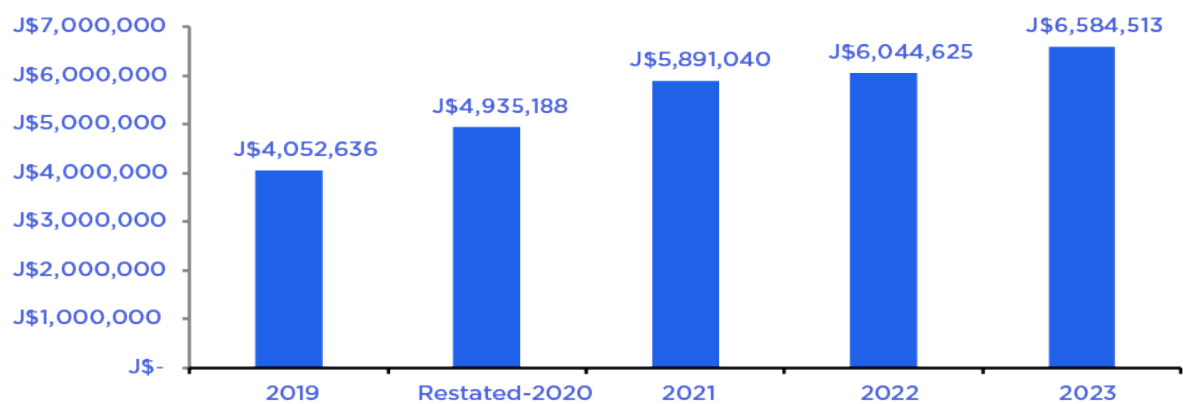
Total liabilities increased by \$10.9 billion or 47% over the prior year to \$33.9 billion. This movement was mainly due to loans payable higher by \$7 billion or 98% primarily attributable to the \$6.3 billion MIL Bond issues during the period. This was in addition to higher securities sold under repurchase agreement higher by \$2.1 billion or 44% compared to the corresponding period in 2022.

Total Assets and Liabilities



Mayberry’s capital base remains strong with total shareholders’ equity and closed at \$6.6 billion or an increase of 9% over the prior year. The year-on-year increase of \$540 million was mainly driven by a \$561 million increase in retained earnings due to net profits for the year . This resulted in a net book value per share of \$5.48 (2022: \$5.03).

Equity



REGULATORY AND CAPITAL REQUIREMENTS

The Company’s regulatory capital base continues to be robust and compliant with regulatory benchmarks. As at December 31, 2023, the capital to risk-weighted asset ratio of 18.3% exceeds the established minimum of 10% set by the Financial Services Commission (FSC). In addition, Tier one Capital is 99% of the Company’s overall capital base and exceeds the regulatory minimum of 50% established by the FSC.

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.



PERFORMANCE HIGHLIGHTS

TOTAL ASSETS

39%

INCREASE OVER YTD
DECEMBER 31, 2022

YTD DEC 2023: J\$40.4B
YTD DEC 2022: J\$29.0B

NET BOOK VALUE PER SHARE

9%

INCREASE OVER YTD
DECEMBER 31, 2022

YTD DEC 2023: J\$5.48
YTD DEC 2022: J\$5.03



EARNINGS PER SHARE

118%

INCREASE OVER YTD
DECEMBER 31, 2022

YTD DEC 2023: J\$0.76
YTD DEC 2022: J\$0.35

TOTAL COMPREHENSIVE INCOME

84%

INCREASE OVER YTD
DECEMBER 31, 2022

YTD DEC 2023: J\$900M
YTD DEC 2022: J\$490M



RISK MANAGEMENT FRAMEWORK



Risk Management

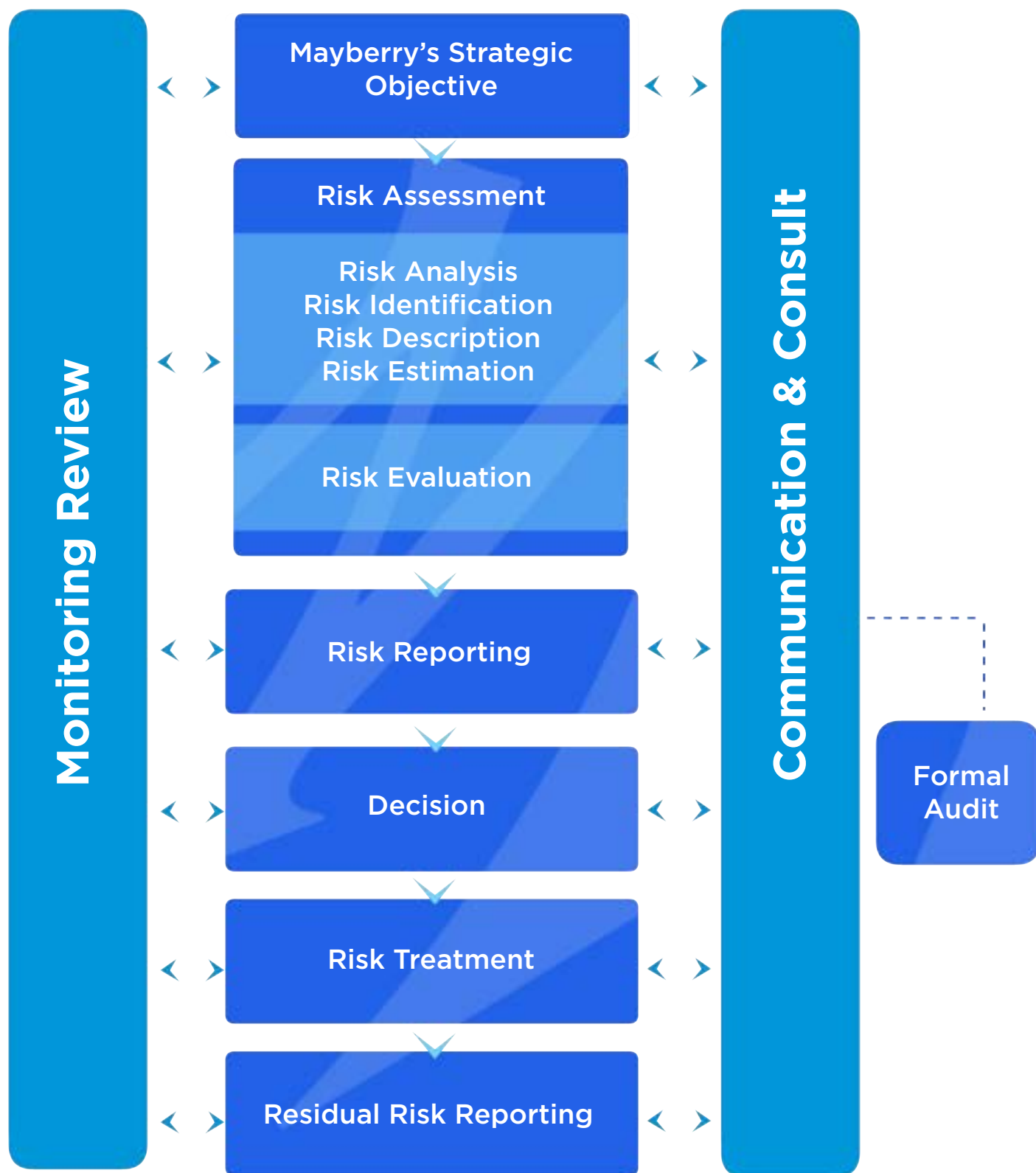
Recognizing the paramount importance of risk management in safeguarding shareholder value, Mayberry has taken significant strides to enhance its risk management practices. As part of this endeavour, the company has adopted a forward-thinking approach, separating its risk team from the compliance team to sharpen its focus on proactive risk mitigation strategies.

Embracing a proactive stance towards risk management, Mayberry has successfully steered through the challenges posed by the Covid-19 pandemic by promptly identifying and addressing potential threats within its operational landscape. This proactive approach not only ensures the resilience of the organization but also fosters a culture of risk awareness and responsiveness at all levels.

Mayberry's Risk Management Framework

Mayberry's Risk Management Framework serves as a cornerstone for the organization's strategic business execution, underscoring the integration of risk management practices into every facet of its operations. This comprehensive framework encompasses the identification, assessment, treatment, monitoring, and reporting of primary risks, thereby facilitating risk-reward optimization across the Company's diverse portfolio of assets and securities.

Integral to the Risk Management Framework is the robust governance structure, underpinned by the principles of transparency, accountability, and consistency. Mayberry adopts a three lines of defence approach, delineating clear roles and responsibilities among management of business lines, independent Compliance and Risk functions, and Internal Audit. This collaborative governance model ensures effective risk oversight and mitigation while aligning organizational objectives with stakeholder interests.



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: (i) management of business lines, (ii) independent Compliance and Risk functions, and (iii) 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.

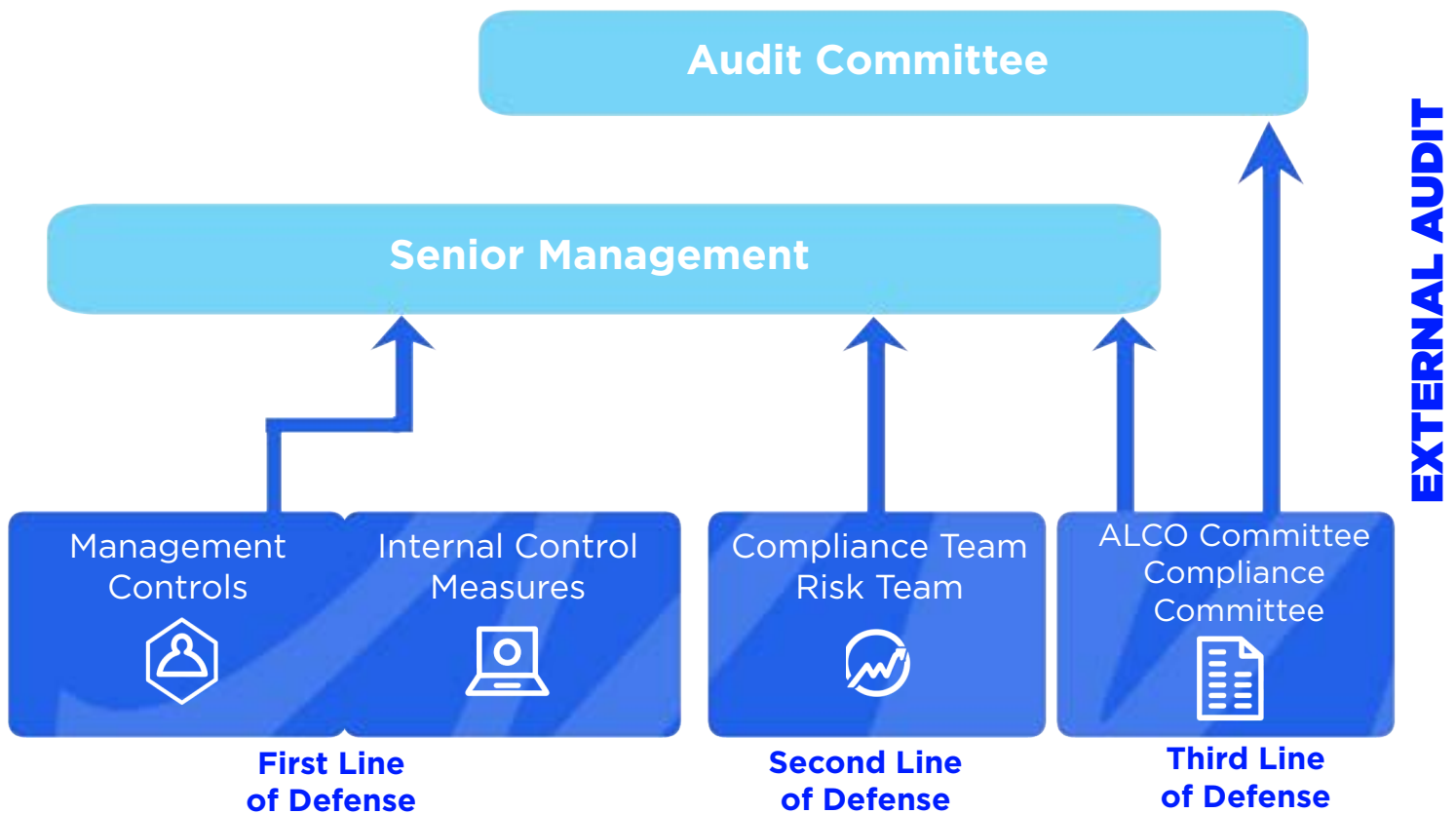
The second line of defence involves the Compliance and Risk function, which provides independent oversight and assurance to manage the market, credit, compliance, reputational, and operational risks in a manner consistent with the company's risk appetite. This establishes policies and guidelines for risk assessment and risk management, which 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.

Figure 1: Mayberry's Three Lines of Defence Framework

Three Lines of Defense Model



Strategic Alignment and Continuous Improvement

Mayberry remains steadfast in its commitment to integrating risk management practices seamlessly into its strategic decision-making processes. By analysing and assessing new products and projects through the lens of enterprise risk management, the Company ensures that risk considerations are embedded within its innovation and growth initiatives.

Furthermore, Mayberry recognizes the evolving digital landscape and the associated risks therein. As the Group continues to expand its digital footprint, particular emphasis is placed on upholding exemplary standards of data protection and privacy. This proactive approach underscores Mayberry's dedication to maintaining trust and confidence, both internally and externally.

Key Risks

Mayberry acknowledges the diverse array of risks inherent in its business model, ranging from financial and operational risks to strategic and reputational concerns. To address these risks effectively, the group employs an enterprise risk assessment mechanism, enabling timely identification and mitigation of emerging threats.

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

FINANCIAL RISK

Financial Risk 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.

Market Risk- 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 & Trading and the Research Department in assessing market risk. MGL assesses market risk exposure through various metrics and risk models such as Value at Risk (VaR), sensitivity analysis, among others.

Credit Risk- Credit risk is the risk of financial loss if a counterparty fails to meet their financial obligations. MGL 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.

Liquidity Risk- 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 company's Liquidity Coverage Ratio.

STRATEGIC RISK

Mayberry's strategic risks 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.

OPERATIONAL RISK

Mayberry's operational risk 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 mechanism to deter or reduce risks identified.

PRIVACY RISK

Mayberry's privacy risk 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.

ESG FACTORS

Mayberry considers Environmental, Social, and Governance (ESG) factors in their investment decisions to mitigate risks and promote sustainable practices. They manage ESG risks by conducting thorough due diligence on potential investments. This approach helps Mayberry to achieve both financial returns and positive societal impact.

In conclusion, Mayberry's proactive approach to risk management, coupled with its robust Risk Management Framework and governance structure, positions the Group well to navigate uncertainties and capitalize on opportunities in an ever-changing business landscape. By integrating risk management into its strategic objectives and fostering a culture of risk awareness, Mayberry reaffirms its commitment to safeguarding shareholder value and sustaining long-term success.



**YOU ARE NOT GETTING
ANY YOUNGER.**

BIG DREAMS REQUIRE BIG INVESTMENTS

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Email

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MayberryInvJa



LinkedIn

MayberryInvestmentsLimited

DEPARTMENTAL REPORTS



DEPARTMENTAL REPORTS – 2023 YEAR IN REVIEW

SALES DEPARTMENT

The year 2023 presented a set of unique challenges for the Sales Department at Mayberry Group Limited (MGL). Amidst economic uncertainties and a downturn in the Jamaican equity market, our department navigated through a year that tested our resilience and adaptability. The high interest rates and market volatility significantly impacted the overall performance of the market.

We began the year with a team of 34 advisors and strategically streamlined to a core group of 20 high-performing individuals. This transition was crucial to maintaining a focus on quality and efficiency. Although we faced challenges in expanding our client base significantly, we believe the groundwork laid this year will yield positive results in the future.

The sales department recorded a total revenue of \$244.5 million, which was below the previous year's figures. This outcome, while reflective of the challenging market conditions, also sets a realistic foundation for our future strategies. Notably, one of our advisors achieved remarkable success by exceeding their revenue target, with individual performances ranging from \$11.2 million to \$45.6 million. This achievement demonstrates the potential and capability within our team. These results have provided us with valuable insights and learnings that we are actively incorporating into our future strategies.

As we look towards 2024, our focus is on leveraging the opportunities that lie ahead. With plans to increase our sales staff, we are poised to enhance our market presence and client engagement significantly. The comprehensive training provided through Mayberry Corporate University will be instrumental in equipping our new hires to meet the challenges and targets of the coming year.

The increase in the number of advisors is a strategic move to capitalise on emerging market opportunities. We are optimistic that with a larger, well-trained, and technologically equipped team, we will be better positioned to navigate the market dynamics and achieve our objectives.

The year 2023 was indeed challenging, but it was also a year of learning and strategic realignment. The sales department remains committed to excellence and is focused on adapting to the changing market environment. With our increased advisor capacity and the insights gained from this year, we are looking forward to a more fruitful 2024, marked by growth and enhanced client service.



ASSET MANAGEMENT

Income from asset management fees saw a slight decline in year-over-year performance, mainly due to the prevailing poor performance of the stock market throughout FY 2023. However, there was a notable enhancement in the management and performance of pensions, which significantly mitigated the impact of the overall market downturn for the year. We are confident that our managed portfolios present a substantial opportunity for performance improvement, playing a crucial role in bolstering the Group's future performance.

INVESTMENT BANKING

In 2023, the Investment Banking department remained committed to providing enhanced financial solutions to our clients. We devised several financial market solutions for our clients, assisting them with debt and equity capital raises. Furthermore, we have advanced numerous financial advisory transactions for the benefit of our clients, which will result in successful capital raises in the near future.

Our strategic goals remain centred around our core business, while placing a renewed emphasis on process modernization. We will be able to expand our brokerage and financial advisory services in the future thanks to these initiatives.

In a bid to combat inflation, central banks around the world maintained relatively high policy rates. A high interest rate environment is usually an indicator of poor stock market performance. However, the Jamaica Stock Exchange showed resilience, with the Main Market Index declining just by 0.03% while the Junior Market Index declined by 0.01%.

The debt market was very fervent due to the high interest rate environment. We successfully closed a first-of-its kind public bond offering for J\$6.3 billion in January 2023, issued by Mayberry Investments Limited. We were also able to raise approximately J\$12.05 billion in private debt placements for new and existing clients. The department also continued to provide quality advisory services to new and existing clients, whom we guided to higher levels of growth and development.

In general, the department hopes to make a lasting impression in 2024 by continuing to be a major force in the financial markets and providing suitable financial solutions to help our clients choose wisely when they make investments. Thanks to technological advancements, we have also discovered novel approaches to connecting with new customers both domestically and abroad.

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. Accordingly, we expect to see a significant uptick in capital market transactions in 2024.

TREASURY & TRADING

Overview of Financial Year 2023

During the financial year 2023, several factors impacted the economic environment, influencing both the domestic and global financial markets. Chief among these factors were inflationary pressures across the globe, and central banks, in response to these pressures, implemented policies that led to an increase in interest rates, which may have significantly impacted investment opportunities for both businesses and consumers. Heightened political and military tensions in the Middle East and Europe also played a critical role during the financial year, which created uncertainty across the global economy.

