STANLEY MOTTA LIMITED

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Independent auditor's report

To the Members of Stanley Motta 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 Stanley Motta Limited (the Company) and its subsidiary (together 'the Group') and the stand-alone financial position of the Company as at 31 December 2019, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and with the requirements of the Jamaican Companies Act.

What we have audited

Stanley Motta Limited's consolidated and stand-alone financial statements comprise:

- the consolidated statement of financial position as at December 31, 2019;
- 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 December 31, 2019;
- 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 consolidated and stand-alone financial statements, which include significant accounting policies.

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 Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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L.A. McKnight P.E. Williams B.L. Scott B.J.Denning G.A. Reece P.A. Williams R.S. Nathan C.I. Bell-Wisdom G.K.Moore T.N. Smith DaSilva K.D. Powell

Our audit approach

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and stand-alone financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

How we tailored our group audit scope

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

The Group is comprised of the parent, Stanley Motta Limited, and a subsidiary, Unity Capital Incorporated, that are incorporated in Jamaica and St. Lucia respectively. A full scope audit was performed for both entities as they were determined to be individually financially significant entities. Unity Capital Incorporated is audited by a non-PwC firm. In establishing the overall Group audit strategy and plan, the Group engagement team determined the type of work needed to be performed at the subsidiary level which included a review of the working paper file of Unity Capital Incorporated by the Group engagement team.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and stand-alone financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and stand-alone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of Investment properties *See notes 3 (i), 5 and 15 to the consolidated and stand-alone financial statements for disclosures of related accounting policies, judgements and estimates.*	
Investment properties represented $4,784 million or 98.3% of total assets for the Group and $4,023 million or 94.7% for the Company as at 31 December 2019. The determination of the fair value of investment properties require significant judgement and is inherently subjective due to, among other factors the individual nature of each property, its location and the expected future rental income for each particular property.	With the assistance of our valuation experts, we performed the following procedures: • Evaluated the competence and objectivity of management's experts. This included confirming that they are appropriately qualified and not affiliated to the Group. • Obtained an understanding of the valuation method, including the Key Factors used by management, along with significant developments within the industry.

Key audit matter	How our audit addressed the key audit matter
This combined with the fact that a small percentage difference in individual property valuation assumptions when aggregated, could result in a material misstatement, is why we have focused on this area. Management, with the assistance of independent valuation experts, use the income capitalization approach method, which consists of a discounted cash flow forecast (DCF) to value the investment properties. The income capitalization approach considers the following key factors (Key Factors): • rental income • capitalization factor • vacancy factor Changes in these assumptions may have a significant impact on the carrying value of the investment properties.	• This included appropriateness of the valuation methodology used and suitability for determining market value in accordance with the financial reporting framework. • Agreed the inputs in the valuation models to supporting documentation for the Key Factors being the estimation of rental income, the capitalisation factor and the vacancy factor. Evaluated management's results for the estimation of rental income, the capitalisation factor and the vacancy factor by benchmarking the assumptions used to relevant observable market evidence. Based on the procedures performed, no adjustment to management's valuations was considered necessary.

Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated and stand-alone financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

In preparing the consolidated and stand-alone financial statements, management is responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

As part of an audit in accordance with ISAs, we exercise professional 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 and Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group or Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and stand-alone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and stand-alone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

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

The engagement partner on the audit resulting in this independent auditor's report is Tricia-Ann Smith DaSilva.

PricewaterhouseCoopers

Chartered Accountants
15 April 2020
Kingston, Jamaica

Stanley Motta Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2019 $'000	2018 $'000
Revenue		419,850	269,763
Other operating income	7	91	37
Administrative expenses	8	(121,715)	(113,211)
Operating Profit		298,226	156,589
Finance cost	10	(65,941)	(59,223)
Revaluation gain on investment properties	14	53,018	1,901,656
Profit before Taxation		285,303	1,999,022
Taxation	11	(4,009)	(2,110)
Net Profit		281,294	1,996,912
Other Comprehensive Income			
Unrealised losses on securities classified as fair value through other comprehensive income (FVOCI)	15	-	(3,014)
Currency translation differences on net assets of foreign subsidiary		10,119	11,549
		10,119	8,535
Total Comprehensive Income		291,413	2,005,447
Earning per stock unit for profit attributable to the equity holders of the Company during the year	12	0.37	2.72

Stanley Motta Limited

Consolidated Statement of Financial Position

Year ended 31 December 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2019 $'000	2018 $'000
Non-Current Assets			
Property, plant and equipment	14	34,961	18,947
Investment properties	15	4,784,152	4,689,316
Investments	16	765	765
		4,819,878	4,709,028
Current Assets			
Inventories		630	544
Receivables	19	14,030	22,771
Taxation recoverable		-	202
Cash and cash equivalents	20	33,705	92,601
		48,365	116,118
Current Liabilities			
Payables	21	79,881	119,834
Taxation payable		3,806	-
Due to former parent company	26	-	26,821
Due to other related parties	26	-	2,712
Income tax payable		-	2,031
Current portion of borrowings	28	64,665	62,459
		148,352	213,857
Net Current Liabilities		(99,987)	(97,739)
		4,719,891	4,611,289
Shareholders' Equity			
Share capital	22	811,933	811,933
Fair value reserve	23	762	762
Capital reserve	24	238,379	238,379
Cumulative translation reserve	25	13,393	3,274
Retained earnings		2,937,818	2,840,449
		4,002,285	3,894,797
Non-Current Liabilities			
Borrowings	28	683,166	716,492
Long term payable	29	34,440	-
		717,606	716,492
		4,719,891	4,611,289