Global Bonds Performance

Throughout the year, the Federal Reserve Bank (Fed) continued to increase interest rates, although at a slower pace than in 2022. Cumulatively, the Federal Reserve Bank raised rates by 225 basis points during the year 2023. Emerging market bond prices declined as a result of continual inflationary pressures, geopolitical tensions, and volatility in the US banking sector. Price declines were seen in the most liquid Jamaican, Barbados, Bermuda, and Trinidad bonds. However, the positive rating affirmations for Bermuda and positive changes in outlook for Jamaica, Barbados, and Trinidad mitigated the impact of the rising interest rate on bond prices.

Treasury and Trading

The Treasury and Trading Department manages liquidity and trading activities for Mayberry Group Limited (MGL), encompassing cambio trading, fixed income trading, and equity trading. Monetary policy by the Bank of Jamaica continued to impact liquidity, resulting in continued tightening of liquidity in the money market while high interest rates impacted funding costs. Our funding portfolio is made up of short- and long-term borrowing arrangements under repurchase agreements, lines of credit, and bond raises.

Net Interest Income

The performance in net interest income was influenced by the high interest rate environment, which led to margin compression due to the higher cost of funding experienced during the financial year. Interest income for 2023 was \$2.1 billion against \$1.2 billion for 2022, an increase of 75%. Drivers for the growth in interest income were a 61% increase in income on client debit balances, increased bond income, and loans. Interest expense for 2023 was \$1.7 billion, representing an increase of 173% over 2022 interest expense of \$645 million. The increase in expenses was driven primarily by increased bond expenses, client debit balances, and higher rates on repurchase agreements. As a result of the significant increase in interest expense, net interest income decreased to \$302 million, representing a 45% decline over the previous year's \$547 million.



Cambio Trading

Net foreign exchange gains for the Group recorded a 65% increase from \$110 million to \$181 million, a growth of \$71 million during the year. Trading revenue for the Cambio unit was \$257 million, a 16.3% increase in revenue over the prior-year figure of \$221 million as a result of increased trading volumes across the USD, GBP, CAD, and Euro currencies despite contractions in spread.

Equity Trading

High interest rates, constrained liquidity conditions, and low investor confidence resulted in low trading activity on the Jamaica Stock Exchange (JSE). Stock market activities remained bearish as the high interest rate environment reduced the attractiveness of stocks relative to lower-risk money market instruments. This is evident in only four (4) public equity issuances on the Jamaica Stock Exchange for FY2023. Equity revenue for the department was \$45 million versus \$40 million in the prior year, an increase of 12.5%.

ACCOUNTING AND FINANCE

2023 saw the Finance and Accounts Department supporting major company initiatives, including the group reorganisation and the MIL 2.0 digitization programme. Mayberry Group Limited is now the holding group for the Mayberry Group of companies, effective December 2023, and the new regulatory and financial reporting requirements resulting from these changes were successfully met during the period in preparation for the new structure.

The MIL 2.0 back office financial management system continues to be an organisation effort, and further implementations of the new system occurred during the period, with many changes for financial reporting and more to come in 2024.

The department maintained its high compliance rate with regulatory compliance reporting during the period, and the team remains committed to continuously improving work methods and output to improve the information available for decision-making.

OPERATIONS

We completed the Bondberry Initial Public Offer in January 2023 and then migrated the data for the Bondberry portfolios to the new wealth management platform.

After successfully completing the Bondberry data transfer, the team continued to provide support for the migration of multiple product lines to the new wealth management platform. As is to be expected, some teething pains were evident. However, the team continued to work closely with the vendor to address these issues.

The Group is committed to providing first-world technology to meet the needs of its clients in a secure environment.



HUMAN RESOURCES

In 2023, our HR initiatives, which catered to the unique needs and culture of the organisation, achieved significant milestones. This included top-tier talent acquisitions secured through successful recruitment efforts, training and development initiatives that further enhanced employee skills and knowledge, contributing to improved overall performance, and employee engagement programmes that have helped to foster a more positive work environment. Of particular note were our new employee safety programmes, which educated employees on safety protocols and best practices. Our employee safety training programmes included emergency response training, which provided guidance on responding to emergencies, including fire drills, evacuation procedures, and first aid training. These programmes are essential for maintaining a safe work environment, preventing accidents, and fostering a culture of awareness and responsibility among employees.

These endeavours collectively contributed to a positive and productive workplace by fostering employee growth and aligning the workforce with organisational goals and values. Despite challenges in addressing turnover rates and balancing well-being with business objectives, HR demonstrated resilience by implementing strategies for sustained organisational growth.

Heading into 2024, our focus will shift towards HR technology integration, incorporating streamlined solutions for improved processes. Additionally, we will prioritise mental health support for our team, offering programmes and resources to enhance overall well-being.

MARKETING

In 2023, the Marketing Department at Mayberry continued to enhance our brand's visibility and engagement across digital platforms, further establishing our authority in the financial sector. Despite the evolving market conditions, we remained committed to delivering innovative and effective marketing strategies that resonated with our target audiences.

Building on the momentum of previous years, our digital marketing strategy in 2023 focused on expanding our reach, increasing audience engagement, and optimising the user experience across all digital channels.

Key highlights include:

Mayberry Virtual Investor Forum: The forum maintained its position as a cornerstone of our digital strategy, achieving significant growth in viewership and engagement. We successfully hosted numerous sessions, resulting in a YouTube viewership of 356,032 and a 37% rise in YouTube subscribers compared to the previous year.



Social Media Growth: Our consistent and targeted social media campaigns have led to a remarkable increase in our online community, with a 237.4% growth in followers across platforms like Facebook, Instagram, and LinkedIn. Our content strategy, focused on providing value and promoting interaction, has significantly boosted our brand's online presence.

Content Marketing: We have intensified our efforts in content marketing, producing a wide range of materials such as articles, infographics, and videos that underline Mayberry's thought leadership in the financial industry. This content has not only attracted new followers but also deepened engagement with our existing audience.

In 2023, the Marketing Department continued to strengthen Mayberry's brand identity and corporate social responsibility. The Mayberry Foundation expanded its outreach and support to the community, focusing on education, sports, health, community, and youth development.

Customer Experience and Satisfaction: We have launched several initiatives aimed at refining the customer journey and enhancing satisfaction levels. Feedback mechanisms and customer engagement strategies were implemented to gather insights and foster a more personalised relationship with our clientele.

As we move into 2024, the Marketing Department is poised to continue our path of innovation and excellence. We plan to explore new digital platforms, leverage data analytics more effectively, and further personalise our customer engagement strategies. The year 2023 was a period of significant growth and achievement for Mayberry's Marketing Department. By staying ahead of industry trends and maintaining a clear focus on our brand values and objectives, we have successfully enhanced our market position and set the stage for future successes.

RESEARCH

The research team's purpose is to inform and educate our external clients while also assisting the Group's revenue-generating areas. To reach our goal, the department provided timely reports to our external customers, as well as the best advice to assist them in making investment decisions. These efforts are assisted by our valuation and technical models and reports, such as Daily Recommendations and Daily Picks, which provide information and synopses of a wide range of financial assets.

We also keep our internal clientele informed by sharing reviews and other publications. The department continues to examine various routes and methods that can help create value in the capital markets.

INFORMATION TECHNOLOGY

2023 Summary

The Information Technology (IT) Department focused on Mayberry Group Limited's digitization and cyber security initiatives for 2023. We introduced live Cambio Trading to our client portals and enhancements to improve efficiency and customer satisfaction. We also made significant improvements to our cybersecurity posture to protect our data and assets from cyber threats.

Cyber Security Achievements

We contracted the services of highly experienced cyber security consultants to provide 24/7 monitoring via our Security Operations Centre. This enables the detection of any signs of malicious activity, using advanced tools and techniques to detect and respond to cyber attacks.

Digitization Achievements

During 2023, we enhanced our client-facing platforms to allow Mayberry clients to conduct live Cambio trading online. This resulted in a more user-friendly and streamlined process that fully automates the workflow and eliminates any prior bottlenecks in this process.

Several other internal processes were migrated from our legacy platforms to our current cloud-based platform to significantly aid in the efficiency of legacy processes. Enhancements were also made to client statements to enhance their security and provide an audit trail of statement generation.

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

Conclusion

There was a significant increase in cyber threat activity within the Caribbean region in 2023. While this was a cause for concern, we used it as a trigger to enhance our cyber security posture to minimise the likelihood of any present or future attack on our systems.

Transitioning into 2024, we continue to emphasise our attention on the migration to cloud-based technologies and the digitization of our remaining manual processes.



RISK MANAGEMENT

The Risk Department at Mayberry Investments Limited (MIL) has played a pivotal role in overseeing and managing the various risks inherent in our operations throughout the reporting period. The department's primary responsibility involves identifying, analyzing, and managing risks that could potentially impact the operations, finances, or reputation of Mayberry Investment Limited.

Specifically, the risk department has been actively engaged in identifying potential risks that the organization may face. This includes analyzing the potential impact and likelihood of each risk, working closely with other departments in the organization to develop and implement strategies for managing risks, and providing regular reports to senior management and the board on the organization's risk exposure.

- During the 2023 financial year, the risk department completed a range of critical tasks:
- Conducted a comprehensive Fraud risk assessment.
- Successfully completed regulatory semi-annual stress tests and quarterly duration tests, all of which met regulatory requirements.
- Updated and completed the Anti-Money Laundering/Counter-Terrorist Financing (AML/CTF) risk assessment methodology and report.
- Reviewed the Group's Enterprise Risk Assessment and Key Risks.
- Conducted risk reviews on prospective third-party vendors.
- Provided valuable assistance with the annual audit, including the provision of Value-At-Risk and other financial note-related support.
- Produced reports for the Board as necessary to facilitate risk-based decision making.
- Collaborated with industry peers and participated in industry forums to stay abreast of emerging risks.

Throughout the reporting period, the Risk Department at Mayberry Investments Limited played a critical role in maintaining a robust risk management framework. Our proactive approach to risk identification, assessment, and mitigation aligns with our commitment to safeguarding the interests of our stakeholders. As we look ahead, we remain dedicated to adapting and enhancing our risk management strategies to address the evolving risk landscape and support the long-term sustainability of MIL.

COMPLIANCE & CLIENT ONBOARDING

The Compliance Department plays a critical role in overseeing the Group's compliance risk, which involves the potential for legal or regulatory penalties, financial setbacks, or damage to reputation arising from non-compliance with applicable laws, regulations, codes of conduct, and standards of good practice. Aligned with the strategic goals of Mayberry Investments Limited, the Compliance Department is dedicated to ensuring strict adherence to relevant regulations and policies, striving for a comprehensive 100% compliance rate across the entire enterprise.

The department's mission is to safeguard the Group, its Board, senior management, staff, and all stakeholders from Anti-Money Laundering (AML) and regulatory risks. This is achieved by establishing and implementing adequate controls and policies while fostering a culture of compliance throughout the organization. The core values upheld by the Unit include integrity, reliability, ethical conduct, high expectations, and accountability.

In the 2023 financial year, the department's strategic objectives were grouped into four broad categories: Financial, Customer, Internal Business Processes, and Learning, Growth, and Development. Key accomplishments during this period include ongoing enhancements to the internal AML/CFT (Combating the Financing of Terrorism) training program. This resulted in all new hires receiving training within their first two weeks and a 95% participation rate from staff and a 100% participation rate from the Board of Directors in the annual AML/CFT training.

Efficiency improvements were realized in client onboarding, client relationship management, and transaction monitoring through the strategic use of technology, resulting in a positive impact on the Know Your Customer (KYC) compliance rate.

Notably, there were no adverse AML/CFT findings resulting from regulatory examinations conducted throughout the year, reflecting the department's successful efforts in maintaining a robust compliance framework.

DATA PROTECTION

The Office of the Data Protection Officer (DPO) at Mayberry Investments Limited (MIL), established in 2022, demonstrated notable progress in 2023. Key accomplishments included the allocation and monitoring of data protection nonconformities. The office completed extensive training for managers and the soft implementation of key policies such as Third-Party Management, Incident Management, and Privacy Notice. The office successfully assessed two virtual data protection training platforms, having chosen Design Privacy for future use, and conducted foundational data protection training across various staff groups. Additionally, the office responded effectively to a data breach in July 2023, managing Data Subject Access Requests (DSARs) related to the incident. The DPO attended several data protection seminars to keep abreast of current requirements in the regulatory environment and achieved the ISO 27001:2022 Information Security Management Systems certification.



In its role, the DPO's Office ensures MIL's compliance with the Data Protection Act, 2020, acting as a liaison with the Information Commissioner and a contact point for data subjects. Key initiatives included preparing for registration with the Information Commissioner, implementing compliance frameworks, and fostering a robust privacy culture. This included the completion of a Record of Processing Assessment (RoPA) for several key units, aided by legal advisors, to enhance privacy and data protection practices across the organization.

“

Only those who will risk going too far can possibly find out how far one can go.”

- T. S. Eliot



A person with curly hair, wearing a light-colored suit, is seen from the side, looking out a window. The background is a blurred view of a city street with buildings and trees, creating a bokeh effect. The overall tone is blue and contemplative.

“

That future is not something we enter. The future is something we create.”

- Leonard I. Sweet



The University of The West Indies Caribbean
Neurosciences Symposium (CANS)

Supreme Ventures Racing and
Entertainment Limited

Citizens Action for Free and
Fair Elections (CAFFE)

National Gymnastics Federation
of Jamaica

Superstars of
Port Antonio

CB Group UWI 5K Run with
Passion Kids

Jamaica Amateur Body Building
and Fitness Association

Aquatic Swimming
Association of Jamaica

Jamaica
Constabulary Force

Salvation Army Eastern
Division

Women's Ministry
Department

St. George's
College

Issa Trust
Foundation

S.W Isaac-Henry
Track & Field

Mamby Bay
Baptist Church

Portland Arts and
Vocational Education

Budding Farmers
Jamaica

Winsome
Wishes for Kids

Jamaica Olympic
Association

Nurses Association of
Jamaica (NAJ)

Project Hosana

Project Star

Sunshine Girls

Campion College

Tru-Juice 5K

Food For The Poor



**CHARITIES
AND SPONSORSHIP**



CORPORATE SOCIAL RESPONSIBILITY



Kayree Berry- Teape,
CEO,
Mayberry Foundation

"The Mayberry Foundation remains steadfast in our mission to impact the wider Jamaican community through our philanthropic efforts. In 2023, our dream came to fruition through several charitable initiatives and with the aid of our long-standing partners, namely the Winsome Wishes For Kids, St Georges College, The Salvation Army - Eastern Division, The Sunshine Girls, and so many more. We aim to support these initiatives for the foreseeable future whilst leaping at every opportunity to better the lives of the Jamaican people wherever such possibilities arise."

Every citizen has the potential to impact Jamaican society as a whole. Whether their contribution is positive or negative, and whether they have the opportunity to realize their potential for good will depend heavily upon their environment. Understanding the value of independence as a whole, the Mayberry Foundation remains focused on doing its part in creating an environment that encourages the development of Jamaican citizens no matter their origin or journey in life. We are striving towards seeing a Jamaica where all citizens are equipped to achieve their independence and individuality on a path to prosperity. To that end, we continue to champion all our stakeholders no matter their socio-economic, religious or ethnic backgrounds; this goes for our valued customers and the general public. Together, we will continue working towards creating an environment conducive to the progression of the Jamaican people.

Our CSR goals include:

- ✓ Reinforcing our core values
- ✓ Realising our mission
- ✓ Ensuring that Mayberry Investments Limited is driven by long-term success while providing benefits for stakeholders: 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

For more than 35 years, our Corporate Social Responsibility extends to health, education, youth, community development and financial literacy.



WINSOME WISHES FOR KIDS - "THE BEST OF ME" STUDENT-CENTRED MENTAL HEALTH WORKSHOPS

Mayberry was proud to be amongst the associate sponsors for The Winsome Wishes For Kids - "The Best Of Me" student-centred mental health workshops. The Winsome Wishes Foundation strives to bring awareness to the challenges faced by educators, shedding light on the limited tools that are available to enhance the learning experience of children with special learning challenges.

Captured here are: Le'Rhaul Wallace- Investment Advisor, Mayberry Investments Limited, Simone Sobers, Founder & President of Winsome Wishes for Kids, Dr Patrece Charles-King, Counseling Psychologist at Phoenix Counseling Centre, Dr Karine Clay- Psychologist, Higher Potential for Learning, Dellon Dixon- Investment Advisor, Mayberry Investments Limited.



BERRY BROTHERS GIVE BACK

Mayberry Foundation is proud to donate \$7,650,000 to the St. George's College Scholarship Fund! We believe in the power of education and are committed to supporting our future leaders.

From Left to Right: Mr. Christopher Berry, Executive Chairman, Mayberry Investments Ltd., Reverend Fr. Ricardo Perkins, SJ Director Campus Ministry, Mrs. Margaret Campbell (Principal, St. George's College), and Father Rohan Tulloch, SJ (Chairman, St. George's College).



THE SALVATION ARMY- EASTERN DIVISION

The Mayberry Foundation donated JMD \$50,000 to the Salvation Army Eastern Jamaica Division to support their social renewal program. This after-school homework program provides students with access to the internet and IT resources, offering a safe and productive environment to work on their homework and other challenges.

Pictured here: Kayree Berry-Teape, Mayberry Foundation CEO, and Nickay Cameron, Marketing Coordinator, Mayberry Investments Ltd. present at the handover ceremony, accompanied by Cleto Parkinson, a life member of the Salvation Army advisory board and Nana Boakye-Agyemang Divisional Commander for the Salvation Army Eastern Jamaica Division.



WWK KIDS READ ACROSS JAMAICA

The Mayberry Foundation is pleased to have partnered with Winsome Wishes (WW) Kids to sponsor "The WWKids Read Across Jamaica Week" and the results were incredible! Bright smiles were left brighter, and happy children were made even happier.

Captured here are: Geraldine Reid- WWKids Liaison to Jamaica, Philip Hyman- Investment Advisor, Mayberry Investments Limited, Brian Munroe- Investment Advisor, Mayberry Investments Limited, Justin Williams- WWKids Peer-to-Peer reader, Jaleel Samms and Brandon Hibbert- Kingston College Students and Amir Barrett- Deputy Head Boy at Kingston College.



PROJECT HOSANA - A FI WI REPUBLIC

Mayberry Investments Limited is pleased to join the Advocates Network in championing citizen participation for Jamaica's Republic. We are proud to support the "A Fi Wi Republic" campaign, which aims to empower Jamaicans to shape the future of our country.

Pictured here are: Kayree Berry-Teape, CEO, Mayberry Foundation, Rosalea Hamilton- Co-Chairman, Advocates Network, Shamar Bryan- Youth Ambassador & Director, Advocates Network, Norah Blake, Robert Stephens, Donna Mattis, Charles Hyatt and Danielle Archer- Director, Advocates Network, Dr. Opal Adisa Palmer- GBV/Child Abuse Coordinator, Rev. Jason Downer- Men of God Against Violence & Abuse, Novelette Grant- GBV/Child Abuse team, and Dr. Anna Perkins- Co-Chair of Human Rights.



BACK TO SCHOOL SPONSORSHIP

The Mayberry Foundation partnered with the Women's Ministry Department for a back-to-school program. We aim to brighten the lives of at-risk youth, notably the Girls of Eloquence and Moral Standards (GEMS). Through tailored sessions, young individuals can be empowered as they rise to meet life's challenges.

Photo features Konrad Mark Berry, Vice Chairman of Mayberry Investments Limited (left), and Mollie Henry, Visionary Founder and Director of Western JA Women, joining forces with determination at the MIL Foundation's Back to School event. Their partnership shows a shared commitment to empowering youth and fostering positive change through education.



MIL FOUNDATION DONATES \$15 MILLION TO THE SUNSHINE GIRLS

The Mayberry Foundation and Supreme Ventures Foundation join hands to honour the remarkable achievement of the Sunshine Girls at the recent Netball World Cup. The bronze medalist players each received investment accounts at Mayberry Investments Ltd valued at \$1 Million in show of respect for their extraordinary performances.



MIL FOUNDATION DONATES TO FOOD FOR THE POOR

The Mayberry Foundation's generous donation of servers and computers to Food for The Poor Jamaica marks a pivotal step in supporting our island-wide projects.

During a recent photo op, dedicated professionals from Food For The Poor Jamaica, including Marsha Burrell-Rose, Marketing and Development Manager, Craig Moss-Solomon, Executive Director (one of), Fitzroy Wright, IT Manager, Kedian Tinker, Marketing Assistant, Kayree Berry-Teape, CEO Mayberry Foundation and and Desiree Wheeler, Senior Marketing Officer of Mayberry Investments Ltd, came together to symbolize our shared commitment to making a lasting impact on our communities through technology, education, and empowerment.



MIL FOUNDATION SUPPORTS STGC ATHLETES

Mayberry Investments Limited proudly supported the St. George's College Track and Field Team award ceremony, where outstanding athletes were honoured for their incredible achievements throughout the season. These medals represent the hard-fought victories at the Champs games and other sporting events.



MIL DONATES TO MEDICAL STUDENT

Captured in these heartfelt moments are Deacon Ryan Peralto, our compassionate team, MIL Foundation CEO Kayree Berry-Teape, Desiree Wheeler, Senior Marketing Officer, and the inspiring Donovan Sparks, a dedicated Medical Student at UWI. Through this donation, Donovan is set to embark on a journey filled with opportunities, making strides in his medical studies and achieving remarkable milestones.



MIL, SVL, STEWARTS AND WISYNCO SUPPORT CAFFE

Mayberry Investments Limited teamed up with Supreme Ventures Limited, Stewart's Automotive Group, and WISYNCO in endorsing Citizens Action for Free and Fair (CAFFE) and their unwavering commitment to ensuring the integrity of our national processes.



From left-right: Anton Thompson, Chairman of Campion College, Christopher Berry, Executive Chairman of Mayberry Investments Limited, Grace Baston, Principal of Campion College, Jackie Stewart Lachler, Managing Director of Stewart's Automotive Group, Peter McConnell, Managing Director of Tru Juice William Mahfood, Chairman of Wisynco Group.

STGC MONSIGNOR GLADSTONE AWARD

HATS OFF to our incredible Executive Chairman, Christopher Berry! He received the prestigious Monsignor Gladstone Wilson Awards from his alma mater, St. George's College, alongside his peers Deacon Oswald Tai and Herman Athias, who "have all given excellent service to the STGCOBA and the wider society in the fields of banking, business, and finance."



MAYBERRY SUPPORT JCF NETBALL TEAM

Mayberry Investments Limited was a proud sponsor of the Jamaica Constabulary Force's Police Sports Council, helping the Netball team shoot for the stars in the United States; a donation meant to help them score big time on the global stage!

NURSES ASSOCIATION OF JAMAICA

Mayberry Foundation CEO Kayree Berry-Teape joined guests at the Nurses Association of Jamaica Christmas Luncheon to spread holiday cheer and goodwill. The Foundation was thrilled to support with a \$150,000 donation, helping to make the event a success, in honour of our retired nurses who've given their all to healthcare.



With the considerable growth of our online platform and the increasing authority of our brand within the financial space, we are more optimistic than ever that Mayberry is on track to guide the everyday Jamaican to a state of financial independence and general wellness.

Cheers to the future and the blessings to come!



Mayberry CEO, Gary Peart (left) shares the spotlight with SVP, Investment Banking, Dan Theop, and Minister of Finance, Dr The Honourable Nigel Clarke, who kicked off the year with a comprehensive overview of Jamaica's 2022 performance

FORUM HIGHLIGHTS

Mayberry Investments Limited's Virtual Investor Update Series stands as a hallmark for investor education in Jamaica. Hosted by industry experts led by Dan Theoc, SVP of Investment Banking, the series offers weekly reviews of companies listed on the Jamaica Stock Exchange, providing crucial insights into their performance. Through this platform, Mayberry keeps investors informed about market trends, economic highlights, and top investment opportunities. The virtual format ensures convenient access to digestible information, promoting investor education and fostering a deeper understanding of the financial market. By engaging with expert panelists, viewers receive guidance, clarity, and debunking of myths associated with investing, thus empowering them to make informed financial decisions. Ultimately, Mayberry's aim is to positively transform lives through lasting relationships, guiding investors like parents in their journey towards financial growth and success.

JANUARY

Ministry of Finance

Dr. the Honourable Nigel Clarke, Minister of Finance and Public Service was an esteemed guest on our Investor Forum where he shared insights into how the Jamaican economy recovered against all odds following the COVID-19 pandemic.



FEBRUARY

German Ship Repair

Colonel Martin E Rickman, CEO, and Charles Johnston, Deputy Chairman German Ship Repair Jamaica Ltd, joined the panel in February and spoke on the development project which is expected to make a statement in the private sector.



MARCH

Jamaica Broiler Group

Group President and CEO of Jamaica Broiler Group, Christopher Levy, shares lens with SVP, Investment Banking, Dan Theoc [left], and Executive Chairman, Christopher Berry [right], after discussing JBG's performance in both regional and international markets.



MARCH

Jamaica Producers Group

Group Managing Director, Jamaica Producers Group Ltd joined our forum where he shared insight into the group's focus areas such as property & infrastructure, specialty food, global service and exposure to financial services.

MAYBERRY'S VIRTUAL INVESTOR
FORUM 2023

WED. MAR. 15, 2023 | 6:00PM

YouTube



Jeffrey Hall, CD, BA, MPP, JD
Group Managing Director,
Jamaica Producers



Dan Theoc
SVP - Investment Banking
Mayberry Investments Limited



Gary Peart
Chief Executive Officer,
Mayberry Investments Limited



Christopher Berry
Executive Chairman,
Mayberry Investments Limited



MAY Lumber Depot

Major Noel Dawes, Managing Director of Lumber Depot took viewers on a deep dive into Lumber Depot's core products, including lumber, steel, construction cement and pump lights. The discussion included a closer look at the diversity of the company's current customer base, reaching as far as Mandeville and St. Ann.

MAYBERRY'S VIRTUAL INVESTOR
FORUM 2023

WED. MAY 10, 2023 | 6:00PM

YouTube



**Name
of Person**
POSITION



HOST
Dan Theoc
SVP - Investment Banking
Mayberry Investments Limited



PANELLIST
Gary Peart
Chief Executive Officer,
Mayberry Investments Limited



PANELLIST
Christopher Berry
Executive Chairman,
Mayberry Investments Limited



JUNE Project Star

(From left to right) Parris Lyew Ayee Jr., Vice President of the Private Sector Organisation of Jamaica (PSOJ), alongside Christopher Berry, Executive Chairman of Mayberry Investments Limited; Keith Duncan, Co-Chairman of Project STAR; and Gary Peart, CEO, Mayberry Investments Limited, have lens as Mayberry pledges their support with a contribution of \$10 million to Project STAR.

Also, Ms. Saffery Brown, Project STAR's esteemed director was thrilled to share their progress through a dedicated focus on economic development, they have achieved remarkable sufficiency through trading and employment opportunities. With a strong emphasis on private sector-led employment, Project STAR has conducted numerous training sessions in partnership with HEART, empowering community members with essential interview skills and resume-writing expertise. They provide invaluable support with documentation and more.



JUNE Caribbean Producers Jamaica

Mark Hart, Executive Chairman and Tom Tyler, Executive Co-Chairman has announced that CPJ's salesforce has experienced a remarkable surge of 40%! CPJ has been diligently working on introducing new products and expanding its product lines, and one particular product has been generating a significant amount of buzz: "Fireball." This captivating cinnamon whiskey is poised to make a fiery impact on the market!

MAYBERRY'S VIRTUAL INVESTOR
FORUM 2023

WED. JUNE 21, 2023 | 6:00PM

YouTube



Mark Hart
Executive Chairman,
Caribbean Producers Jamaica



Tom Tyler
Executive Co-Chairman,
Caribbean Producers Jamaica

HIGHLIGHTS

Blue Power

GROUP LIMITED

JULY

Blue Power Group

Jeffrey Hall, the Executive Chairman, and Vishwanauth Tolan, the General Manager of Blue Power Group gave viewers full access to the progress of the company, including Cake Soap making more than 10% of their sales both domestically and in the export market. Cake Soap has been their foundation for growth.

They are also very optimistic about Bad Soaps (Betso) as the volumes have grown exponentially year over year, with an impressive 43% growth in 2022 and 2023!

MAYBERRY'S VIRTUAL INVESTOR
FORUM 2023

WED. JULY 5, 2023 | 6:00PM

YouTube



Jeffrey Hall

Executive Chairman,
Blue Power Group



Vishwanauth Tolan

General Manager,
Blue Power Group

INVESTOR BRIEFING
SUPREME VENTURE LIMITED

THUR. JULY 20, 2023 | 6:00PM

YouTube



Gary Peart

Executive Chairman,
Supreme Ventures Limited



Solomon Sharpe

Chairman of Supreme Ventures
Racing and Entertainment Limited (SVREL)



PANELLIST

Christopher Berry

Executive Chairman,
Mayberry Investments Limited



HOST

Dan Theoc

SVP - Investment Banking
Mayberry Investments Limited

Gary Peart, Executive Chairman of Supreme Venture Limited, spoke on the company's revenues increasing by \$2.4 billion compared to last year. According to Peart, sports betting played a major role, with the 2023 FIFA World Cup accounting for most bets!



OCTOBER Wisynco

William Mahfood [left], Chairman and Andrew Mahfood [right], CEO, Wisynco, frame Dan Theoc in this photo taken after an insightful discussion during October's forum.

OCTOBER Dolla Financial

Kenroy Kerr, CEO, and Trevene McKenzie, Group CFO, Dolla Financial share lens with SVP, Investment Banking, Dan Theoc, moments after sharing the latest updates on the Company.



NOVEMBER Seprod Group

Richard Pandohie, CEO, Seprod Group and AS Brydens & Sons helped us close the year strong by sharing insights into Seprod's 2023 performance with our loyal viewers.





IN THE COMMUNITY



INVESTING IN OUR YOUTH

"Community building has been a top priority of Mayberry Investments Limited for decades. Our work in 2023 is a testament to the fact that we have no plans of changing course any time soon. We proudly invest our faith and resources into initiatives that better our children, athletes, and other members of the wider community; the very pillars of our island home." -

- Gary Peart, CEO



1

MAYBERRY INVESTMENTS LIMITED'S ALL ISLAND SWIM MEET

We are thrilled to be back for this, our 25th staging of the Mayberry All Island Swim Meet. This has grown to be the largest swim meet across Jamaica and shows the prominence of the event, and how successful it has been in changing lives.

Mayberry has always championed the development of sports in Jamaica, and we have always sought ways to establish and support sporting alliances across the island. This meet is a testament to our commitment to bettering lives through sports. We can't thank our sponsors enough: First Rock Group, Iron Rock Jamaica, Lasco iCool and Pure Country for their contributions.



L:R : Martin Lyn, President Aquatic Sports Association of Jamaica (ASAJ), Sable-Joy McLaren, Group Marketing Manager, First Rock Group, Christian Watt, General Manager- Marketing and Production, Okelia A. Parredon, VP of Sales and Client Relations, Mayberry Investments Ltd and Ayawna Morgan, Junior Category Manager for iCool Water.



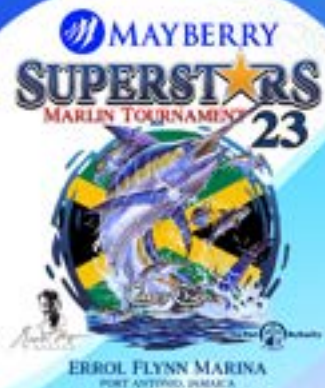
CB UWI 5K AND CARIBBEAN PASSION KIDS K

We were proud to partner with The University Of The West Indies in The CB Group UWI 5K and Caribbean Passion Kids K. Our Senior Marketing Officer, Desiree Wheeler, is pictured here with Mrs. Elizabeth Buchanan-Hind, Executive Director, The University Of The West Indies

3

SUPERSTARS OF PORT ANTONIO MARLIN TOURNAMENT (SOPA)

Team Safe Passage made a splash with their amazing performance! A huge shoutout to all our fin-tastic sponsors, boat teams, and anglers who contributed to making this event a 'reel' success! Big congratulations to the 2023 Superstars Champions - Brac Rebel from the Cayman Islands!



4

INTERNATIONAL MUSIC CONFERENCE

Chief Executive Officer, Gary Peart hosted an informative discussion on "Money Management, Investment and Insurance" at the Island Music Conference.

Panelists included Jermaine Deans, Hugh Reid, Orville Burrell (Shaggy) IMC Chairman



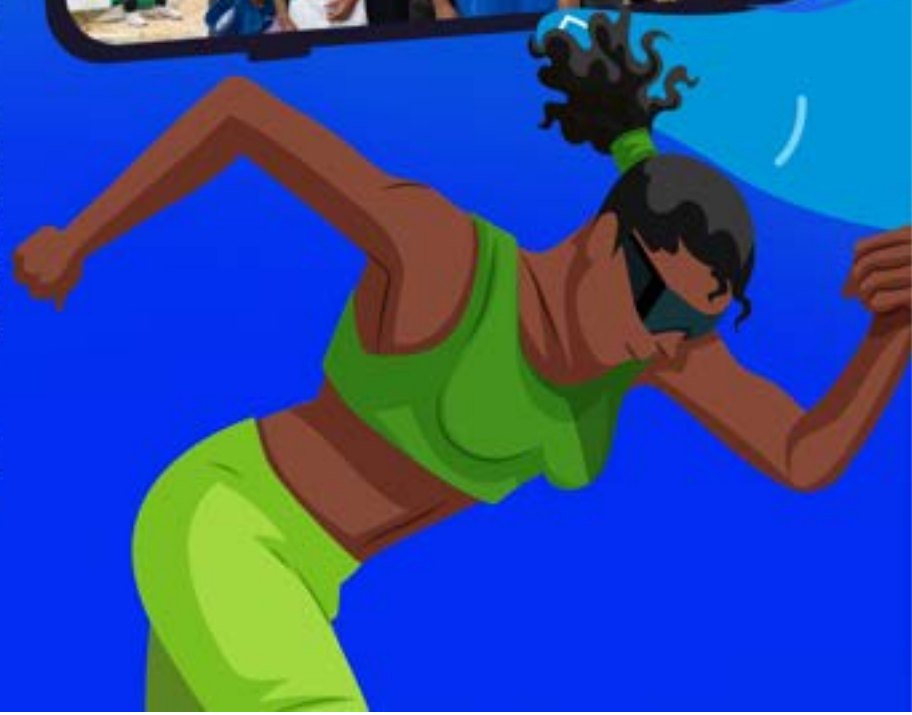
5

TRU-JUICE 5K

Our incredible team at the TruJuice 5k, on June 04, 2023. At Mayberry Investments Ltd., we always participate to show our dedication to improving society's well-being.

As our esteemed Gary Peart, Chief Executive Officer of Mayberry Investments Ltd., expressed, "Partnering with Tru-Juice and Trade Winds Citrus, we zestfully support healthcare in Jamaica, revitalizing the Linstead Hospital and nurturing our community's well-being. It's a partnership that invigorates us, allowing us to squeeze out a positive impact one stride at a time."

Together, let's blend financial support with the juice of determination, stirring a recipe for success and sweet rewards that benefit us all.



6

BUDDING FARMER'S SUMMER GROW CAMP

We were thrilled to be part of the Budding Farmers Grow Club's Summer Grow Camp at Mayberry Investments Limited! Interacting with the children, animals, and plants was an absolute blast!

As an organization committed to supporting education and community initiatives, this event brought us immense joy. Nurturing a love for agriculture and sustainable practices among children remains a top priority for Mayberry Investments Limited!



GROW CLUB



Our team had a blast stimulating the young minds of the future at the Summer Grow Camp in partnership with the Ministry of Agriculture.

L:R Kenisha Chambers, Investment Advisor, Brian Munroe, Investment Advisor and Desiree Wheeler, Senior Marketing Officer.



7

NATIONAL SENIOR CHAMPIONSHIPS AND EXPO - JABBFA

The 2023 Mayberry Jabbfa National Senior Championships held at the AC Hotel was a night of sheer dedication and unwavering passion from athletes who left it all on the stage. We can't forget the incredible performances of our athletes; each moment was a testament to the power of perseverance and hard work.

8

MOUTTET MILE

While prize-winning horses blazed on the track, guests at the 2023 Mouttet Mile brought the heat to the runway with ritzy, royal garb fit for Kings and Queens! We eagerly anticipate what next year has to offer, and we will support this special occasion where our exceptionalism illuminates every stride.



CAYMANAS PARK
MEMBER OF THE CAYMANAS DISTRICT GROUP



9

PAN-AMERICAN GYMNASTICS TOURNAMENT!

We were thrilled to announce our partnership with the Jamaica Olympic Association for the 2023 Pan-American Gymnastics Tournament! Mayberry is keen on supporting youth and sports development, as we aim to nurture the skills and discipline of our young, dynamic athletes.



Photographed here along with the Mayberry Team are Nicole Grant, President, Jamaica Amateur Gymnastics Association, Beriah Boothe, Sponsorship and Logistics, and the Pan-American Youth Tournament Organising Committee. Alongside Junior Roberts, Investment Advisor, Desiree Wheeler, Senior Marketing Officer, Stephanie Harrison, VP-Marketing and Rayon Wright Senior Investment Advisor.

- At Mayberry, we're not just flipping coins; we're flipping the script! Turning our investments into impactful cartwheels and handstands!



SW ISAAC TRACK MEET

Congratulations to all the athletes who competed at the SW Isaac-Henry Track Meet! We are always in awe of the excellence displayed by the youngsters who participate in these meets! "





Individual Retirement Scheme

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876. 929. 1908-9



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Facebook

[MayberryInvJa](https://www.facebook.com/MayberryInvJa)



LinkedIn

[MayberryInvestmentsLimited](https://www.linkedin.com/company/MayberryInvestmentsLimited)

MILESTONES FOR 2023



MIL Contributes \$10 Million to Project STAR

(from left to right) Parris Lyew Ayee Jr., Vice President of the Private Sector Organisation of Jamaica (PSOJ), stands alongside Christopher Berry, Executive Chairman of Mayberry Investments Limited; Keith Duncan, Co-Chairman of Project STAR; and Gary Peart, CEO of Mayberry Investments Limited, during this momentous signing ceremony.