Approved for issue by the Board of Directors on 15 April 2020 and signed on its behalf by:

Melanie Subratie — Director

Blondell Walker — Director

Stanley Motta Limited

Consolidated Statement of Changes in Equity

Year ended 31 December 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital	Fair Value Reserve	Capital Reserve	Cumulative Translation Reserve	Retained Earnings	Total
		$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Balance at 1 January 2017		530,809	3,776	238,379	(8,275)	840,523	1,605,212
Net Profit for the year						1,996,912	1,996,912
Other comprehensive income							
Fair value losses on investments classified as FVOCI		-	(3,014)	-	-	3,014	-
Currency translation difference on net asset of foreign subsidiary		-	-	-	11,549	-	11,549
Total comprehensive income		-	(3,014)	-	11,549	1,999,926	2,008,461
Transactions with owners of the company:							
Issue of shares net of transaction cost	22	281,124	-	-	-	-	281,124
Balance at 31 December 2018		811,933	762	238,379	3,274	2,840,449	3,894,797
Net profit for the year		-	-	-	-	281,294	281,294
Other comprehensive income							
Currency translation difference on net asset of foreign subsidiary		-	-	-	10,119	-	10,119
Total comprehensive income		-	-	-	10,119	281,294	291,413
Transactions with owners of the company:							
Dividends paid		-	-	-	-	(183,925)	(183,925)
Balance at 31 December 2019		811,933	762	238,379	13,393	2,937,818	4,002,285

Stanley Motta Limited

Consolidated Statement of Cash Flows

Year ended 31 December 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2019 $'000	2018 $'000
Cash Flows from Operating Activities			
Net profit for the year		281,294	1,996,912
Adjusted for:			
Taxation	11	4,009	2,110
Depreciation	14	5,875	4,438
Interest income		(91)	(37)
Interest expense		44,840	38,587
Revaluation gain on investment properties	15	(53,018)	(1,901,656)
Exchange gain on foreign currency balances		27,795	40,064
		310,704	180,418
Changes in operating assets and liabilities			
Inventories		(86)	393
Receivables		8,741	20,984
Former parent company		(26,821)	(4,448)
Due to other related parties		(2,712)	(4,112)
Payables		(5,513)	53,810
Cash provided by operating activities		284,313	247,045
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	14	(21,588)	(720)
Additions to investment property	15	(29,760)	(419,966)
Proceeds from sale of equity investment		-	3,014
Interest received		121	37
Taxation paid		(2,032)	(79)
Cash used in investing activities		(53,259)	(417,714)
Cash Flows from Financing Activities			
Repayment of long-term loan		(61,192)	(47,738)
Proceeds from long-term loan		-	69,479
Proceeds from the issue of shares	22	-	281,124
Dividend paid		(183,925)	-
Interest paid		(44,840)	(41,829)
Cash (used in)/provided by financing activities		(289,957)	261,036
Effect of exchange rate changes on cash and cash equivalents		7	-
(Decrease)/ Increase in net cash and cash equivalents		(58,903)	90,367
Cash and cash equivalents at beginning of year		92,601	2,234
CASH AND CASH EQUIVALENTS AT END OF YEAR	20	33,705	92,601

Reconciliation of movement in borrowings (see note 28 (c))

Stanley Motta Limited

Statement of Comprehensive Income

Year ended 31 December 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2019 $'000	2018 $'000
Revenue		358,724	214,217
Other operating income	7	823	2,112
Administrative expenses	8	(98,799)	(99,261)
Operating Profit		260,748	117,068
Finance cost	10	(49,116)	(43,407)
Revaluation (losses)/gains on investment properties		(27,394)	1,814,278
Profit before Taxation		184,238	1,887,939
Taxation	11	(4,008)	(60)
Net Profit		180,230	1,887,879
Other Comprehensive Income			
Items that may be subsequently reclassified to the profit or loss			
Unrealised losses on securities classified as FVOCI		-	(3,014)
Total Comprehensive Income		180,230	1,884,865

Stanley Motta Limited

Statement of Financial Position

31 December 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2019 $'000	2018 $'000
Non-Current Assets			
Property, plant and equipment	14	26,172	7,559
Investment properties	15	4,023,326	4,020,960
Investments	16	765	765
Loan and note receivable	17 & 26	-	13,569
Investment in subsidiary	18	151,765	151,765
		4,202,028	4,194,618
Current Assets			
Inventory		630	544
Receivables	19	14,030	20,393
Taxation recoverable		-	202
Cash and cash equivalents	20	31,869	91,419
		46,529	112,558
Current Liabilities			
Payables	21	73,602	113,544
Due to related party	26	8,357	26,821
Taxation payable		3,806	-
Current portion of borrowing	28	59,812	55,313
		145,577	195,678
Net Current Liabilities		(99,048)	(83,120)
		4,102,980	4,111,498
Shareholders' Equity			
Share capital	22	811,933	811,933
Fair value reserve	23	762	762
Retained earnings		2,728,255	2,731,920
		3,540,950	3,544,615
Non-Curr ent Liabilities			
Borrowing	28	530,213	566,883
Long term payable	29	31,817	-
		562,030	566,883
		4,102,980	4,111,498