Project STAR (Social Transformation and Renewal), a joint endeavour by the Private Sector Organisation of Jamaica (PSOJ) and the Jamaica Constabulary Force (JCF), aims to bring about change. Focusing on underserved Jamaican regions, Star aims for a comprehensive shift in both social and economic dimensions.

In our endeavours, Mayberry finds inspiration in a heartfelt concern for the well-being of youth, with a special focus on the challenges faced by young women. This concern is rooted in the observation of eroding moral values coupled with unfavourable environmental conditions. With a deep sense of purpose, the Foundation embarked on a mission to instigate change, valuing every opportunity to make a positive impact, even if it meant touching the life of just one individual.

Structured sessions and curated programmes have addressed these challenges successfully. Shared aspiration for positive change fuels our unwavering commitment to collaborate with vital stakeholders: children, parents, and various community groups.

MILESTONES FOR 2023



MIL's Bond Listing Ceremony

"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- CEO of Mayberry Investments Limited.

Cheers to another transaction milestone achieved successfully! The Mayberry Bond is officially listed on the Jamaica Stock Exchange. By listing on the Jamaica Stock Exchange, investors (accredited as well as non accredited) can buy and increase their holdings or sell and reap their investment!

Thanks again to our investors and new Mayberry clients, who have joined the family. To our dedicated and hardworking team at Mayberry, we couldn't have done this without you!

AUDITED FINANCIAL STATEMENTS



Mayberry Investments Limited

**Financial Statements
31 December 2023**



Independent Auditors' Report to the Members

Financial Statements

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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 2023, 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 IFRS Accounting Standards 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 2023;
- 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 2023;
- 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, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and stand-alone financial statements* section of our report.

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

Independence

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

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 Accounting Standards 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'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 to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 judgment and maintain professional scepticism throughout the audit. We also:

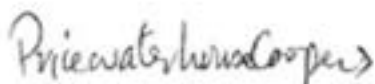
- Identify and assess the risks of material misstatement of the consolidated and stand-alone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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'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'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 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.

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.

A handwritten signature in black ink that reads "PricewaterhouseCoopers".

Chartered Accountants
Kingston, Jamaica
31 May 2024

Mayberry Investments Limited

Consolidated Statement of Financial Position

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

| | Note | 2023 \$'000 | 2022 \$'000 |
|--|-------|-------------------|-------------------|
| ASSETS | | | |
| Cash resources | 13 | 3,604,504 | 2,732,187 |
| Investment securities | 14 | 3,662,388 | 9,548,026 |
| Investment in associates | 21 | - | 18,011,477 |
| Investment in joint ventures | 22 | - | 1,964,454 |
| Reverse repurchase agreements | 15 | 3,615,228 | 5,303,950 |
| Promissory notes | 16 | 6,455,155 | 4,255,247 |
| Loans and other receivables | 17 | 10,133,864 | 6,405,384 |
| Due from related companies | 34 | 8,050,147 | - |
| Investment properties | 19 | 2,113,472 | 2,027,738 |
| Property, plant and equipment | 18 | 168,763 | 174,239 |
| Right of use assets | 20(a) | 53,119 | 70,074 |
| Taxation recoverable | | 194,434 | 198,601 |
| Deferred tax asset | 27 | 1,148,464 | 387,764 |
| Intangible asset | 33 | 1,242,262 | 978,201 |
| Total Assets | | 40,441,800 | 52,057,342 |
| LIABILITIES | | | |
| Bank overdraft | 13 | 994,193 | 50,337 |
| Securities sold under repurchase agreements | | 7,006,504 | 4,869,274 |
| Loans | 26 | 14,251,269 | 9,407,868 |
| Accounts payable | 28 | 11,535,534 | 11,045,972 |
| Lease liabilities | 20(b) | 69,787 | 83,645 |
| Total Liabilities | | 33,857,287 | 25,457,096 |
| EQUITY | | | |
| Share capital | 29 | 1,582,382 | 1,582,382 |
| Fair value reserves | 30 | 327,663 | 558,897 |
| Translation reserve | | - | 85,800 |
| Other reserves | 31 | 77,939 | 77,939 |
| Retained earnings | 32 | 4,596,529 | 14,490,088 |
| Equity Attributable to Shareholders of the Parent | | 6,584,513 | 16,795,106 |
| Non-Controlling Interest | 36 | - | 9,805,140 |
| Total Equity | | 6,584,513 | 26,600,246 |
| Total Equity and Liabilities | | 40,441,800 | 52,057,342 |

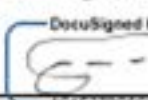
Approved for issue by the Board of Directors on May 30, 2024 and signed on its behalf by:

DocuSigned by:

 3AAAC3C4D3B54E3

Christopher Berry

Chairman

DocuSigned by:

 DC1E279C6C2E48E

Gary Peart

Chief Executive Officer / Director



Mayberry Investments Limited

Consolidated Statement of Profit or Loss

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

| | Note | 2023 \$'000 | 2022 \$'000 |
|---|----------|--------------------|------------------|
| Net Interest Income and Other Revenues | | | |
| Interest income | 4 | 1,587,993 | 1,118,845 |
| Interest expense | 4 | (1,914,208) | (808,402) |
| Net interest income | 4 | (326,215) | 310,443 |
| Consulting fees and commissions | 5 | 521,203 | 508,657 |
| Dividend income | 6 | 611,036 | 567,826 |
| Net trading gains | 7 | 111,097 | 116,082 |
| Net unrealised gains on financial assets measured at fair value through profit or loss | | 170,946 | 90,097 |
| Net unrealised (losses)/gains on investment in associates measured at fair value through profit or loss | | (2,235,227) | 5,232,917 |
| Net foreign exchange gains | | 207,093 | 97,271 |
| Net unrealised gains/(losses) on investment properties | | 85,734 | (22,065) |
| Other income | | 10,577 | 60,601 |
| | | <u>(843,756)</u> | <u>6,961,829</u> |
| Operating Expenses | | | |
| Salaries, statutory contributions and other staff costs | 8 | 808,338 | 761,476 |
| Provision for credit losses | 14/16/17 | (59,669) | 128,708 |
| Depreciation and amortisation | | 45,130 | 53,669 |
| Other operating expenses | | 1,209,945 | 1,302,802 |
| | 9 | <u>2,003,744</u> | <u>2,246,655</u> |
| Operating (loss)/profit | | <u>(2,847,500)</u> | <u>4,715,174</u> |
| Share of profit of joint venture | | <u>833,575</u> | <u>21,440</u> |
| (Loss)/Profit before taxation | | <u>(2,013,925)</u> | <u>4,736,614</u> |
| Taxation credit | 10 | 593,632 | 1,016 |
| Net (Loss)/Profit for the Year | 11 | <u>(1,420,293)</u> | <u>4,737,630</u> |
| Attributable to: | | | |
| Stockholders of the parent | | (207,897) | 2,218,806 |
| Non-controlling interest | 36 | (1,212,396) | 2,518,824 |
| | | <u>(1,420,293)</u> | <u>4,737,630</u> |
| EARNINGS PER STOCK UNIT – BASIC AND DILUTED | 12(a) | <u>\$ (0.17)</u> | <u>\$ 1.85</u> |



Mayberry Investments Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

| | Note | 2023 \$'000 | 2022 \$'000 |
|--|-------|--------------------|------------------|
| Net (Loss)/Profit for the Year | | (1,420,293) | 4,737,630 |
| Other Comprehensive Income Net of Taxation: | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| Net unrealised gains/(losses) on financial instruments – fair value through other comprehensive income | | 36,518 | (131,465) |
| <i>Item that may be reclassified to profit or loss</i> | | | |
| Foreign currency translation adjustments | | 43,290 | (33,736) |
| Other comprehensive income, net of taxes | | 79,808 | (165,201) |
| Total Comprehensive Income for the Year | | <u>(1,340,485)</u> | <u>4,572,429</u> |
| Total Comprehensive Income Attributable to: | | | |
| Stockholders of the parent | | (153,167) | 2,154,126 |
| Non-controlling interest | 36 | <u>(1,187,318)</u> | <u>2,418,303</u> |
| | | <u>(1,340,485)</u> | <u>4,572,429</u> |
| | | \$ | \$ |
| COMPREHENSIVE INCOME PER STOCK UNIT - BASIC AND DILUTED | 12(b) | <u>(0.13)</u> | <u>1.79</u> |

Mayberry Investments Limited

Consolidated Statement of Changes in Equity

Year ended 31 December 2023

(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 |
|--|------------------|----------------------------|----------------------------------|----------------------------------|-----------------------------|--------------------------------|--|-----------------|
| Balance at 31 December 2022 | 1,201,149,291 | 1,582,382 | 1,174,016 | 119,536 | 77,939 | 12,381,758 | 6,016,802 | 21,352,433 |
| Total Comprehensive Income | | | | | | | | |
| Net profit | - | - | - | - | - | - | - | - |
| Other comprehensive income | - | - | (30,944) | (33,736) | - | 2,218,806 | 2,518,824 | 4,737,630 |
| Total comprehensive income | - | - | (30,944) | (33,736) | - | 2,218,806 | (100,521) | (165,201) |
| Transfer Between Reserves | | | | | | | | |
| From fair value reserves | - | - | (603,218) | - | - | 603,218 | - | - |
| Transaction with Owners | | | | | | | | |
| Dividends paid by subsidiary to non-controlling interests | - | - | - | - | - | - | (35,734) | (35,734) |
| Dividend paid (Note 35) | - | - | - | - | - | (336,322) | - | (336,322) |
| Change in ownership interest in subsidiary | - | - | 19,043 | - | - | (377,372) | 1,405,769 | 1,047,440 |
| | - | - | 19,043 | - | - | (713,694) | 1,370,035 | 675,384 |
| Balance at 31 December 2023 | 1,201,149,291 | 1,582,382 | 558,897 | 85,800 | 77,939 | 14,490,088 | 9,805,140 | 26,600,246 |
| Total Comprehensive Income | | | | | | | | |
| Net profit | - | - | - | - | - | (207,897) | (1,212,396) | (1,420,293) |
| Other comprehensive income | - | - | 11,440 | 43,290 | - | - | 25,078 | 79,808 |
| Total comprehensive income | - | - | 11,440 | 43,290 | - | (207,897) | (1,187,318) | (1,340,485) |
| Transfer Between Reserves | | | | | | | | |
| From fair value reserves | - | - | (36,812) | - | - | 36,812 | - | - |
| Transactions with Owners | | | | | | | | |
| Dividends paid by subsidiary to non-controlling interests | - | - | - | - | - | - | (41,689) | (41,689) |
| Dividend paid (Note 35) | - | - | - | - | - | (360,344) | - | (360,344) |
| Relieved on disposal of subsidiaries (Note 1(b) and Note 24) | - | - | (205,862) | (129,090) | - | (9,362,130) | (8,576,133) | (18,273,215) |
| | - | - | (205,862) | (129,090) | - | (9,722,474) | (8,617,822) | (18,675,248) |
| Balance at 31 December 2023 | 1,201,149,291 | 1,582,382 | 327,663 | - | 77,939 | 4,596,529 | - | 6,584,513 |

Mayberry Investments Limited

Consolidated Statement of Cash Flows

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

| | Note | 2023 \$'000 | 2022 \$'000 |
|---|------|--------------------|--------------------|
| Cash Flows from Operating Activities | | | |
| (Loss)/Profit before taxation | | (2,013,925) | 4,736,614 |
| Adjustments for: | | | |
| Items not affecting cash: | | | |
| Adjustments to reconcile net profit to net cash provided by operating activities. | 23 | (2,456,693) | (6,432,228) |
| Interest received | | 1,465,931 | 1,151,634 |
| Interest paid | | (1,823,828) | (859,192) |
| Taxation paid | | - | (70,146) |
| Cash used in operating activities | | <u>(4,828,515)</u> | <u>(1,473,318)</u> |
| Cash Flows from Investing Activities | | | |
| Net purchase of intangible asset | | (269,529) | (304,251) |
| Purchase of property, plant and equipment | | (17,231) | (65,762) |
| Proceeds from sale of investment properties | | - | 92,310 |
| Dividends received from joint venture | | - | 670,239 |
| Cash relieved on disposal of subsidiaries | 24 | (223,030) | - |
| Cash (used in)/provided by investing activities | | <u>(509,790)</u> | <u>392,536</u> |
| Cash Flows from Financing Activities | | | |
| Loans received | | 7,883,446 | 4,159,677 |
| Loans repaid | | (3,228,195) | (2,708,805) |
| Proceeds from partial disposal of subsidiary | | - | 1,047,436 |
| Dividend payment | | (402,033) | (372,056) |
| Lease payment | 20 | (13,858) | (19,466) |
| Cash provided by financing activities | | <u>4,239,360</u> | <u>2,106,786</u> |
| Net /(Decrease)/Increase in Cash and Cash Equivalents | | <u>(1,098,945)</u> | <u>1,026,004</u> |
| Exchange gain/(loss) on foreign cash balances | | 23,758 | (23,970) |
| Cash and cash equivalents at beginning of year | | <u>4,682,618</u> | <u>3,680,584</u> |
| Cash and Cash Equivalents at End of Year | 13 | <u>3,607,431</u> | <u>4,682,618</u> |

Mayberry Investments Limited

Company Statement of Financial Position

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

| | Note | 2023 \$'000 | 2022 \$'000 |
|---|-------|-------------------|-------------------|
| ASSETS | | | |
| Cash resources | 13 | 3,604,504 | 2,417,235 |
| Investment securities | 14 | 3,662,388 | 3,168,325 |
| Reverse repurchase agreements | 15 | 3,615,228 | 5,303,950 |
| Promissory notes | 16 | 6,455,155 | 5,255,247 |
| Due from related companies | 34 | 8,050,147 | 1,654,863 |
| Loans and other receivables | 17 | 10,133,864 | 6,291,802 |
| Property, plant and equipment | 18 | 168,763 | 174,239 |
| Investment properties | 19 | 2,113,472 | 2,027,738 |
| Right of use assets | 20(a) | 53,119 | 70,074 |
| Investments in subsidiaries | 24 | - | 1,092,779 |
| Intangibles | 33 | 1,242,262 | 978,201 |
| Taxation recoverable | | 194,434 | 194,434 |
| Deferred tax asset | 27 | 1,148,464 | 387,764 |
| Total Assets | | 40,441,800 | 29,016,651 |
| LIABILITIES | | | |
| Bank overdraft | 13 | 994,193 | 50,337 |
| Securities sold under repurchase agreements | | 7,006,504 | 4,869,274 |
| Loans | 26 | 14,251,269 | 7,209,240 |
| Accounts payable | 28 | 11,535,534 | 10,759,530 |
| Lease liabilities | 20(b) | 69,787 | 83,645 |
| Total Liabilities | | 33,857,287 | 22,972,026 |
| EQUITY | | | |
| Share capital | 29 | 1,582,382 | 1,582,382 |
| Fair value reserves | 30 | 327,663 | 348,423 |
| Other reserves | 31 | 77,939 | 77,939 |
| Retained earnings | 32 | 4,596,529 | 4,035,881 |
| Total Equity | | 6,584,513 | 6,044,625 |
| Total Equity and Liabilities | | 40,441,800 | 29,016,651 |

Approved for issue by the Board of Directors on May 30, 2024 and signed on its behalf by:

DocuSigned by:



Christopher Berry

Chairman

DocuSigned by:



Gary Peart

Chief Executive Officer / Director



Mayberry Investments Limited

Company Statement of Profit or Loss

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

| | Note | 2023 \$'000 | 2022 \$'000 |
|---|------|------------------|------------------|
| Net Interest Income and Other Revenues | | | |
| Interest income | | 2,062,748 | 1,192,332 |
| Interest expense | | (1,740,279) | (645,324) |
| Net interest income | 4 | 322,469 | 547,008 |
| Consulting fees and commissions | 5 | 521,203 | 508,657 |
| Dividend income | 6 | 848,142 | 55,063 |
| Net trading gains | 7 | 96,945 | 1,005,621 |
| Net unrealised gains/(losses) on investment revaluation | | 13,830 | (24,562) |
| Net foreign exchange gains | | 202,234 | 110,120 |
| Unrealised gains/(losses) on investment properties | | 85,734 | (22,065) |
| Other income | | 63,736 | 63,747 |
| | | <u>2,154,293</u> | <u>2,243,589</u> |
| Operating Expenses | | | |
| Salaries, statutory contributions and other staff costs | 8 | 800,581 | 753,770 |
| Provision for credit losses | | (59,669) | 128,708 |
| Depreciation and amortisation | | 45,130 | 52,101 |
| Other operating expenses | | 1,047,592 | 891,400 |
| | 9 | <u>1,833,634</u> | <u>1,825,979</u> |
| Profit before Taxation | | <u>320,659</u> | <u>417,610</u> |
| Taxation credit | | 593,632 | 1,016 |
| Net Profit for the Year | | <u>914,291</u> | <u>418,626</u> |

Mayberry Investments Limited

Company Statement of Comprehensive Income

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Net Profit for the Year | 914,291 | 418,626 |
| Other Comprehensive Income Net of Taxation: | | |
| Item that will not be reclassified to profit or loss | | |
| Net unrealised (losses)/gains on financial instruments – fair value through other comprehensive income | (14,059) | 71,281 |
| Total Comprehensive Income for the Year | <u>900,232</u> | <u>489,907</u> |



Mayberry Investments Limited

Company Statement of Changes in Equity

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

| | No. of Shares | Share Capital | Fair Value Reserves | Other Reserves | Retained Earnings | Total |
|------------------------------------|------------------|------------------|------------------------|-------------------|----------------------|-----------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at 31 December 2021 | 1,201,149,291 | 1,582,382 | 688,078 | 77,939 | 3,542,641 | 5,891,040 |
| Profit for the year | - | - | - | - | 418,626 | 418,626 |
| Other comprehensive income | - | - | 71,281 | - | - | 71,281 |
| Total comprehensive income | - | - | 71,281 | - | 418,626 | 489,907 |
| Transfer Between Reserves | - | - | (410,936) | - | 410,936 | - |
| From fair value reserves | - | - | (410,936) | - | 410,936 | - |
| Transactions with Owners | - | - | - | - | (336,322) | (336,322) |
| Dividend paid (Note 35) | - | - | - | - | (336,322) | (336,322) |
| Balance at 31 December 2022 | 1,201,149,291 | 1,582,382 | 348,423 | 77,939 | 4,035,881 | 6,044,625 |
| Profit for the year | - | - | - | - | 914,291 | 914,291 |
| Other comprehensive income | - | - | (14,059) | - | - | (14,059) |
| Total comprehensive income | - | - | (14,059) | - | 914,291 | 900,232 |
| Transfer Between Reserves | - | - | (6,701) | - | 6,701 | - |
| From fair value reserves | - | - | (6,701) | - | 6,701 | - |
| Transactions with Owners | - | - | - | - | (360,344) | (360,344) |
| Dividend paid (Note 35) | - | - | - | - | (360,344) | (360,344) |
| Balance at 31 December 2023 | 1,201,149,291 | 1,582,382 | 327,663 | 77,939 | 4,596,529 | 6,584,513 |

Mayberry Investments Limited

Company Statement of Cash Flows

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

| | Note | 2023 \$'000 | 2022 \$'000 |
|--|------|--------------------|------------------|
| Cash Flows from Operating Activities | | | |
| Profit before taxation | | 320,659 | 417,610 |
| Adjustments for: | | | |
| Items not affecting cash: | | | |
| Adjustments to reconcile net profit to net cash provided by operating activities | 23 | (7,576,129) | (1,754,833) |
| Tax paid | | - | (69,697) |
| Interest received | | 1,940,843 | 1,147,807 |
| Interest paid | | (1,655,115) | (586,602) |
| Cash used in operating activities | | <u>(6,969,742)</u> | <u>(845,715)</u> |
| Cash Flows from Investing Activities | | | |
| Additions to intangible assets | | (269,529) | (304,251) |
| Additions to property, plant and equipment | 18 | (17,231) | (65,762) |
| Proceeds from sale of investment properties | | - | 92,310 |
| Proceeds from partial disposal of subsidiary | 24 | - | 1,047,436 |
| Cash (used in)/provided by investing activities | | <u>(286,760)</u> | <u>769,733</u> |
| Cash Flows from Financing Activities | | | |
| Dividend payment | 35 | (360,344) | (336,322) |
| Lease principal payment | 20 | (13,858) | (19,466) |
| Loans received | | 7,883,446 | 4,159,676 |
| Loans repaid | | (1,028,195) | (2,708,805) |
| Cash provided by financing activities | | <u>6,481,049</u> | <u>1,095,083</u> |
| Net (Decrease)/Increase in Cash and Cash Equivalents | | <u>(775,453)</u> | <u>1,019,101</u> |
| Exchange gain/(loss) on foreign cash balances | | 15,218 | (18,117) |
| Cash and cash equivalents at beginning of year | | <u>4,367,666</u> | <u>3,366,682</u> |
| Cash and Cash Equivalents at End of Year | 13 | <u>3,607,431</u> | <u>4,367,666</u> |



Mayberry Investments Limited

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activities

- (a) 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".