Approved for issue by the Board of Directors on 15 April 2020 and signed on its behalf by:

Melanie Subratie — Director

Blondell Walker — Director

Stanley Motta Limited

Statement of Changes in Equity

Year ended 31 December 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital $'000	Fair Value Reserve $'000	Retained Earnings $'000	Total $'000
Balance at 1 January 2018		530,809	3,776	841,027	1,375,612
Net profit for the year		-	-	1,887,879	1,887,879
Other comprehensive income					
Fair value losses on investments classified as FVOCI		-	(3,014)	3,014	-
Total comprehensive income		-	(3,014)	1,890,893	1,887,879
Transactions with owners of the company:					
Issue of shares net of transaction cost	22	281,124	-	-	281,124
Balance at 31 December 2018		811,933	762	2,731,920	3,544,615
Net Profit, being Total Comprehensive Income for the Year		-	-	180,230	180,230
Transactions with owners of the company:					
Dividends paid	30	-	-	(183,925)	(183,925)
Balance at 31 December 2019		811,933	762	2,728,255	3,540,920

Stanley Motta Limited

Statement of Cash Flows

Year ended 31 December 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2019 $'000	2018 $'000
Cash Flows from Operating Activities			
Net profit for the year		180,230	1,887,879
Adjusted for:			
Taxation	11	4,008	60
Depreciation	14	2,945	1,739
Interest income		(823)	(2,112)
Interest expense		27,613	22,349
Exchange loss/(gain) on property revaluation	4	27,394	(1,814,278)
Exchange losses on foreign currency balances		23,666	37,155
		265,033	132,792
Changes in operating assets and liabilities			
Inventories		(86)	393
Receivables		6,363	20,254
Former parent company		(26,821)	(4,448)
Due to/(from) other related parties		8,357	-
Payables		(8,125)	50,201
Cash provided by operating activities		244,721	199,192
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	14	(21,558)	(584)
Additions to investment property	15	(29,760)	(415,982)
Loan receivable		13,569	14,466
Proceeds from sale of equity investments		-	3,014
Investment in subsidiary	18	-	-
Dividend received		-	-
Interest received		823	2,112
Taxation paid		(4,008)	(60)
Cash used in investing activities		(40,934)	(397,034)
Cash Flows from Financing Activities			
Repayment of long-term loan		(55,837)	(41,227)
Proceeds from long-term loan		-	69,479
Proceeds from the issue of shares	22	-	281,124
Dividend paid		(183,925)	-
Interest paid		(27,613)	(22,349)
Cash (used in)/ provided by financing activities		(267,375)	287,027
Effect of exchange rate changes on cash and cash equivalents		4,038	-
(Decrease)/ Increase in net cash and cash equivalents		(63,588)	89,185
Cash and cash equivalents at beginning of year		91,419	2,234
CASH AND CASH EQUIVALENTS AT END OF YEAR	20	31,869	91,419

Reconciliation of movement in borrowings (see note 28 (c))

Stanley Motta Limited

1. Identification and Principal Activity

Stanley Motta Limited, (the Company) is a company limited by shares incorporated and domiciled in Jamaica. The Company is publicly listed on the Jamaica Stock Exchange and its registered office is located at 58 Halfway Tree Road, Kingston 10, Jamaica.

These financial statements present the results of operations and financial position of the Company and its subsidiary, which are collectively referred to as "the Group". The principal activity of the Group is property rental.

2. Statement of Compliance

(a) **Statement of compliance**
These financial statements have been prepared in accordance with International Financing Reporting Standards (IFRS) and IFRS interpretation committee applicable to companies reporting under IFRS.

3. Significant Accounting Policies and Basis of Compliance

The consolidated financial statements have been prepared under this historical cost convention, as modified by the revaluation of investment properties. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation
The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Although these estimates are based on management's best knowledge of current events and actions, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

Standards, interpretations and amendments to existing standards effective during the current period
Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial reporting period. The Group has assessed the relevance of all such new standards, interpretations and amendments, and concluded that the following are relevant to its operations.

3. Significant Accounting Policies and Basis of Compliance (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to existing standards effective during the current period (continued)

- **IFRS 16 'Leases'** (effective for annual periods beginning on or after 1 January 2019). This standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. It replaces the guidance in IAS 17, which made a distinction in classification between leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset (finance leases) and those was depreciated over the lease term and the amount due to the lesser recognized as borrowings. While operating leases were recognized as a periodic rental payment that was treated as a current expense in the income statement.

  IFRS 16 introduces a single lease accounting model for lessees. It requires lessees to recognise a lease liability reflecting future lease payments and a "right-of-use" for virtually all lease contracts. The standard includes an optional exemption for certain short-term leases and leases of low-value assets. For lessors, the accounting stays almost the same. There was no impact from the adoption of this standard. Refer to note 31 for details.

- **Amendment to IFRS 9, 'Financial Instruments on prepayment features with negative compensation'** (effective for annual periods beginning on or after 1 January 2019). This amendment confirms that when a financial liability measured at amortised cost is modified without this resulting in de-recognition, a gain or loss should be recognized immediately in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. There was no impact from the adoption of this amendment. There was no impact from the adoption of this standard.

- **IFRIC 23, Uncertainty over income tax treatment'** (effective for annual periods beginning on or after 1 January 2019). This IFRIC clarifies how the recognition and measurement requirements of IAS 12 Income taxes are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether the treatment will be accepted by the tax authority. There was no impact from the adoption of this amendment. There was no impact from the adoption of this standard.

- **Annual improvements to IFRSs 2015 -2017 cycles**. These amendments included minor changes to the following standards:

  - IAS 12, 'Income taxes', (effective for annual period beginning on or after 1 January 2019). This amendment clarifies that income tax consequences of dividend payments should be recognized according to where the past transactions or events that generated distributable profits were recognized.
  - IAS 23, 'Borrowing costs' (effective for annual periods beginning on or after 1 January 2019). This amendment clarifies that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it become a part of general borrowings.

There was no impact from the adoption of these amendments.

3. Significant Accounting Policies and Basis of Compliance (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which are mandatory for the Group's accounting periods beginning on or after 1 January 2019, but were not effective at date of the statement of financial position, and which the Group has not early adopted. The Group has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be relevant to its operations, and has concluded as follows:

- **Amendments to IAS 1 and IAS 8 on the definition of material (**effective for annual periods beginning or after January 1, 2020). These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs: i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information. The adoption of this amendment is not expected to have a significant impact on the Group.

- **Amendments to IFRS 9, IAS 39 and IFRS 7 (**effective for annual periods beginning or after January 1, 2020) – Interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR based contracts, the reliefs will affect companies in all industries. The adoption of these amendments are not expected to have a significant impact on the Group.

- **Revised Conceptual Framework for Financial Reporting** (effective for annual periods beginning on or after 1 January 2020). The revised Conceptual Framework will be used in standard-setting decisions with immediate effect; however, no changes will be made to any of the current accounting standards. Entities that apply the Conceptual Framework in determining accounting policies, will need to consider whether their accounting policies are still appropriate under the revised Framework. The Group is currently assessing the impact of this standard.

- **Amendments to IFRS 3 –definition of a business** (effective for annual periods beginning or after January 1, 2020)**.** This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations. The adoption of this amendment is not expected to have a significant impact on the Group.

The Group has concluded that all other standards, interpretations and amendments to existing standards, which are published but not yet effective contain inconsequential clarifications that will have no material impact when they come into effect.

3. Significant Accounting Policies and Basis of Compliance (Continued)

(b) Consolidation

Subsidiaries

Subsidiaries are all entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable, or exercisable after conversion of convertible instruments, are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The acquisition method of accounting is used to account for business combinations involving third parties by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired and liabilities assumed is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss, in the statement of comprehensive income.

Inter-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses and gains are also eliminated.

Acquisitions between companies under common control are accounted for using the capital reorganization accounting method. Under the capital reorganization accounting method, the company in acquiring a fellow subsidiary incorporates the assets and liabilities of the acquired fellow subsidiary at their pre-combination carrying amounts without fair value uplift. Any excess or deficiency of purchase consideration over or below net assets acquired results in an adjustment to equity by the creation of a capital reserve.

The Group's subsidiary, country of incorporation, and the Group's percentage interest are as follows:

	Country of incorporation	**Group's Percentage Interest**	
		2019	**2018**
Unity Capital Incorporated	St. Lucia	100	100

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3. Significant Accounting Policies and Basis of Compliance (Continued)

(c) Revenue recognition

Revenue comprises the invoiced value of rental charges. Revenue is shown net of General Consumption Tax, returns, rebates and discounts. Revenue is recognised as follows:

(i) Rental income is recognised on an accrual basis in the accounting period earned. Investment properties are valued annually by professional valuators and the change in fair value recognized in the income statement.

(d) Foreign currency translations

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the ‘functional currency’). The financial statements are presented in Jamaican dollars, which is the Company’s functional and the Group’s presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the financial period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. At the year end, monetary assets and liabilities denominated in foreign currency are translated using the buying and selling rate of exchange rate of the transactions and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in the statement of comprehensive income.

(e) Employee benefits

(i) Pension plan

As at 1 January 2019, the Company does not participate in a defined contribution plan. In the prior year, the Company participated in a defined contribution plan operated by T. Geddes Grant (Distributors) Limited whereby it pays contributions to a separate trustee-administered fund. Once the contributions have been paid, the Group has no further payment obligations. Contributions to the plan are charged to the statement of comprehensive income in the period to which they relate.

(ii) Leave accrual

The Group does not allow unused vacation leave entitlements to be carried forward into the future.

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3. Significant Accounting Policies and Basis of Compliance (Continued)

(f) Income taxes

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

Current tax charges are based on taxable profits for the period, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other periods and items that are never taxable or deductible. The Group's liability for current tax is calculated at tax rates that have been enacted at the date of the statement of financial position.