- (b) Reorganisation of the Mayberry Group of Companies

At an extraordinary General Meeting held on July 26, 2023, the stockholders of Mayberry Investments Limited (MIL) approved the reorganisation of the Mayberry Group of Companies under a Scheme of Arrangement. The Scheme of Arrangement was then approved by the Supreme Court of Jamaica in September 2023 in accordance with the Jamaica Companies Act. In December 2023, the new holding company, Mayberry Group Limited (MGL) was listed on the Jamaica Stock Exchange and at the same time MIL was delisted. The existing shareholders of MIL exchanged their shares for MGL shares of equal value. At December 31, 2023, MIL also transferred ownership of all its subsidiaries directly to MGL.

The consideration for the transfer of ownership of the subsidiaries from MIL to MGL was effected by interest bearing promissory notes.

Mayberry Investments Limited

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

2. Material 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 Accounting Standards) and IFRS Interpretations Committee (IFRS IC) interpretations applicable to companies reporting under IFRS Accounting Standards. 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 2023

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(a) Basis of preparation (continued)

The preparation of financial statements in conformity with IFRS Accounting Standards 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.

- *Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8*
- *Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction*
- *Amendment to IAS 12 - International tax reform*

The Group has assessed the relevance of all such new standards, interpretations and amendments and has concluded that they did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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

Certain amendments to accounting standards have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the group.

- *Amendment to IFRS 16 – Leases on sale and leaseback*
- *Amendment to IAS 1 – Non-current liabilities with covenants*
- *Amendment to IAS 7 and IFRS 7 - Supplier finance*
- *Amendments to IAS 21 - Lack of Exchangeability*

These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Mayberry Investments Limited

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

2. Material 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 NIL% (2022- 59.8%) owned subsidiary, Mayberry Jamaican Equities Limited (MJE) and its NIL% (2022 – 100%) owned subsidiary, Widebase Ltd., presented as a single economic entity. During the year, MIL transferred ownership of all its subsidiaries directly to Mayberry Group Limited as part of the Groups reorganisation. 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. The Company's subsidiaries as December 31, 2022, were as follows:

| 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 2023

(expressed in Jamaican dollars unless otherwise indicated)

2. Material 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

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(expressed in Jamaican dollars unless otherwise indicated)

2. Material 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 (%) | |
|---------------------------------------|---------------------|-----------------------------|------------------------|--|------|
| | | | | 2023 | 2022 |
| Cherry Hills Development Limited | 31 December | Real Estate Development | Joint Venture | - | 50 |
| Lasco Financial Services Ltd | 31 March | Money Services | Associate | - | 21 |
| Caribbean Producers (Jamaica) Limited | 30 June | Food trading | Associate | - | 20 |
| Iron Rock Insurance Limited | 31 December | General insurance | Associate | - | 19 |
| Supreme Ventures Limited | 31 December | Betting, gaming and lottery | Associate | - | 18 |



Mayberry Investments Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

2. Material 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

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(expressed in Jamaican dollars unless otherwise indicated)

2. Material 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

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2. Material 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

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(expressed in Jamaican dollars unless otherwise indicated)

2. Material 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

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2. Material 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.

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(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(j) Financial assets (continued)

iv. Debt Instruments

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

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

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

Debt instruments are measured at FVTOCI if they are held for collection of contractual cash flows and for selling the financial assets, where the financial assets' cash flows represent payments of principal and interest. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in (losses)/gains on investment activities. Interest income from these financial assets is recognized in interest income using the effective interest rate method. Foreign exchange gains or losses are presented in gains in foreign exchange translation and trading and impairment losses are presented as a separate line item in the statement of profit or loss.

Debt instruments are measured at FVTPL are those which were either acquired for generating a profit from short term fluctuations in price or dealers' margin, or are securities included in a portfolio in which a pattern of short term profit taking exists or which fail the SPPI test.

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

v. Equity Instruments

Financial assets measured at FVTOCI

Where the Group has made an irrevocable election to classify equity investments at fair value through other comprehensive income, they are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the related fair value reserve. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, these realised gains are reclassified directly to retained earnings.

Financial assets measured at FVPL

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



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2. Material 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

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2. Material 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

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2. Material 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

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2. Material 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

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2. Material 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

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2. Material 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.



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2. Material 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 2023

(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 2023

(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 2022, 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

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(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.



Mayberry Investments Limited

Notes to the Financial Statements

31 December 2023

(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 2023

(expressed in Jamaican dollars unless otherwise indicated)

4. Net Interest Income

| | The Group | | The Company | |
|--|------------------|------------------|------------------|------------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Interest income - | | | | |
| Investment securities measured at FVTPL | 123,991 | 152,533 | 123,991 | 152,533 |
| Investments, loans and promissory notes at amortised cost | 1,464,002 | 966,312 | 1,938,757 | 1,039,799 |
| | <u>1,587,993</u> | <u>1,118,845</u> | <u>2,062,748</u> | <u>1,192,332</u> |
| Interest expense - | | | | |
| Margin loans with brokers | 37,544 | 72,971 | 37,544 | 72,971 |
| Securities sold under repurchase agreements | 401,210 | 247,336 | 418,701 | 247,335 |
| Corporate papers and notes | 1,219,425 | 431,086 | 1,044,072 | 268,009 |
| Other | 256,029 | 57,009 | 239,962 | 57,009 |
| | <u>1,914,208</u> | <u>808,402</u> | <u>1,740,279</u> | <u>645,324</u> |
| | <u>(326,215)</u> | <u>310,443</u> | <u>322,469</u> | <u>547,008</u> |



Mayberry Investments Limited

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

5. Consulting Fees and Commissions

| | The Group and Company | |
|--|-----------------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Services transferred at a point in time - | | |
| Brokerage fees and commissions | 321,554 | 314,836 |
| Structured financing fees | 90,690 | 68,155 |
| | <u>412,244</u> | <u>382,991</u> |
| Services transferred over time - | | |
| Portfolio management | 108,959 | 125,666 |
| | <u>521,203</u> | <u>508,657</u> |

6. Dividend Income

| | The Group | | The Company | |
|---|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Subsidiaries | - | - | 842,391 | 36,335 |
| Investments in associates measured at FVTPL | 472,148 | 451,400 | - | - |
| Equity securities measured at FVTPL | 62,773 | 81,371 | 38 | 209 |
| Equity securities measured at FVTOCI | 76,115 | 35,055 | 5,713 | 18,519 |
| | <u>611,036</u> | <u>567,826</u> | <u>848,142</u> | <u>55,063</u> |

7. Net Trading Gains

| | The Group | | The Company | |
|---|----------------|----------------|----------------|------------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Gains on partial disposal of subsidiary | - | - | - | 910,214 |
| Gains on disposal of investment securities measured at FVTPL | 75,341 | 146,578 | 61,189 | 125,903 |
| Gains on disposal of investment securities measured at amortised cost | 35,756 | 1,693 | 35,756 | 1,693 |
| Loss on disposal of investment properties | - | (32,189) | - | (32,189) |
| | <u>111,097</u> | <u>116,082</u> | <u>96,945</u> | <u>1,005,621</u> |

Mayberry Investments Limited

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

8. Salaries, Statutory Contributions and Staff Costs

| | <u>The Group</u> | | <u>The Company</u> | |
|--------------------------|------------------|----------------|--------------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Wages and salaries | 694,408 | 699,896 | 686,651 | 692,190 |
| Profit share and bonus | - | (54,159) | - | (54,159) |
| Statutory contributions | 71,871 | 71,605 | 71,871 | 71,605 |
| Pension contributions | 15,301 | 14,016 | 15,301 | 14,016 |
| Training and development | 15,272 | 14,512 | 15,272 | 14,512 |
| Staff welfare | 11,486 | 15,606 | 11,486 | 15,606 |
| | <u>808,338</u> | <u>761,476</u> | <u>800,581</u> | <u>753,770</u> |

The number of employees at year-end was 108 (2022 – 134).

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 | |
|--|------------------|------------------|------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Sales, marketing, and public relations | 116,395 | 143,845 | 105,550 | 136,597 |
| Auditors' remuneration | 23,091 | 14,827 | 17,845 | 10,249 |
| Computer expenses | 102,689 | 74,105 | 99,168 | 73,734 |
| Depreciation (Note 18) | 22,707 | 28,838 | 22,707 | 28,838 |
| Amortisation of intangibles (Note 33) | 5,468 | 6,327 | 5,468 | 4,759 |
| Amortization – right-of-use assets (Note 20) | 16,955 | 18,504 | 16,955 | 18,504 |
| Provision for credit losses | (59,669) | 128,708 | (59,669) | 128,708 |
| Insurance | 35,734 | 23,678 | 35,734 | 23,678 |
| Licensing fees | 103,021 | 91,141 | 103,021 | 91,141 |
| Short term lease expense | 11,164 | 6,974 | 11,164 | 6,974 |
| Legal and professional fees | 222,098 | 152,031 | 216,129 | 143,064 |
| Registrar and broker fees | 23,007 | 18,754 | 15,120 | 9,663 |
| Directors' fees | 34,761 | 34,872 | 29,456 | 29,311 |
| Bank charges | 22,285 | 24,462 | 21,811 | 23,657 |
| Repairs and maintenance | 19,043 | 15,414 | 19,043 | 15,414 |
| Investment, incentive and management fee | 119,479 | 354,874 | - | - |
| Salaries, statutory contributions and staff costs (Note 8) | 808,338 | 761,476 | 800,581 | 753,770 |
| Security | 33,358 | 18,756 | 33,358 | 18,756 |
| Travelling and motor vehicles expenses | 28,956 | 64,219 | 28,956 | 64,219 |
| Assets tax | 57,916 | 48,507 | 57,916 | 48,507 |
| Operational losses | 120,491 | 88,883 | 120,491 | 88,883 |
| Utilities | 56,428 | 65,857 | 56,428 | 65,857 |
| Other operating expenses | 80,029 | 61,603 | 76,402 | 41,696 |
| | <u>2,003,744</u> | <u>2,246,655</u> | <u>1,833,634</u> | <u>1,825,979</u> |

Mayberry Investments Limited

Notes to the Financial Statements

31 December 2023

(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:

| | The Group | | The Company | |
|--|-----------|---------|-------------|---------|
| | 2023 | 2022 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current year income tax at 33 1/3% / 30% | - | - | - | - |
| Deferred tax charge/(credit) (Note 27) | (593,632) | (1,016) | (593,632) | (1,016) |
| Taxation charge/(credit) | (593,632) | (1,016) | (593,632) | (1,016) |

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

| | The Group | | The Company | |
|--|-------------|-------------|-------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| (Loss)/Profit before taxation | (2,013,925) | 4,736,614 | 320,659 | 417,610 |
| Tax calculated at a tax rate 33 1/3%/30% | (340,772) | 1,411,864 | 106,885 | 139,202 |
| Adjustments for the effects of: | | | | |
| Expenses not deductible for tax | 25,977 | 156,943 | 25,977 | 156,943 |
| Income not subject to tax | (340,389) | (1,618,077) | (788,046) | (345,415) |
| Other adjustments | 61,552 | 48,254 | 61,552 | 48,254 |
| Taxation charge/(credit) | (593,632) | (1,016) | (593,632) | (1,016) |

- (c) Subject to agreement with Tax Administration Jamaica, the MIL tax losses of approximately \$3,083 million (2022 - \$1,397 million) available for set-off against future taxable profits. The Group's subsidiaries have tax losses of US\$NIL (2022 - US\$1,992,573) available for set-off against future taxable profits.



Mayberry Investments Limited

Notes to the Financial Statements

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(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 | | | | | |
|--|-----------------|-------------------------|---------------|------------------|----------------|------------------|
| | 2023 \$'000 | | | 2022 \$'000 | | |
| | Before tax | Tax credit/ (charge) | After tax | Before tax | Tax charge | After tax |
| Net unrealised losses on financial instruments - FVOCI | (130,550) | 167,068 | 36,518 | (301,293) | 169,828 | (131,465) |
| Foreign currency translation adjustments | 43,290 | - | 43,290 | (33,736) | - | (33,736) |
| Other Comprehensive Income for the Year | (87,260) | 167,068 | 79,808 | (335,029) | 169,828 | (165,201) |
| Deferred taxation (Note 27) | | 167,068 | | | 169,828 | |

| | The Company | | | | | |
|--|------------------|----------------|-----------------|-----------------|----------------|---------------|
| | 2023 \$'000 | | | 2022 \$'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 | (181,127) | 167,068 | (14,059) | (98,547) | 169,828 | 71,281 |
| Other Comprehensive Income for the Year | (181,127) | 167,068 | (14,059) | (98,547) | 169,828 | 71,281 |
| Deferred taxation (Note 27) | | 167,068 | | | 169,828 | |

Mayberry Investments Limited

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

11. Net Profit

| | 2023 \$'000 | 2022 \$'000 |
|--|------------------------------|------------------------------|
| Dealt with in the financial statements of: | | |
| The Company | 914,291 | 418,626 |
| Subsidiaries | <u>(1,492,193)</u> | <u>5,265,553</u> |
| | (577,902) | 5,684,179 |
| Dividends received from subsidiaries (Note 6) | (842,391) | (36,335) |
| Gains on partial disposal of subsidiary included in equity on consolidation (Note 7) | <u>-</u> | <u>(910,214)</u> |
| | <u>(1,420,293)</u> | <u>4,737,630</u> |
| Attributable to: | | |
| Stockholders of the parent | (207,897) | 2,218,806 |
| Non-controlling interest | <u>(1,212,396)</u> | <u>2,518,824</u> |
| | <u>(1,420,293)</u> | <u>4,737,630</u> |



Mayberry Investments Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

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.

| | 2023 | 2022 |
|--|-----------------|---------------|
| Net profit attributable to stockholders of the parent (\$'000) | (207,897) | 2,218,806 |
| Number of ordinary stock units in issue ('000) | 1,201,149 | 1,201,149 |
| Earnings per stock unit – basic and fully diluted | <u>(\$0.17)</u> | <u>\$1.85</u> |

(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.

| | 2023 | 2022 |
|--|-----------------|---------------|
| Comprehensive income attributable to stockholders of the parent (\$'000) | (153,167) | 2,154,126 |
| Number of ordinary stock units in issue ('000) | 1,201,149 | 1,201,149 |
| Comprehensive income per stock unit – basic and fully diluted | <u>(\$0.13)</u> | <u>\$1.79</u> |

(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.

| | 2023 | 2022 |
|--|---------------|----------------|
| Stockholders' equity attributable to stockholders of the parent (\$'000) | 6,584,513 | 16,795,106 |
| Number of ordinary stock units in issue ('000) | 1,201,149 | 1,201,149 |
| Net book value per stock unit | <u>\$5.48</u> | <u>\$13.98</u> |

(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.

| | 2023 | 2022 |
|--|-------------------|------------------|
| Closing bid price per stock unit as at 31 December | \$8.45 | \$8.12 |
| Number of ordinary stock units in issue ('000) | 1,201,149 | 1,201,149 |
| Market value of ordinary stock units (\$'000) | <u>10,149,712</u> | <u>9,753,332</u> |

Mayberry Investments Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

13. Cash Resources

| | The Group | | The Company | |
|---------------------------------------|------------------|------------------|------------------|------------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Current accounts - Jamaican dollar | 779,202 | 901,222 | 779,202 | 894,237 |
| Current accounts - Foreign currencies | 2,823,756 | 1,829,243 | 2,823,756 | 1,521,276 |
| Deposits - Jamaican dollar | 1,488 | 1,488 | 1,488 | 1,488 |
| Cash in hand | 58 | 234 | 58 | 234 |
| | <u>3,604,504</u> | <u>2,732,187</u> | <u>3,604,504</u> | <u>2,417,235</u> |

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

| | The Group | | The Company | |
|--|------------------|------------------|------------------|------------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Cash resources | 3,604,504 | 2,732,187 | 3,604,504 | 2,417,235 |
| Investment securities with 90-day maturity | 997,120 | 2,000,768 | 997,120 | 2,000,768 |
| Bank overdraft | (994,193) | (50,337) | (994,193) | (50,337) |
| | <u>3,607,431</u> | <u>4,682,618</u> | <u>3,607,431</u> | <u>4,367,666</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 (2022 - 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 \$18,400,000 (2022 - \$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 MIL. This overdraft facility is unsecured at a current effective interest rate of 9% per annum. The facility is reviewed on an annual basis.



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(expressed in Jamaican dollars unless otherwise indicated)

14. Investment Securities

| | The Group | | The Company | |
|--|-----------|-----------|-------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Investment securities at FVTPL - | | | | |
| Debt securities | | | | |
| Government of Jamaica bonds | 16,404 | 15,316 | 16,404 | 15,316 |
| Foreign government bonds | 15,191 | 14,800 | 15,191 | 14,800 |
| Corporate bonds | 73,256 | 164,372 | 73,256 | 164,372 |
| Equities | 37,978 | 1,454,501 | 37,978 | 36,418 |
| Total FVTPL | 142,829 | 1,648,989 | 142,829 | 230,906 |
| Investment securities at FVTOCI - | | | | |
| Equities | 425,812 | 5,588,024 | 425,812 | 626,406 |
| Total FVTOCI | 425,812 | 5,588,024 | 425,812 | 626,406 |
| Investment securities at amortised cost, net of ECL - | | | | |
| Debt securities | | | | |
| Government of Jamaica bonds | 1,555,204 | 50,546 | 1,555,204 | 50,546 |
| Foreign government bonds | 201 | 196 | 201 | 196 |
| Corporate bonds | 1,442,789 | 2,262,977 | 1,442,789 | 2,262,977 |
| Less ECL | (8,997) | (37,724) | (8,997) | (37,724) |
| Total investment securities at amortised cost, net of ECL | 2,989,197 | 2,275,995 | 2,989,197 | 2,275,995 |
| | 3,557,838 | 9,513,008 | 3,557,838 | 3,133,307 |
| Accrued interest | 104,550 | 35,018 | 104,550 | 35,018 |
| Total investment securities | 3,662,388 | 9,548,026 | 3,662,388 | 3,168,325 |

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).

The movement in the ECL determined under the requirements of IFRS is as follows:

| | 2023 | 2022 |
|---|----------|--------|
| | \$'000 | \$'000 |
| Balance at beginning of year | 37,724 | 15,352 |
| Net (decrease)/increase included in provision for credit losses | (28,727) | 22,372 |
| Balance at end of year | 8,997 | 37,724 |

The current portion of investment securities is \$1,661.3 million (2022 - \$617.3 million).



Mayberry Investments Limited

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(expressed in Jamaican dollars unless otherwise indicated)

15. Reverse Repurchase Agreements

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

| | The Group and Company | |
|-------------------------------|-----------------------|------------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Reverse repurchase agreements | 3,526,965 | 5,218,312 |
| Interest receivable | 88,263 | 85,638 |
| | <u>3,615,228</u> | <u>5,303,950</u> |

Included in reverse repurchase agreements is \$3,526,965,000 (2022: \$5,218,312,000) which matures within the next 12 months, of which \$997,120,000 (2022: \$2,000,768,000) with original maturities of 90 days or less, are regarded as cash and cash equivalents for the purposes of the statement of cash flows.

16. Promissory Notes

| | The Group | | The Company | |
|-----------------------------------|------------------|------------------|------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Gross loans | 6,628,287 | 4,501,659 | 6,628,287 | 5,501,659 |
| Less: Allowance for credit losses | (228,680) | (252,211) | (228,680) | (252,211) |
| Interest receivable | 55,548 | 5,799 | 55,548 | 5,799 |
| | <u>6,455,155</u> | <u>4,255,247</u> | <u>6,455,155</u> | <u>5,255,247</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.

The current portion of promissory notes is \$1,949.2 million (2022 - \$575.1 million).

The movement in the ECL determined under the requirements of IFRS is as follows:

| | 2023 | 2022 |
|--|-----------------|-----------------|
| | \$'000 | \$'000 |
| Balance at beginning of year | 252,211 | 274,160 |
| Net decrease included in provision for credit losses | <u>(23,531)</u> | <u>(21,949)</u> |
| Balance at end of year | <u>228,680</u> | <u>252,211</u> |



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17. Loans and other Receivables

| | The Group | | The Company | |
|------------------------------------|------------|-----------|-------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Client margins | 4,838,121 | 3,818,358 | 4,838,121 | 3,818,358 |
| Client receivables | 4,197,386 | 1,646,547 | 4,197,386 | 1,646,547 |
| Due from broker | 63,284 | 144,563 | 63,284 | 144,563 |
| Current account with joint venture | 222,377 | 276,741 | 222,377 | 222,377 |
| Withholding tax recoverable | 214,869 | 180,557 | 214,869 | 180,557 |
| GCT recoverable | - | 21,343 | - | 21,343 |
| Prepayments | 103,214 | 70,587 | 103,214 | 62,313 |
| Other receivables | 745,639 | 545,165 | 745,639 | 494,221 |
| | 10,384,890 | 6,703,861 | 10,384,890 | 6,590,279 |
| Less: Allowance for credit losses | (251,026) | (298,477) | (251,026) | (298,477) |
| | 10,133,864 | 6,405,384 | 10,133,864 | 6,291,802 |

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

The movement in the ECL determined under the requirements of IFRS is as follows:

| | 2023 | 2022 |
|---|----------|---------|
| | \$'000 | \$'000 |
| Balance at beginning of year | 298,477 | 170,192 |
| Write offs | (40,040) | - |
| Net (decrease)/increase included in provision for credit losses | (7,411) | 128,285 |
| Balance at end of year | 251,026 | 298,477 |

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18. Property, Plant and Equipment

| | Leasehold Improvements \$'000 | Computer Equipment \$'000 | Office Equipment \$'000 | Furniture, Fixtures & Fittings \$'000 | Motor Vehicles \$'000 | CWIP | Total \$'000 |
|-----------------------------------|-------------------------------------|---------------------------------|-------------------------------|--|-----------------------------|--------|-----------------|
| Cost - | | | | | | | |
| At 1 January 2022 | 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 |
| Additions | - | 10,606 | 3,716 | - | - | 2,909 | 17,231 |
| At 31 December 2023 | 82,511 | 277,675 | 40,940 | 63,627 | 28,244 | 77,020 | 570,017 |
| Accumulated Depreciation - | | | | | | | |
| At 1 January 2022 | 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 |
| Charge for the year | 1,813 | 16,226 | 2,561 | 1,836 | 271 | - | 22,707 |
| At 31 December 2023 | 32,857 | 243,997 | 33,990 | 62,166 | 28,244 | - | 401,254 |
| Net Book Value - | | | | | | | |
| 31 December 2023 | 49,654 | 33,678 | 6,950 | 1,461 | - | 77,020 | 168,763 |
| 31 December 2022 | 51,467 | 39,298 | 5,795 | 3,297 | 271 | 74,111 | 174,239 |



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19. Investment Properties

| | The Group and Company | |
|--|-----------------------|-----------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Balance at beginning of year | 2,027,738 | 2,174,302 |
| Disposals | - | (124,499) |
| Net gain/(loss) from fair value adjustment | 85,734 | (22,065) |
| Balance at end of year | 2,113,472 | 2,027,738 |

Amounts recognised in profit or loss for investment properties

| | The Group and Company | |
|---|-----------------------|----------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Direct operating expenses from property that did not generate rental income | - | - |
| Fair value (loss)/gain recognised in other income | 85,734 | (22,065) |
| | 85,734 | (22,065) |

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.

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20. Leases

(a) Right-of-use assets

| | Land & Building \$'000 | Motor Vehicles \$'000 | Total \$'000 |
|---------------------|---------------------------|--------------------------|-----------------|
| 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) |
| As at December 2022 | 62,278 | 7,796 | 70,074 |
| Amortization | (11,758) | (5,197) | (16,955) |
| At 31 December 2023 | 50,520 | 2,599 | 53,119 |

(b) Lease liabilities

| | Land & Building \$'000 | Motor Vehicles \$'000 | Total \$'000 |
|------------------------|---------------------------|--------------------------|-----------------|
| 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) |
| As at 31 December 2022 | 76,715 | 6,930 | 83,645 |
| Interest expense | 7,654 | 656 | 8,310 |
| Lease payments | (17,328) | (4,840) | (22,168) |
| At 31 December 2023 | 67,041 | 2,746 | 69,787 |

(c) Amount recognised in the income statement

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Amortization charge of right-of-use assets | 16,955 | 18,504 |
| Interest expense | 8,310 | 8,172 |
| Short term lease expense | 11,164 | 6,974 |

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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:

| | 2023 \$'000 | 2022 \$'000 |
|-------------------------------------|----------------|----------------|
| Supreme Ventures Limited | - | 14,569,117 |
| Caribbean Producers Jamaica Limited | - | 2,590,460 |
| Lasco Financial Services Limited | - | 756,517 |
| Ironrock Insurance Company Limited | - | 95,383 |
| | - | 18,011,477 |

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:

| | 2023 \$'000 | 2022 \$'000 |
|--------------------------------------|----------------|----------------|
| Cherry Hills Development Limited: | | |
| Balance at 1 January | 1,964,454 | 2,654,808 |
| Adjustments | - | 88,285 |
| Share of after tax earnings | 833,575 | (66,845) |
| Dividend | - | (661,286) |
| Translation adjustments | 44,924 | (50,508) |
| Relieved on disposal of subsidiaries | (2,842,953) | - |
| Balance at 31 December | - | 1,964,454 |

- 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 Accounting Standards, and not the Company's share of those amounts.

Summarised statement of financial position

| | 2023 \$'000 | 2022 \$'000 |
|--------------------------|----------------|----------------|
| Current Assets | - | 134,371 |
| Non-current Assets | - | 6,397,659 |
| Total Assets | - | 6,532,030 |
| Current Liabilities | - | 754,193 |
| Non-current Liabilities | - | 1,878,985 |
| Total Liabilities | - | 2,633,178 |
| Net Assets | - | 3,898,852 |

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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

| | 2023 | 2022 |
|--|---------------|------------------|
| | \$'000 | \$'000 |
| Revenue | - | 96,260 |
| Interest expenses | - | (136,896) |
| Other expenses | - | (75,442) |
| Loss before income tax | - | (116,078) |
| Taxation credit | - | - |
| Loss after tax and Total comprehensive income | - | (116,078) |

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23. Cash Flows

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

| | Note | The Group | | The Company | |
|---|------|--------------------|--------------------|--------------------|--------------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Adjustments for non-cash items: | | | | | |
| Provision for credit losses | | (59,669) | 128,708 | (59,669) | 128,708 |
| Intangible asset – amortization | | 5,468 | 4,759 | 5,468 | 4,759 |
| Depreciation | 18 | 22,707 | 30,406 | 22,707 | 28,838 |
| Right-of-use assets - amortization | 19 | 16,955 | 18,504 | 16,955 | 18,504 |
| Interest income | 4 | (1,587,993) | (1,118,845) | (2,062,748) | (1,192,332) |
| Interest expense | 4 | 1,914,208 | 808,402 | 1,740,279 | 645,324 |
| Interest expense – right-of-use assets | | 8,310 | 8,172 | 8,310 | 8,172 |
| Realized gains on trading | | (111,097) | (116,082) | (96,945) | (1,005,621) |
| Unrealised fair value gains on investment in associates | | 2,235,227 | (5,232,917) | - | - |
| Unrealised fair value (gains)/losses on financial instruments - FVTPL | | (170,946) | (90,097) | (13,830) | 24,562 |
| Unrealised foreign exchange gains | | (207,093) | (97,271) | (202,234) | (110,120) |
| Share of profits in joint venture | | (833,575) | (21,440) | - | - |
| Unrealised fair value losses/(gains) on investment properties | | (85,734) | 22,065 | (85,734) | 22,065 |
| | | <u>1,146,768</u> | <u>(5,655,636)</u> | <u>(727,441)</u> | <u>(1,427,141)</u> |
| Changes in operating assets and liabilities: | | | | | |
| Loans and other receivables | | (3,813,705) | (1,234,022) | (3,834,651) | (1,253,587) |
| Investments | | (1,834,265) | (46,648) | (279,140) | 986,138 |
| Promissory notes | | (33,849) | (1,364,159) | (33,849) | (1,364,159) |
| Reverse repurchase agreements | | 532,099 | (2,374,867) | 687,699 | (2,374,867) |
| Investment in associates | | (1,312,364) | (26,141) | - | - |
| Accounts payable | | 662,294 | 2,989,855 | 776,003 | 2,900,179 |
| Due from related parties | | (34,205) | - | (6,395,284) | (500,787) |
| Demand loans | | 135,426 | 1,275,055 | 135,426 | 1,275,056 |
| Securities sold under repurchase agreements | | 2,095,108 | 4,335 | 2,095,108 | 4,335 |
| | | <u>(2,456,693)</u> | <u>(6,432,228)</u> | <u>(7,576,129)</u> | <u>(1,754,833)</u> |

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24. Investments in subsidiaries

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|------------------|
| Balance at beginning of the year | 1,092,779 | 1,230,001 |
| 9.4% disposal through trade over the Jamaica Stock Exchange | - | (137,222) |
| Relieved on disposal of Mayberry Jamaican Equities | (1,092,654) | - |
| Relieved on disposal of Widebase Limited | (125) | - |
| | <u>-</u> | <u>1,092,779</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 reference 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.

Consequent on the reorganisation of the Mayberry Group of Companies, at December 31, 2023, MIL transferred ownership of all its subsidiaries directly to MGL. The consideration for the transfer of ownership of the subsidiaries from MIL to MGL was effected by interest bearing promissory notes.

| | Mayberry Jamaican Equities Limited \$'000 | Widebase Limited \$'000 | Total \$'000 |
|--|---|-------------------------------|-------------------|
| Carrying value as at 31 December 2023 | 17,297,566 | 2,068,428 | 19,365,994 |
| Transfer price to Mayberry Group Limited | (1,092,654) | (125) | (1,092,779) |
| Relieved on disposal of subsidiaries | <u>16,204,912</u> | <u>2,068,303</u> | <u>18,273,215</u> |

25. Pledged Assets

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

| | The Group | | The Company | |
|---|------------------|-------------------|------------------|------------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Restricted Deposit | - | 42,959 | - | - |
| Investment securities at FVTOCI | - | 1,136,117 | - | - |
| Investment securities at FVTPL | 59,117 | 246,629 | 59,117 | 236,541 |
| Investment securities at amortised cost | 159,220 | 288,953 | 159,220 | 288,953 |
| Investments in associates at FVTPL | - | 17,452,322 | - | - |
| Loans and receivables | 6,509,800 | - | 6,509,800 | - |
| Investment property at FVTPL | 1,446,108 | 1,300,181 | 1,446,108 | 1,300,181 |
| Investment in subsidiaries | - | - | - | 107,360 |
| Total assets pledged as collateral | <u>8,174,245</u> | <u>20,467,161</u> | <u>8,174,245</u> | <u>1,933,035</u> |



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26. Loans

| | The Group | | The Company | |
|----------------------------------|-------------------|------------------|-------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Demand loans (i) - | | | | |
| Oppenheimer & Co. Inc. | 2,238,548 | 1,423,314 | 2,238,548 | 1,423,314 |
| Morgan Stanley | 139,679 | 331,466 | 139,679 | 331,466 |
| Raymond James | - | 488,021 | - | 488,021 |
| Term loans - | | | | |
| Corporate paper (unsecured) (ii) | 1,906,540 | 1,860,782 | 1,906,540 | 1,860,782 |
| Corporate paper (secured) (ii) | 967,000 | 643,850 | 967,000 | 643,850 |
| Corporate bond (iii) | - | 2,200,000 | - | - |
| Revolving line of credit (iv) | 500,000 | 500,000 | 500,000 | 500,000 |
| Development Bank of Jamaica | 2,154,225 | 1,957,745 | 2,154,225 | 1,957,745 |
| Bonds - | | | | |
| Bondberry bond (iii) | 6,393,365 | - | 6,393,365 | - |
| | 14,299,357 | 9,405,178 | 14,299,357 | 7,205,178 |
| Unamortised Transaction Fees | (50,755) | (2,683) | (50,755) | - |
| Interest Payable | 2,667 | 5,373 | 2,667 | 4,062 |
| | <u>14,251,269</u> | <u>9,407,868</u> | <u>14,251,269</u> | <u>7,209,240</u> |

(i) The demand loans attract interest at 6.19% (2022 – 2.5%) per annum - Oppenheimer & Co. Inc., 5.86% (2022 – 2.15%) per annum - Morgan Stanley and 6.7% (2022 – 3.48%) 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 10% per annum (2022 - 6.5%) and matures January 14, 2026. The previous paper matured November 19, 2023.

A Secured Corporate Paper is backed by real estate and attracts a weighted average rate of interest at 10.47% per annum (2022 – 7.5%) with outstanding Tranches maturing between February 9, 2024 and February 23, 2025.

A Secured Corporate Paper is backed by secured loans and attracts an interest rate of 11% per annum (2022 – 7.5%) and matures November 30, 2025. The previous paper matured November 2023.

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26. Loans (continued)

- (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 bond matured in 2023, and was at a fixed interest rate of 7.25% per annum paid quarterly. The bond was arranged by Sagcor Investments Jamaica Limited and registered with JCSD Trustee Services Limited.

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

On January 20, 2023, the Company's sub-subsidiary, MIL, completed a secured corporate bond issue amounting to \$6.3 billion. The bonds are in four Tranches and are repayable between 2024 and 2026. The fixed rate notes attract interest between 9.25% and 12% with interest paid quarterly. The bonds are secured by a charge over the Secured Loan Portfolio of MIL included in note 16 and note 17.

- (iv) On June 16, 2022, the Company's sub-subsidiary, MIL, entered into a revolving line of credit facility amounting to \$500 million attracting interest at 12% (2022-9.75%) 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 Group's shares in Mayberry Jamaican Equities Limited.

The following financial covenants are required to be maintained:

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

At year end MIL had complied with these covenants.

- (v) The loans from Development Bank of Jamaica are granted in Jamaican dollars and are utilized by the Group to finance customers with projects in various sectors of the economy. These loans are for terms up to 10 years and at rates ranging from 5.75% - 9%.