Deferred tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. 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 are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax is charged or credited to the statement of comprehensive income, except where it relates to items charged or credited to equity, in which case, deferred tax is also dealt with in equity.

(g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the straight line basis to write off the cost of the assets to their residual values over their estimated useful lives.

The annual rates of depreciation are as follows:

Leasehold improvement	Period of lease
Machinery and equipment	10% - 33 1/3%

Gains or losses on disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in operating profit.

(h) Impairment of non-current assets

Property, plant and equipment and other non-current assets are reviewed for impairment losses 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 carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(i) Investment properties

Investment properties principally comprise buildings. Investment properties are carried at fair value, representing the open market value determined annually by external valuers. These valuations are done annually by independent valuators. Changes in fair values are recorded in the statement of comprehensive income.

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3. Significant Accounting Policies and Basis of Compliance (Continued)

(j) Borrowings

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method. Any difference between proceeds, net of transaction costs, and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings.

(k) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

Financial assets

Trade Receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows. The cash flows of the company's trade receivables are solely payments of principal and interest (SPPI). Subsequent to initial recognition at fair value, the company measures trade receivables at amortised cost using the effective interest method.

Other Financial Assets at Amortised Cost

The Group classifies its other financial assets as at amortised cost only if both the asset is held within a business model the objective of which is to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. Other financial assets at amortised cost include cash and bank balances, balances dues from related parties and other receivables.

Impairment

The Group's trade receivables and other financial assets at amortised cost are subject to the expected credit loss model in determination of impairment. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates for the ECL at 31 December 2019 and 1 January 2019 are based on the payment profiles for services provided over a period of 36 months respectively and the corresponding historical credit losses experienced within this period. The company has identified the GDP and the inflation rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

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3. Significant Accounting Policies and Basis of Compliance (Continued)

(k) Financial instruments (continued)
Financial liabilities
The group's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. At the reporting date, payables and bank overdraft were classified as financial liabilities.

Financial instruments carried on the Statement of Financial Position include cash and cash equivalents, receivables, bank overdraft and payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. The determination of the fair values of the company's financial instruments is discussed in Note 3(b).

(l) Receivables
Receivables are carried at original invoice amount less provision made for expected credit losses of these receivables. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the income statement. Details about the Group's impairment policies and the calculation of the loss allowance are provided in Note 3(k).

(m) Cash and cash equivalents
Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash and bank balances.

(n) Payables
Payables are stated at invoice cost.

(o) Share capital
Ordinary shares and non-redeemable cumulative preference shares where the declaration of dividends is discretionary are classified as equity instruments.

(p) Investment in subsidiary
Investment in subsidiary is stated at cost.

(q) Related parties
A party is related to the Group, if:

(i) Directly, or indirectly through one or more intermediaries, the party:
  (a) is controlled by, or is under common control with the Group;
  (b) has a direct or indirect interest in the Group that gives it significant influence; or
  (c) has joint control over the Group;
(ii) the party is an associate of the Group;
(iii) the party is a joint venture in which the Group;
(iv) the party is a member of the key management personnel of the Group;
(v) the party is a close member of the family of any individual referred to in (i) or (iv)
(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv)' or
(vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

A related party transaction is a transfer of resources, services or obligated between related parties, regardless of whether a price is charged.

4. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Group's risk management activities set risk limits and controls and monitor the risks and adherence to limits.

The Board of Directors of the parent is ultimately responsible for the establishment and oversight of the Group's risk management framework. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

(a) Credit risk

The Group takes on exposure to credit risk, which is the risk that a party to a financial instrument will fail to discharge their contractual obligation and cause the other party to incur a loss. Credit exposures arise principally from receivables and cash at bank.

The company assesses its credit losses, using the expected credit loss model, discussed in Note 2 (e).

Cash at bank
Cash is held with high credit quality financial institutions.

Trade receivables
The Group and the company's exposure to this credit risk is low.
The Group and the company's policy is not to give credit. Terms of rental agreement were breached in the prior year by a tenant.

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4. Financial Risk Management (Continued)

(a) Credit risk (continued)

At year end there were trade receivables that were past due of $6,603,000 (2018 – $6,603,000). The loss allowance as at 31 December 2019 and 31 December 2018 was determined as follows for trade receivables:

31 December 2019	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	-	-	-	10.9%	10.9%
Gross carrying amount $'000 – trade receivables	-	-	-	6,603	6,603
Loss allowance provision $'000	-	-	-	723	723

31 December 2018	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	-	-	-	10.9%	10.9%
Gross carrying amount $'000 – trade receivables	-	-	-	6,603	6,603
Loss allowance provision $'000	-	-	-	723	723

Maximum exposure to credit risk
The Group's maximum exposure to credit risk equals the carrying value for the items on the statement of financial position that are subject to credit risk.

Incorporation of forward-looking information
Historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the subsidiary to settle the receivables. The company has identified indicators such as trends, concentration risk and macroeconomic fundamentals, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Assets written off
Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. The company categorises receivables for write off when a debtor fails to make contractual payments, even after several attempts at enforcement and/or recovery efforts. Where receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

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4. Financial Risk Management (Continued)

(a) Credit risk (continued)

A summary of the assumptions underpinning the company's expected credit loss model is as follows

Category	**Definition**	**Basis for recognition of expected credit loss provision**
Underperforming	Receivables for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if the arrears is aged beyond 30 days	Lifetime expected losses
Non-performing	Receivables is aged beyond 90 days and management has suspended the ability to conduct transactions	Lifetime expected losses
Write-off	There is no reasonable expectation of recovery.	Asset is written off

Over the term of the financial asset, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the company considers historical loss rates for each category of financial assets and adjusts for forward looking macroeconomic data.

(b) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due. The Group manages its liquidity risk through monitoring outstanding balances and accessing funding, if necessary, from its parent Company, in advance of amounts becoming due.

Undiscounted cash flows of financial liabilities

The maturity profile of the Group's financial liabilities at year end based on contractual undiscounted payments was as follows:

	The Group				
	2019				
	Within 3 Months	**4 to 12 Months**	**2 to 5 Years**	**Over 5 Years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Payables	79,881	-	-	-	79,881
Long term payable	-	-	34,440	-	34,440
Borrowings	26,391	79,173	422,258	442,077	969,899
	106,272	79,173	456,698	442,077	1,084,220

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4. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Undiscounted cash flows of financial liabilities (continued)

	The Group				
	2018				
	Within 3 Months $'000	4 to 12 Months $'000	2 to 5 Years $'000	Over 5 Years $'000	Total $'000
Payables	119,834	-	-	-	119,834
Due to former parent company	-	26,821	-	-	26,821
Due to other related parties	2,712	-	-	-	2,712
Borrowings	26,971	80,373	428,657	726,477	1,262,478
	149,517	107,194	428,657	726,477	1,411,845

	The Company				
	2019				
	Within 3 Months $'000	4 to 12 Months $'000	2 to 5 Years $'000	Over 5 Years $'000	Total $'000
Payables	73,602	-	-	-	73,602
Due to other related parties	8,357	-	-	-	8,357
Long term payable	-	-	31,817	-	31,817
Borrowings	21,277	63,832	340,437	281,859	707,405
	103,236	63,832	372,254	281,859	821,181

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4. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Undiscounted cash flows of financial liabilities (continued)

	The Company				
	2018				
	Within 3 Months	4 to 12 Months	2 to 5 Years	Over 5 Years	Total
	$'000	$'000	$'000	$'000	$'000
Payables	113,544	-	-	-	113,544
Due to former parent company	-	26,821	-	-	26,821
Borrowing	31,996	63,363	337,937	528,027	961,323
	145,540	90,184	337,937	528,027	1,101,618

Assets available to meet the payables and long-term loan obligations include cash at bank, receivables and investments. The related party balance is a long term advance and can be settled by the Group, when it has sufficient cash flow.

(c) Market risk

Price risk

The Group is exposed to equity securities price risk because of certain equity investments which it holds. These investments are classified on the statement of financial position as fair value through other comprehensive income.

The table below summarises the impact of increases/decreases in equity prices on the Group equity. The analysis is based on the assumption that the equity prices had increased/decreased by 10% (2018 –10%) with all other variables held constant.

The Group and Company			The Group and Company		
31 December 2019			31 December 2018		
Change in equity prices	Effect on Net Profit	Effect on Equity	Change in equity prices	Effect on Net Profit	Effect on Equity
%	$'000	$'000	%	$'000	$'000
10	-	(77)	10	-	(77)
10	-	77	10	-	77

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4. Financial Risk Management (Continued)

(c) Market risk (continued)

Currency risk
The Group and Company's exposure to foreign currency exchange rate risk at year end was as follows:

	The Group		
	2019		
	Jamaican$	US$	Total
	J$'000	J$'000	J$'000
Financial Assets			
Investments	765	-	765
Receivables	1,645	5,881	7,526
Cash and cash equivalents	1,685	32,020	33,705
Total financial assets	4,095	37,901	41,996
Financial Liabilities			
Payables	61,294	18,587	79,881
Long term payable	-	34,440	34,440
Borrowings	154,657	590,025	744,682
Total financial liabilities	215,951	643,052	859,003
Net financial position	(211,856)	(605,151)	(817,007)

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4. Financial Risk Management (Continued)

(c) Market risk (continued)

Currency risk (continued)

	The Group		
		2018	
	Jamaican$	US$	Total
	J$'000	J$'000	J$'000
		2018	
Financial Assets			
Investments	765	-	765
Receivables	18,467	103	18,570
Cash and cash equivalents	5,536	87,065	92,601
Total financial assets	24,768	87,168	111,936
Financial Liabilities			
Payables	113,536	6,298	119,834
Due to former parent company	-	2,712	2,712
Borrowings	26,821	-	26,821
Total financial liabilities	-	778,951	778,951
Net financial position	140,357	787,961	928,318
	(115,589)	(700,793)	(816,382)