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27. Deferred Taxation

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

| | The Group and Company | |
|--|-----------------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Net balance at beginning of year | 387,764 | 216,920 |
| Deferred tax credit (Note 10) | 593,632 | 1,016 |
| Deferred tax charge on investment securities (OCI) | 167,068 | 169,828 |
| Net balance at end of year | 1,148,464 | 387,764 |

Net deferred income taxation is due to the following items:

| | The Group and Company | |
|----------------------------------|-----------------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Deferred income tax assets: | | |
| Interest payable | 46,539 | 31,609 |
| Property, plant and equipment | 7,992 | 5,907 |
| Provisions | 162,901 | 200,913 |
| Tax losses carried forward | 1,027,698 | 351,841 |
| Unrealised foreign exchange loss | 33,066 | 33,066 |
| Other | 12,339 | 11,030 |
| | 1,290,535 | 634,366 |
| Deferred income tax liabilities: | | |
| Property, plant and equipment | 32,900 | 33,651 |
| Intangibles | 21,575 | - |
| Investment securities: | | |
| - Trading | (3,412) | (3,412) |
| - Other comprehensive income | 7,143 | 174,211 |
| Interest receivable | 83,865 | 42,152 |
| | 142,071 | 246,602 |
| Net deferred tax asset | 1,148,464 | 387,764 |

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

| | Interest receivable | Property, plant and equipment | Unrealised fair value gain | Intangibles | Total |
|--|------------------------|-------------------------------------|----------------------------------|-------------|-----------|
| | \$'000 | \$'000 | \$'000 | | \$'000 |
| Deferred income tax liabilities: | | | | | |
| As at 1 January 2022 | 36,828 | 10,996 | 345,534 | - | 393,358 |
| Charged/(Credited) to profit or loss | 5,324 | 22,655 | (4,907) | - | 23,072 |
| Credited to other comprehensive income | - | - | (169,828) | - | (169,828) |
| As at 31 December 2022 | 42,152 | 33,651 | 170,799 | - | 246,602 |
| Charged/(Credited) to income statement | 41,713 | (751) | - | 21,575 | 62,537 |
| Credited to other comprehensive income | - | - | (167,068) | - | (167,068) |
| As at 31 December 2023 | 83,865 | 32,900 | 3,731 | 21,575 | 142,071 |

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27. Deferred Taxation (Continued)

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

| | The Group and Company | |
|---|-----------------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Deferred income tax assets: | | |
| Deferred tax assets to be recovered after more than 12 months | 1,210,931 | 569,691 |
| Deferred tax assets to be recovered within 12 months | 79,604 | 64,675 |
| | <u>1,290,535</u> | <u>634,366</u> |
| Deferred income tax liabilities: | | |
| Deferred tax assets to be settled after more than 12 months | 54,475 | 33,651 |
| Deferred tax assets to be settled within 12 months | 87,596 | 212,951 |
| | <u>142,071</u> | <u>246,602</u> |
| Deferred tax asset, net | <u>1,148,464</u> | <u>387,764</u> |

28. Accounts Payable

| | The Group | | The Company | |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Accounts payable | 613,715 | 433,206 | 613,715 | 418,157 |
| Due to brokers | 1,464 | 38,790 | 1,464 | 38,790 |
| Management and incentive fee payable | - | 271,393 | - | - |
| Client payables | 10,920,355 | 10,302,583 | 10,920,355 | 10,302,583 |
| | <u>11,535,534</u> | <u>11,045,972</u> | <u>11,535,534</u> | <u>10,759,530</u> |

29. Share Capital

| | The Group and The Company | |
|---|---------------------------|------------------|
| | 2023 \$'000 | 2022 \$'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> |

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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

| | 2023 | 2022 |
|---------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| 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

| | 2023 | 2022 |
|---|------------------|-------------------|
| | \$'000 | \$'000 |
| Reflected in the financial statements of: | | |
| The Company | 4,596,529 | 4,035,881 |
| Subsidiaries | - | 10,454,207 |
| | <u>4,596,529</u> | <u>14,490,088</u> |



Mayberry Investments Limited

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33. Intangible Asset

| | The Group | | |
|----------------------------|-----------------------------|----------------------------|-----------------|
| | Computer Software \$'000 | Work in progress \$'000 | Total \$'000 |
| At Cost – | | | |
| 1 January 2022 | 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 |
| Additions | - | 269,529 | 269,529 |
| Transfers | 996,980 | (996,980) | - |
| Disposed on reorganisation | (6,720) | - | (6,720) |
| At 31 December 2023 | 1,024,323 | 228,166 | 1,252,489 |
| Amortisation – | | | |
| 1 January 2022 | 5,152 | - | 5,152 |
| Charge for the year | 6,327 | - | 6,327 |
| 31 December 2022 | 11,479 | - | 11,479 |
| Charge for the year | 5,468 | - | 5,468 |
| Relieved on reorganisation | (6,720) | - | (6,720) |
| 31 December 2023 | 10,227 | - | 10,227 |
| Net book value - | | | |
| 31 December 2023 | 1,014,096 | 228,166 | 1,242,262 |
| 31 December 2022 | 22,584 | 955,617 | 978,201 |

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

| | The Company | | |
|-------------------------|-----------------------------|----------------------------|-----------------|
| | Computer Software \$'000 | Work in progress \$'000 | Total \$'000 |
| At Cost – | | | |
| 1 January 2022 | - | 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 |
| Additions | - | 269,529 | 269,529 |
| Transfers out | 996,980 | (996,980) | - |
| At 31 December 2023 | 1,024,323 | 228,166 | 1,252,489 |
| Amortisation - | | | |
| 1 January 2022 | 4,759 | - | 4,759 |
| At 31 December 2022 | 4,759 | - | 4,759 |
| Charge for the year | 5,468 | - | 5,468 |
| At 31 December 2023 | 10,227 | - | 10,227 |
| Net book value - | | | |
| 31 December 2023 | 1,014,096 | 228,166 | 1,242,262 |
| 31 December 2022 | 22,584 | 955,617 | 978,201 |

34. Related Party Transactions and Balances

Mayberry Investments Limited

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

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

| | The Group | | The Company | |
|---|------------------|----------------|------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Due from other group companies: | | | | |
| Mayberry Jamaican Equities Limited | 6,044,514 | - | 6,044,514 | 1,096,373 |
| Widebase Limited | 1,991,341 | - | 1,991,341 | 558,490 |
| Mayberry Group Limited | 14,292 | - | 14,292 | - |
| | <u>8,050,147</u> | <u>-</u> | <u>8,050,147</u> | <u>1,654,863</u> |
| Loans and other receivables: | | | | |
| Joint venture | 277,913 | 276,741 | 277,913 | 276,741 |
| Companies controlled by directors | 349,237 | 271,892 | 349,237 | 271,892 |
| Directors and key management personnel | <u>356,116</u> | <u>307,743</u> | <u>356,116</u> | <u>307,743</u> |
| Promissory Note | | | | |
| Mayberry Jamaican Equities Limited | 1,000,000 | - | 1,000,000 | 1,000,000 |
| Cherry Hill Developments | 366,949 | - | 366,949 | - |
| Mayberry Group Limited | <u>1,092,779</u> | <u>-</u> | <u>1,092,779</u> | <u>-</u> |
| Accounts payable: | | | | |
| Management fees payable (Mayberry Asset Managers Limited) | - | 271,393 | - | 493 |
| Companies controlled by directors | 206,623 | 181,848 | 206,623 | 181,848 |
| Directors and key management personnel | <u>219,352</u> | <u>141,732</u> | <u>219,352</u> | <u>141,732</u> |
| (ii) The following are transactions with related parties | | | | |
| Dividend Income | 842,391 | 451,400 | 842,391 | 36,335 |
| Interest income | 445,729 | - | 445,729 | 94,616 |
| Other income earned | 63,093 | - | 63,093 | 65,060 |
| Investment management and incentive fees | <u>119,479</u> | <u>354,874</u> | <u>119,479</u> | <u>-</u> |



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34. Related Party Transactions and Balances (Continued)

| | The Group | | The Company | |
|---|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Key management compensation | | | | |
| Salaries and other short term employee benefits | 188,030 | 195,808 | 188,030 | 188,102 |
| Pension contributions | 4,626 | 4,129 | 4,626 | 4,129 |
| Directors' emoluments:- | | | | |
| Fees | 60,382 | 61,513 | 60,382 | 56,337 |
| Executive directors' remuneration | 75,915 | 82,240 | 75,915 | 82,240 |
| Pension contributions | 3,166 | 3,475 | 3,166 | 3,475 |

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 \$119,479,000 (2022 – \$113,331,000).

The incentive fee is accrued and charged 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 \$nil (2022 – \$241,543,000).

35. Dividends

| | The Group | |
|--|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Final dividend to ordinary shareholders –28 cents per share (2022 – 32 cents per share) | 360,344 | 336,322 |
| Payment to minority shareholders | 41,689 | 35,734 |
| | <u>402,033</u> | <u>372,056</u> |

A dividend of \$0.30 was approved and paid in June 2023 to those shareholders on record as at 12 July 2023.

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



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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:

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Summarized statement of financial position | | |
| Total assets | - | 24,355,036 |
| Total liabilities | - | (4,578,635) |
| Net assets | - | 19,776,401 |
| Attributable to non-controlling interest | - | 9,805,140 |
| Summarized statement of comprehensive income | | |
| Revenue | (1,586,367) | 5,812,480 |
| Profit for the period | (2,445,333) | 5,080,322 |
| Other comprehensive income | 50,577 | (202,746) |
| Total comprehensive income | (2,394,756) | 4,877,576 |
| Profit allocated to non-controlling interest | (1,212,396) | 2,518,824 |
| Other comprehensive income allocated to non-controlling interest | 25,078 | (100,521) |
| Attributable to non-controlling interest | (1,187,318) | 2,418,303 |
| Summarized statement of cash flows | | |
| Cash flows from operating activities | 2,976,467 | 348,397 |
| Interest received | 10,988 | 3,165 |
| Interest paid | (638,983) | (272,590) |
| Income tax paid | - | - |
| Net cash from operating activities | 2,348,472 | 78,972 |
| Cash flows used in financing activities | (2,283,705) | (72,069) |
| Net increase/(decrease) in cash and cash equivalents | 64,767 | 6,903 |
| Cash and cash equivalents at the beginning of year | 314,952 | 313,902 |
| Exchange (losses)/gains on cash and cash equivalents | (170) | (5,853) |
| Cash and cash equivalents at end of year | 379,549 | 314,952 |



Mayberry Investments Limited

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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 | |
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| As at 1 January | 9,407,868 | 6,676,050 | 83,645 | 124,090 |
| Interest payable | (5,373) | (3,059) | - | - |
| | <u>9,402,495</u> | <u>6,672,991</u> | <u>83,645</u> | <u>124,090</u> |
| Changes related to Operating Activities | | | | |
| Loans received | 815,234 | 1,364,443 | - | - |
| Principal repayments | (679,808) | (89,388) | - | - |
| Net Changes related to Operating Activities | <u>135,426</u> | <u>1,275,055</u> | <u>-</u> | <u>-</u> |
| Changes related to Financing Activities | | | | |
| Loan received | 7,883,446 | 4,159,677 | - | - |
| Lease additions | - | - | - | 13,523 |
| Repayments | (3,228,195) | (2,708,805) | (13,858) | (19,466) |
| Adjustments | - | - | - | (34,502) |
| Amortization of borrowing costs | 52,747 | 3,577 | - | - |
| Interest payable | 2,667 | 5,373 | - | - |
| Disposed on reorganisation | 2,683 | - | - | - |
| Net Changes related Financing Activities | <u>4,713,348</u> | <u>1,459,822</u> | <u>(13,858)</u> | <u>(40,445)</u> |
| As at 31 December | <u>14,251,269</u> | <u>9,407,868</u> | <u>69,787</u> | <u>83,645</u> |

| | The Company | | | |
|---|-------------------|------------------|-------------------|-----------------|
| | Loans | | Lease liabilities | |
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| As at 1 January | 7,209,240 | 4,479,251 | 83,645 | 124,090 |
| Interest payable | (4,062) | - | - | - |
| | <u>7,205,178</u> | <u>4,479,251</u> | <u>83,645</u> | <u>124,090</u> |
| Changes related to Operating Activities | | | | |
| Loans received | 815,234 | 1,364,444 | - | - |
| Principal repayments | (679,808) | (89,388) | - | - |
| Net Changes related to Operating Activities | <u>135,426</u> | <u>1,275,056</u> | <u>-</u> | <u>-</u> |
| Changes related to Financing Activities | | | | |
| Loan received | 7,883,446 | 4,159,676 | - | - |
| Lease additions | - | - | - | 13,523 |
| Repayments | (1,028,195) | (2,708,805) | (13,858) | (19,466) |
| Adjustments | - | - | - | (34,502) |
| Amortization of borrowing costs | 52,747 | - | - | - |
| Interest payable | 2,667 | 4,062 | - | - |
| Net Changes related Financing Activities | <u>6,910,665</u> | <u>1,454,933</u> | <u>(13,858)</u> | <u>(40,445)</u> |
| As at 31 December | <u>14,251,269</u> | <u>7,209,240</u> | <u>69,787</u> | <u>83,645</u> |

Mayberry Investments Limited

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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 and Company | | | | | |
|---|-----------------------------|----------------------------|-----------------------------|---------------------------|---------------------------|-------------------|
| | 2023 | | | | | |
| | Within 1 Month \$'000 | 1 to 3 Months \$'000 | 3 to 12 Months \$'000 | 1 to 5 Years \$'000 | Over 5 Years \$'000 | Total \$'000 |
| Financial Liabilities | | | | | | |
| Bank overdraft | 994,193 | - | - | - | - | 994,193 |
| Securities sold under repurchase agreements | 2,209,011 | 2,290,461 | 2,624,645 | - | - | 7,124,117 |
| Loans | 2,908,695 | 1,288,111 | 2,587,574 | 8,260,987 | 1,114,151 | 16,159,518 |
| Lease liabilities | 1,098 | 2,216 | 10,310 | 20,987 | 49,326 | 83,937 |
| Accounts payable | 11,535,534 | - | - | - | - | 11,535,534 |
| Total liabilities (contractual maturity dates) | 17,648,531 | 3,580,788 | 5,222,529 | 8,281,974 | 1,163,477 | 35,897,299 |
| | | | | | | |
| | The Group | | | | | |
| | 2022 | | | | | |
| | Within 1 Month \$'000 | 1 to 3 Months \$'000 | 3 to 12 Months \$'000 | 1 to 5 Years \$'000 | Over 5 Years \$'000 | Total \$'000 |
| Financial Liabilities | | | | | | |
| Bank overdraft | 50,337 | - | - | - | - | 50,337 |
| Securities sold under repurchase agreements | 1,520,233 | 2,130,756 | 1,283,060 | - | - | 4,934,049 |
| Loans | 2,245,362 | 456,869 | 2,899,799 | 2,382,508 | - | 7,984,538 |
| Lease liabilities | 1,086 | 2,192 | 10,202 | 20,840 | 49,325 | 83,645 |
| Accounts payables | 10,539,373 | 280,959 | 225,640 | - | - | 11,045,972 |
| Total liabilities (contractual maturity dates) | 14,356,391 | 2,870,776 | 4,418,701 | 2,403,348 | 49,325 | 24,098,541 |



Mayberry Investments Limited

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38. Financial Risk Management (Continued)

(a) Liquidity risk (continued)

| | The Company | | | | | Total \$'000 |
|---|-----------------------------|----------------------------|-----------------------------|---------------------------|---------------------------|-------------------|
| | 2022 | | | | | |
| | Within 1 Month \$'000 | 1 to 3 Months \$'000 | 3 to 12 Months \$'000 | 1 to 5 Years \$'000 | Over 5 Years \$'000 | |
| Financial Liabilities | | | | | | |
| Bank overdraft | 50,337 | - | - | - | - | 50,337 |
| Securities sold under repurchase agreements | 1,520,233 | 2,130,756 | 1,283,060 | - | - | 4,934,049 |
| Loans | 2,245,362 | 417,540 | 628,133 | 4,340,253 | - | 7,631,288 |
| Lease liabilities | 1,086 | 2,192 | 10,202 | 20,840 | 49,325 | 83,645 |
| Accounts payable | 10,533,890 | - | 225,640 | - | - | 10,759,530 |
| Total liabilities (contractual maturity dates) | 14,350,908 | 2,550,488 | 2,147,035 | 4,361,093 | 49,325 | 23,458,849 |

(b) Market risk

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

Management of market risks

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

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

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38. Financial Risk Management (Continued)

(c) Interest rate risk

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

| | The Group and Company | | | | | | |
|---|-----------------------|------------------|--------------------|--------------------|------------------|-------------------------|------------------|
| | 2023 | | | | | | |
| | Within 1 Month | 1 to 3 Months | 3 to 12 Months | 1 to 5 Years | Over 5 Years | Non-Interest Bearing | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial Assets | | | | | | | |
| Cash resources | 3,604,504 | - | - | - | - | - | 3,604,504 |
| Investment securities | 1,659,348 | 95,027 | 57,478 | 1,356,076 | 30,668 | 463,791 | 3,662,388 |
| Reverse repurchase agreements | 1,403,162 | 1,286,231 | 925,835 | - | - | - | 3,615,228 |
| Promissory notes | 939,622 | 952,917 | 1,604,939 | 1,651,816 | 1,305,861 | - | 6,455,155 |
| Due from related parties | - | - | - | - | - | 8,050,147 | 8,050,147 |
| Loans and other receivables | 9,529,420 | - | - | - | - | 604,444 | 10,133,864 |
| Total assets | 17,136,056 | 2,334,175 | 2,588,252 | 3,007,892 | 1,336,529 | 9,118,382 | 35,521,286 |
| Financial Liabilities | | | | | | | |
| Bank overdraft | 994,193 | - | - | - | - | - | 994,193 |
| Securities sold under repurchase agreements | 2,172,940 | 2,339,071 | 2,494,493 | - | - | - | 7,006,504 |
| Loans | 2,995,429 | 967,375 | 1,870,336 | 7,414,141 | 1,003,988 | - | 14,251,269 |
| Other | 906 | 1,828 | 8,506 | 17,314 | 41,047 | 11,535,720 | 11,605,321 |
| Total liabilities | 6,163,468 | 3,308,274 | 4,373,335 | 7,431,455 | 1,045,035 | 11,535,720 | 33,857,287 |
| Total interest rate sensitivity gap | 10,972,588 | (974,099) | (1,785,083) | (4,423,563) | 291,494 | (2,417,338) | 1,663,999 |
| Cumulative interest rate sensitivity gap | 10,972,588 | 9,998,489 | 8,213,406 | 3,789,843 | 4,081,337 | 1,663,999 | |

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38. Financial Risk Management (Continued)

(c) Interest rate 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 | Non-Interest Bearing \$'000 |
| Financial Assets | | | | | | |
| Cash resources | 2,732,187 | - | - | - | - | - |
| Investment securities | 15,375 | 128,846 | 480,441 | 1,666,826 | 201,345 | 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 | 5,472,108 | 59,225 | - | - | - | 874,051 |
| Total assets | 11,039,804 | 2,244,333 | 1,638,223 | 3,843,345 | 1,549,845 | 7,929,244 |
| Financial Liabilities | | | | | | |
| 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 | 2,954,099 | 1,006,638 | - |
| Other | 1,086 | 2,192 | 10,201 | 20,840 | 49,326 | 11,045,972 |
| Total liabilities | 3,810,796 | 2,572,530 | 3,996,895 | 2,974,939 | 1,055,964 | 11,045,972 |
| Total interest rate sensitivity gap | 7,229,008 | (328,197) | (2,358,672) | 868,406 | 493,881 | (3,116,728) |
| Cumulative interest rate sensitivity gap | 7,229,008 | 6,900,811 | 4,542,139 | 5,410,545 | 5,904,426 | 2,787,698 |

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38. Financial Risk Management (Continued)

(c) Interest rate risk (continued)

| | The 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 |
| Financial Assets | | | | | | |
| 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 |
| Total assets | 10,683,396 | 2,185,108 | 1,638,223 | 4,843,345 | 1,562,512 | 3,178,848 |
| | | | | | | 24,091,422 |
| Financial Liabilities | | | | | | |
| 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 | 2,954,099 | 1,006,638 | - |
| Other | 1,086 | 2,192 | 10,201 | 20,840 | 49,326 | 10,759,530 |
| Total liabilities | 3,810,796 | 2,533,201 | 1,837,596 | 2,974,939 | 1,055,964 | 10,759,530 |
| Total interest rate sensitivity gap | 6,872,590 | (348,093) | (199,373) | 1,868,406 | 506,548 | (7,580,682) |
| Cumulative interest rate sensitivity gap | 6,872,590 | 6,524,497 | 6,325,124 | 8,193,530 | 8,700,078 | 1,119,396 |

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(expressed in Jamaican dollars unless otherwise indicated)