	The Company		
		2019	
	Jamaican$	US$	Total
	J$'000	J$'000	J$'000
Financial Assets			
Investments	765	-	765
Receivables	1,645	5,881	7,526
Cash and cash equivalents	1,030	30,839	31,869
Total financial assets	3,440	36,720	40,160
Financial Liabilities			
Payables	55,956	17,646	73,602
Due to subsidiary company	-	8,357	8,357
Long term payable	-	31,817	31,817
Borrowings	-	590,025	590,025
Total financial liabilities	55,956	647,845	703,801
Net financial position	(52,516)	(611,125)	(663,641)

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4. Financial Risk Management (Continued)

(c) Market risk (continued)

Currency risk (continued)

	The Company		
	2018		
	Jamaican$	**US$**	**Total**
	J$'000	**J$'000**	**J$'000**
	2018		
Financial Assets			
Investments	765	-	765
Loan receivable	-	13,569	13,569
Receivables	18,472	-	18,472
Cash and cash equivalents	5,537	85,882	91,419
Total financial assets	24,774	99,451	124,225
Financial Liabilities			
Payables	119,834	-	113,544
Due to parent company	26,821	-	26,821
Borrowings	-	622,196	622,196
Total financial liabilities	140,365	622,196	762,561
Net financial position	(115,591)	(522,745)	(638,336)

The following tables indicate the currencies to which the Group and the Company has significant exposure on its monetary assets and liabilities and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for 6% devaluation and 4% revaluation (2018: 4% devaluation, 2% revaluation) in foreign currency rates. The sensitivity of the profit is a result of foreign exchange gains/(losses) on translation of US dollar-denominated cash and cash equivalents, payables and borrowings.

The Group			
Change in Currency Rate	**Effect on Profit before Tax**	**Change in Currency Rate**	**Effect on Loss before Tax**
2019	**2019**	**2018**	**2018**
%	**$'000**	**%**	**$'000**
-6	(36,152)	-4	(27,516)
4	24,101	2	13,758

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4. Financial Risk Management (Continued)

(c) Market risk (continued)

Currency risk (continued)

	The Company			
	Change in Currency Rate 2019 %	Effect on Profit 2019 $'000	Change in Currency Rate 2018 %	Effect on Profit 2018 $'000
Currency:				
USD	-6	(36,667)	-4	(20,920)
USD	4	24,445	2	10,460

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the operation to cash flow interest risk, whereas fixed interest rate instruments expose the operation to fair value interest risk.

The following table summarises the Group's and the Company's exposure to interest rate risk. It includes the operation's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	The Group					
	Within 3 Months $'000	4 to 12 Months $'000	2 to 5 Years $'000	Over 5 Years $'000	Non-Interest Bearing $'000	Total $'000
	2019					
Assets						
Investments	-	-	-	-	765	765
Receivables	-	-	-	-	7,526	7,526
Cash and cash equivalents	32,133	-	-	-	1,572	33,705
Total financial assets	32,133	-	-	-	9,863	41,996
Liabilities						
Payables	-	-	-	-	79,881	79,881
Long term payable	-	-	-	-	34,440	34,440
Borrowings	-	-	-	744,682	-	744,682
Total financial liabilities	-	-	-	744,682	114,321	859,003
Total interest repricing gap	32,133	-	-	(744,682)	(104,458)	(817,007)

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4. Financial Risk Management (Continued)

(c) Market risk (continued)

Interest rate risk (continued)

	The Group					
	Within 3 Months $'000	**4 to 12 Months $'000**	**2 to 5 Years $'000**	**Over 5 Years $'000**	**Non-Interest Bearing $'000**	**Total $'000**
				2018		
Assets						
Investments	-	-	-	-	765	765
Receivables	-	-	-	-	18,570	18,570
Cash and cash equivalents	85,882	-	-	-	6,719	92,601
Total financial assets	85,882	-	-	-	26,054	111,936
Liabilities						
Payables	-	-	-	-	119,834	119,834
Due to former parent company	-	-	-	-	2,712	2,712
Due to related parties					26,821	26,821
Borrowings	-	-	-	778,951	-	778,951
Total financial liabilities	-	-	-	778,051	149,367	928,318
Total interest repricing gap	85,882	-	-	(778,951)	(123,313)	(816,382)

	The Company					
	Within 3 Months $'000	**4 to 12 Months $'000**	**2 to 5 Years $'000**	**Over 5 Years $'000**	**Non-Interest Bearing $'000**	**Total $'000**
				2019		
Assets						
Investments	-	-	-	-	765	765
Receivables	-	-	-	-	7,526	7,526
Cash and cash equivalents	30,972	-	-	-	897	31,869
Total financial assets	30,972	-	-	-	9,188	40,160
Liabilities						
Payables	-	-		-	73,602	73,602
Due to former parent company	-	-	-	-	8,357	8,357
Long term payable					31,817	31,817
Borrowing	-	-	-	590,025	-	590,025
Total financial liabilities				590,025	113,776	703,801
Total interest repricing gap	30,972	-	-	(590,025)	(104,588)	(663,641)

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4. Financial Risk Management (Continued)

(c) Market risk (continued)

Interest rate risk (continued)