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\$ |
|---|-------|------|------|------|
| | 2023 | | 2022 | |
| | % | % | % | % |
| Assets | | | | |
| Investment securities | 7.98 | 8.73 | 4.43 | 5.16 |
| Reverse repurchase agreements | 9.03 | 5.39 | 8.79 | 3.96 |
| Promissory notes | 13.11 | 9.05 | 6.75 | 4.05 |
| Liabilities | | | | |
| Securities sold under repurchase agreements | 8.20 | 3.04 | 5.91 | 2.51 |
| Loans | 7.76 | - | - | 4.29 |
| Corporate papers | 10.72 | - | 6.57 | - |

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 25 basis point (bp) (2022 - 100 bp) parallel rise and a 25 bp (2022 - 50 bp) parallel fall in the yield curve applicable to Government of Jamaica local instruments and a 25 bp (2022 - 100 bp) parallel rise and a 25 bp (2022 - 50 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 | Effect on Net Profit | Effect on other components of equity | Change in basis points JMD / USD | Effect on Net Profit | Effect on other components of equity |
| 2023 | 2023 | 2023 | 2022 | 2022 | 2022 |
| | \$'000 | \$'000 | | \$'000 | \$'000 |
| -50/-50 | 5,280 | - | -50/-50 | 1,432 | - |
| +100/+100 | (5,280) | - | +100/+100 | (2,864) | - |

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38. Financial Risk Management (Continued)

(d) Currency risk

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

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

| | The Group and Company | | | |
|---|-----------------------|------------------|---------------|---------------|
| | 2023 | | | |
| | GBP | US\$ | CAN\$ | EURO |
| | J\$'000 | J\$'000 | J\$'000 | J\$'000 |
| Financial Assets | | | | |
| Cash resources | 30,786 | 2,737,436 | 33,852 | 817 |
| Investment securities | - | 496,658 | - | - |
| Promissory notes | - | 1,490,541 | - | - |
| Reverse repurchase agreement | - | 1,740,457 | - | - |
| Interest receivable | - | 120,858 | - | - |
| Due from subsidiaries | - | 541,562 | - | - |
| Loans and other receivables | 2,736 | 1,562,379 | 102 | 67,487 |
| Total assets | 33,522 | 8,689,891 | 33,954 | 68,304 |
| Financial Liabilities | | | | |
| Bank overdraft | - | - | - | - |
| Securities sold under repurchase agreements | 57,009 | 2,439,679 | 20,213 | - |
| Loans and other payables | - | 5,374,640 | - | - |
| Total liabilities | 57,009 | 7,814,319 | 20,213 | - |
| Net position | (23,487) | 875,572 | 13,741 | 68,304 |



Mayberry Investments Limited

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38. Financial Risk Management (Continued)

(d) Currency risk (continued)

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

Mayberry Investments Limited

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(expressed in Jamaican dollars unless otherwise indicated)

38. Financial Risk Management (Continued)

(d) Currency risk (continued)

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

Sensitivity analysis

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

| | The Group | | | |
|------------------|--|---|--|---|
| | Change in Currency Rate 2023 % | Effect on Loss before Taxation 2023 \$'000 | Change in Currency Rate 2022 % | Effect on Loss before Taxation 2022 \$'000 |
| | | | | |
| Currency: | | | | |
| GBP | -4 | (939) | -4 | 564 |
| GBP | +1 | 235 | +1 | (141) |
| US\$ | -4 | 20,555 | -4 | 20,745 |
| US\$ | +1 | (5,139) | +1 | (5,186) |
| CAN\$ | -4 | 550 | -4 | 2,056 |
| CAN\$ | +1 | (137) | +1 | (514) |
| EURO | -4 | 2,732 | -4 | 2,388 |
| EURO | +1 | (683) | +1 | (597) |



Mayberry Investments Limited

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38. Financial Risk Management (Continued)

(d) Currency risk (continued)

| | The Company | | | |
|-----------|--|---|--|---|
| | Change in Currency Rate 2023 % | Effect on Profit before Taxation 2023 \$'000 | Change in Currency Rate 2022 % | Effect on Profit before Taxation 2022 \$'000 |
| Currency: | | | | |
| GBP | -4 | (940) | -4 | 671 |
| GBP | +1 | 235 | +1 | (168) |
| US\$ | -4 | 13,279 | -4 | 20,745 |
| US\$ | +1 | (3,320) | +1 | (5,186) |
| CAN\$ | -4 | 552 | -4 | 1,473 |
| CAN\$ | +1 | (138) | +1 | (368) |
| EURO | -4 | 2,737 | -4 | 2,529 |
| EURO | +1 | (684) | +1 | (632) |

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 (2022 – 4% weakening and 1% 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.

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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.



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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 \$232,194,000 (2022 - \$233,994,000).

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 | |
| | 2023 | 2022 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Concentration by sector - | | | | |
| Corporate | 6,294,810 | 3,810,842 | 372,374 | 180,557 |
| Retail | 160,345 | 444,405 | 9,761,490 | 6,111,245 |
| Total carrying amount | <u>6,455,155</u> | <u>4,255,247</u> | <u>10,133,864</u> | <u>6,291,802</u> |
| | | | | |
| | Company | | | |
| | Promissory Notes | | Loans and Other Receivables | |
| | 2023 | 2022 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Concentration by sector - | | | | |
| Corporate | 6,294,810 | 4,810,842 | 372,374 | 180,557 |
| Retail | 160,345 | 444,405 | 9,761,490 | 6,111,245 |
| Total carrying amount | <u>6,455,155</u> | <u>5,255,247</u> | <u>10,133,864</u> | <u>6,291,802</u> |

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31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

38. Financial Risk Management (Continued)

(e) Credit risk (continued)

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

| | The Group and Company | |
|---|-----------------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Promissory notes | (23,531) | (21,948) |
| Loans and other receivables | (7,411) | 128,284 |
| Investment securities – at amortised cost | (28,727) | 22,372 |
| | <u>(59,669)</u> | <u>128,708</u> |

Loans and other receivables

The loss allowance as at 31 December 2023 and 1 January 2023 was determined as follows for trade and other receivables:

| | The Group | | | | | |
|----------------------|-----------------------|----------------|--------------------|-----------------------|----------------|--------------------|
| | At 31 December 2023 | | | At 31 December 2022 | | |
| | Gross Carrying Amount | Loss Allowance | Expected Loss Rate | Gross Carrying Amount | Loss Allowance | Expected Loss Rate |
| | \$'000 | \$'000 | % | \$'000 | \$'000 | % |
| Less than 1 month | 6,615,731 | 767 | 0.01 | 4,502,803 | 6,889 | 0.15 |
| Within 1 to 3 months | 3,172,996 | 697 | 0.02 | 490,024 | 2,111 | 0.43 |
| Over 3 months | 278,080 | 249,562 | 89.74 | 1,438,547 | 289,477 | 20.12 |
| | <u>10,066,807</u> | <u>251,026</u> | | <u>6,431,374</u> | <u>298,477</u> | |

| | The Company | | | | | |
|----------------------|-----------------------|----------------|--------------------|-----------------------|----------------|--------------------|
| | At 31 December 2023 | | | At 31 December 2022 | | |
| | Gross Carrying Amount | Loss Allowance | Expected Loss Rate | Gross Carrying Amount | Loss Allowance | Expected Loss Rate |
| | \$'000 | \$'000 | % | \$'000 | \$'000 | % |
| Less than 1 month | 6,615,731 | 767 | 0.01 | 4,397,495 | 6,889 | 0.16 |
| Within 1 to 3 months | 3,172,996 | 697 | 0.02 | 490,024 | 2,111 | 0.43 |
| Over 3 months | 278,080 | 249,562 | 89.74 | 1,438,547 | 289,477 | 20.12 |
| | <u>10,066,807</u> | <u>251,026</u> | | <u>6,326,066</u> | <u>298,477</u> | |



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 and Company | | | | |
|------------------------------|----------------------------|----------------------------|----------------------------|-----------|
| 2023 | | | | |
| | Stage 1 12-month ECL | Stage 2 Lifetime ECL | Stage 3 Lifetime ECL | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Standard risk | 6,283,763 | - | - | 6,283,763 |
| Past due risk | - | - | - | - |
| Credit impaired | - | - | 400,072 | 400,072 |
| Gross carrying amount | 6,283,763 | - | 400,072 | 6,683,835 |
| Loss allowance | (28,108) | - | (200,572) | (228,680) |
| Carrying amount | 6,255,655 | - | 199,500 | 6,455,155 |

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

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Notes to the Financial Statements

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38. Financial Risk Management (Continued)

(e) Credit risk (continued)

Promissory notes (continued)

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

Movement in the maximum exposure to credit risk

| | The Group and Company | | | |
|--|----------------------------|----------------------------|----------------------------|-------------|
| | 2023 | | | |
| | Stage 1 12-month ECL | Stage 2 Lifetime ECL | Stage 3 Lifetime ECL | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Maximum exposure to credit risk as at January 01, 2023 | 5,083,817 | 23,633 | 400,008 | 5,507,458 |
| New financial assets originated or purchased | 2,861,950 | - | - | 2,861,950 |
| Financial assets fully recognised during the period | (1,042,336) | (23,633) | - | (1,065,969) |
| Changes in principal and interest | (637,502) | - | - | (637,502) |
| Foreign exchange adjustments | 17,834 | - | 64 | 17,898 |
| Maximum exposure to credit risk as at December 31, 2023 | 6,283,763 | - | 400,072 | 6,683,835 |



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38. Financial Risk Management (Continued)

(e) Credit risk (continued)

Promissory notes (continued)

Movement in the maximum exposure to credit risk (continued)

| | The Group | | | |
|---|----------------------------|----------------------------|----------------------------|-----------|
| | 2022 | | | |
| | Stage 1 12-month ECL | Stage 2 Lifetime ECL | Stage 3 Lifetime ECL | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Maximum exposure to credit risk as at January 01, 2022 | 2,894,949 | - | 320,114 | 3,215,063 |
| Transfer from Stage 1 to Stage 3 | (79,894) | - | 79,894 | - |
| Transfer from Stage 1 to Stage 2 | (23,633) | 23,633 | - | - |
| New financial assets originated or purchased | 1,443,265 | - | - | 1,443,265 |
| Financial assets fully recognised during the period | (60,152) | - | - | (60,152) |
| Changes in principal and interest | (23,228) | - | - | (23,228) |
| Foreign exchange adjustments | (67,490) | - | - | (67,490) |
| Maximum exposure to credit risk as at December 31, 2022 | 4,083,817 | 23,633 | 400,008 | 4,507,458 |

| | The Company | | | |
|---|----------------------------|----------------------------|----------------------------|-----------|
| | 2022 | | | |
| | Stage 1 12-month ECL | Stage 2 Lifetime ECL | Stage 3 Lifetime ECL | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Maximum exposure to credit risk as at January 01, 2022 | 3,898,861 | - | 320,114 | 4,218,975 |
| Transfer from Stage 1 to Stage 3 | (79,894) | - | 79,894 | - |
| Transfer from Stage 1 to Stage 2 | (23,633) | 23,633 | - | - |
| New financial assets originated or purchased | 1,443,265 | - | - | 1,443,265 |
| Financial assets fully recognised during the period | (60,152) | - | - | (60,152) |
| Changes in principal and interest | (23,228) | - | - | (23,228) |
| Foreign exchange adjustments | (71,402) | - | - | (71,402) |
| Maximum exposure to credit risk as at December 31, 2022 | 5,083,817 | 23,633 | 400,008 | 5,507,458 |

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38. Financial Risk Management (Continued)

(e) Credit risk (continued)

Promissory notes (continued)

Movement in the loss allowance:

| The Group and Company | | | | |
|---|----------------------------|----------------------------|---------|----------|
| 2023 | | | | |
| Stage 1 12-month ECL | Stage 2 Lifetime ECL | Stage 3 Lifetime ECL | Total | |
| \$'000 | \$'000 | \$'000 | \$'000 | |
| At 1 January 2023 | 47,052 | 259 | 204,900 | 252,211 |
| Movements with profit or loss impact: | | | | |
| New financial assets originated | 12,384 | - | - | 12,384 |
| Changes in PDs/LGD/EADs | (22,276) | - | - | (22,276) |
| Financial assets derecognised during the period | (9,052) | (259) | - | (9,311) |
| Write offs | - | - | (4,328) | (4,328) |
| Loss allowance recognised in profit or loss | (18,944) | (259) | (4,328) | (23,531) |
| At 31 December 2023 | 28,108 | - | 200,572 | 228,680 |

| The Group and Company | | | | |
|---|----------------------------|----------------------------|----------|----------|
| 2022 | | | | |
| Stage 1 12-month ECL | Stage 2 Lifetime ECL | Stage 3 Lifetime ECL | Total | |
| \$'000 | \$'000 | \$'000 | \$'000 | |
| At 1 January 2023 | 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) |
| At 31 December 2023 | 47,052 | 259 | 204,900 | 252,211 |



Mayberry Investments Limited

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38. Financial Risk Management (Continued)

(e) Credit risk (continued)

Debt securities

The expected credit loss is summarised as follows:

| The Group and Company | | | | |
|------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|------------------|
| 2023 | | | | |
| | Stage 1 12-month ECL \$'000 | Stage 2 Lifetime ECL \$'000 | Stage 3 Lifetime ECL \$'000 | Total \$'000 |
| Standard risk | 2,998,194 | - | - | 2,998,194 |
| Past due risk | - | - | - | - |
| Credit impaired | - | - | - | - |
| Gross carrying amount | 2,998,194 | - | - | 2,998,194 |
| Loss allowance | (8,997) | - | - | (8,997) |
| Carrying amount | 2,989,197 | - | - | 2,989,197 |

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

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38. Financial Risk Management (Continued)

(e) Credit risk (continued)

Debt securities (continued)

Movement in the maximum exposure to credit risk:

| | The Group and Company | | | |
|---|-----------------------|-----------------|-----------------|-----------|
| | 2023 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | 12-month ECL | Lifetime ECL | Lifetime ECL | |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Maximum exposure to credit risk as at January 01, 2023 | 2,313,718 | - | - | 2,313,718 |
| New financial assets originated or purchased | 1,504,658 | - | - | 1,504,658 |
| Financial assets fully recognised during the period | (826,298) | - | - | (826,298) |
| Foreign exchange adjustments | 6,116 | - | - | 6,116 |
| Maximum exposure to credit risk as at December 31, 2023 | 2,998,194 | - | - | 2,998,194 |

| | The Group and Company | | | |
|---|-----------------------|-----------------|-----------------|-----------|
| | 2022 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| | 12-month ECL | Lifetime ECL | Lifetime ECL | |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Maximum exposure to credit risk as at January 01, 2022 | 3,196,032 | - | - | 3,196,032 |
| New financial assets originated or purchased | 78,957 | - | - | 78,957 |
| Financial assets fully recognised during the period | (955,807) | - | - | (955,807) |
| Foreign exchange adjustments | (5,463) | - | - | (5,463) |
| Maximum exposure to credit risk as at December 31, 2022 | 2,313,719 | - | - | 2,313,719 |

The loss allowance recognised in profit or loss for debt securities was \$28,727,000 (2022 – (\$22,372,000)). There were no transfers between stages during the period.



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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

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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.



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39. Fair Values (Continued)

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

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

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

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

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

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39. Fair Values (Continued)

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

| The Group and Company | | | | |
|---------------------------|-------------------|------------------|----------------|-------------------|
| 2023 | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial assets - | | | | |
| Debt securities | | | | |
| Government of Jamaica | - | 16,404 | - | 16,404 |
| Foreign government | - | 15,191 | - | 15,191 |
| Corporate bonds | - | 73,256 | - | 73,256 |
| Quoted equity securities | 463,790 | - | - | 463,790 |
| Non Financial assets: | - | - | - | - |
| Investment Properties | - | 2,113,472 | - | 2,113,472 |
| | <u>463,790</u> | <u>2,218,323</u> | <u>-</u> | <u>2,682,113</u> |
| | | | | |
| The Group | | | | |
| 2022 | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial assets - | | | | |
| Debt securities | | | | |
| Government of Jamaica | - | 15,316 | - | 15,316 |
| Foreign government | - | 14,936 | - | 14,936 |
| Corporate bonds | - | 178,563 | - | 178,563 |
| 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> |



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39. Fair Values (Continued)

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

As at 31 December 2023, the fair value of the financial instruments valued at amortized cost is detailed below:

| | The Group and Company | |
|--|-----------------------|-------------------|
| | 2023 | |
| | Carrying Value | Fair Value |
| | \$'000 | \$'000 |
| Assets | | |
| Debt Securities | 2,263,754 | 2,204,754 |
| Reverse Repurchase Agreements | 3,615,228 | 3,615,228 |
| Promissory Notes | 6,455,155 | 6,683,497 |
| Loans and Advances | 10,133,864 | 10,133,864 |
| Liabilities | | |
| Securities purchased under resale agreements | 7,006,504 | 7,006,504 |
| Loans | 14,251,259 | 14,251,259 |
| Accounts Payable | <u>11,535,534</u> | <u>11,535,534</u> |

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Notes to the Financial Statements

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39. Fair Values (Continued)

| | 2022 | | | |
|--|--------------------------|----------------------|--------------------------|----------------------|
| | Group | | Company | |
| | Carrying Value \$'000 | Fair Value \$'000 | Carrying Value \$'000 | Fair Value \$'000 |
| Assets | | | | |
| Debt Securities | 2,263,754 | 2,204,568 | 2,263,754 | 2,204,568 |
| Reverse Repurchase Agreements | 5,303,950 | 5,303,950 | 5,303,951 | 5,303,951 |
| Promissory Notes | 4,192,813 | 4,318,999 | 5,211,144 | 5,230,126 |
| Loans and Advances | 9,250,435 | 9,250,435 | 11,014,447 | 11,014,447 |
| Liabilities | | | | |
| Securities purchased under resale agreements | 4,869,274 | 4,869,274 | 4,869,274 | 4,869,274 |
| Loans | 9,407,868 | 9,407,868 | 7,209,240 | 6,990,278 |
| Accounts Payable | 11,045,972 | 11,045,972 | 10,759,530 | 10,759,530 |

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 | |
|--------------------------------------|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Opening balance | 216,245 | 139,233 | - | - |
| Additions | - | 77,012 | - | - |
| Relieved on disposal of subsidiaries | (216,245) | - | - | - |
| Closing balance | - | 216,245 | - | - |



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40. Pension Scheme

The Company operates a defined contribution pension scheme for employees who have satisfied certain minimum service requirements. The scheme is funded by equal contributions of employer and employees of 5% of pensionable salaries and an option for employees to contribute an additional 10%. The Company's contribution for the year amounted to \$15,272,000 (2022: \$14,016,000).

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 2023, 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 2023, 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 | |
|-------------------|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Intangible assets | 104,160 | 154,912 | 104,160 | 40,935 |

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

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44. Reclassification

In prior years the Group had loans with the Development Bank of Jamaica under its Approved Financial Institutions program. These loans were classified as Accounts Payable in the Statement of Financial Position. To improve the presentation of the financial statements, these loans have been reclassified from Accounts Payable to Borrowings in the Statement of Financial Position and correspondingly from Operating Activities to Financing Activities in the Statement of Cashflow.



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