	The Company					
	Within 3 Months	4 to 12 Months	2 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000
				2018		
Assets						
Investments	-	-	-	-	765	765
Loans receivable	-	-	13,569	-	-	13,569
Receivables	-	-	-	-	18,472	18,472
Cash and cash equivalents	85,882	-	-	-	5,537	91,419
Total financial assets	85,882	-	13,569	-	24,774	124,225
Liabilities						
Payables	-	-	-	-	113,544	113,544
Borrowings	-	-	-	-	26,821	26,821
Due to former parent company	-	-	-	622,196	-	622,196
Total financial liabilities	-	-	-	622,196	140,365	762,561
Total interest repricing gap	85,882	-	13,569	(622,196)	(115,591)	(638,336)

(d) Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The following tables provide an analysis of financial assets held as at the year-end that, subsequent to initial recognition, are measured at fair value. The financial assets are grouped into levels 1 to 3 based on the degree to which the fair value is observable, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical instruments;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the instrument, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the instrument that are not based on observable market data (unobservable inputs).

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4. Financial Risk Management (Continued)

(d) Fair value of financial instruments

The following table presents the Group's assets that are measured at fair value as at 31 December 2019 and 31 December 2018.

	The Group			
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
		2019		
Assets				
Investments	765	-		765
Investment property	-	-	4,784,152	4,784,152
	765	-	4,784,152	4,784,917

	The Group			
		2018		
Assets				
Investments	765	-	-	765
Investment property	-	-	4,689,316	4,689,316
	765	-	4,689,316	4,690,081

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4. Financial Risk Management (Continued)

(d) Fair value of financial instruments (continued)

The following table presents the changes in Level 3 instruments for the year ended 31 December 2019.

	Total
	$'000
Opening balance	4,689,316
Additions	29,760
Revaluation gains on investment property	53,018
Translation adjustment	12,058
Closing balance	4,784,152

The following table presents the changes in Level 3 instruments for the year ended 31 December 2018.

	Total
	$'000
Opening balance	2,350,068
Additions	419,966
Revaluation gains on investment property	1,901,656
Translation adjustment	17,626
Closing balance	4,689,316

The following table presents the Company's assets that are measured at fair value as at 31 December 2019 and 31 December 2018.

	The Company			
	Level 1	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
		2019		
Assets				
Investment securities	765	-	-	765
Investment property	-	-	4,023,326	4,023,326
	765	-	4,023,326	4,024,091

	The Company			
		2018		
Assets				
Quoted equities	765	-	-	765
Investment property	-	-	4,020,960	4,020,960
	765	-	4,020,960	4,021,725

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4. Financial Risk Management (Continued)

(d) Fair value of financial instruments (continued)

The following table presents the changes in Level 3 instruments for the year ended 31 December 2019.

	Total
	$'000
Opening balance	4,020,960
Additions	29,760
Revaluation gains on investment property	(27,394)
Closing balance	4,023,326

The following table presents the changes in Level 3 instruments for the year ended 31 December 2018.

	Total
	$'000
Opening balance	1,790,700
Additions	415,982
Revaluation gains on investment property	1,814,278
Closing balance	4,020,960

The fair value of financial instruments traded in an active market is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is current bid price. These instruments are included in level 1 and comprise equity instruments traded on the Jamaica Stock Exchange. The amounts included in the financial statements for receivables, due to holding Company, cash and cash equivalents and payables reflect their approximate fair value because of the short term maturity of these instruments.

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4. Financial Risk Management (Continued)

(e) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratios at 31 December 2019 and 31 December 2018 were as follows:

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Total borrowings (Note 28)	747,831	778,951	590,025	622,196
Less: cash and cash equivalents (Note 20)	(33,705)	(92,601)	(31,869)	(91,419)
Net debt	714,126	686,350	558,156	530,777
Long term payable	34,440	-	31,817	-
Total equity	4,002,285	3,894,797	3,545,127	3,544,615
Total capital	4,750,851	4,581,147	4,135,100	4,075,392
Gearing ratio	15%	15%	13%	12%

For details on loan securities, see (Note 28).

5. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty
The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Valuation of investment properties
Investment property for completed buildings is valued at market using the income capitalization approach which takes into consideration a number of factors that require estimation and judgement. Assumptions are made about key factors in particular rental income, capitalization factor and vacancy factor. Any changes in key assumptions will directly impact the carrying value of the asset.

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6. Segment Financial Reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The main activities of the Group comprise the rental of properties in Kingston, Jamaica. These activities are organised and reported on as one main business segment.

Geographical
The Group operates mainly via two (2) geographical segments; Jamaica and St. Lucia. It operates in the provision of rental properties to the BPO sector. The Jamaica segments represents 85.4% (2018 -79.4%) and the St. Lucia location represents 14.6% (2018 – 20.6%). Majority of the revenue earned by the Group is obtained from one main tenant which accounts for approximately 91% (2018 – 89%) of the total revenue.

7. Other Operating Income

	The Group		The Company	
			2019 $'000	2018 $'000
Interest income	91	37	823	2,112
	91	37	823	2,112

8. Expenses by Nature

Total direct, administration and other operating expenses:

	The Group		The Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Auditors' remuneration	4,192	4,167	2,880	3,000
Salaries and related costs (Note 9)	2,006	10,609	2,006	10,609
Directors Expenses	2,181	534	2,181	534
Depreciation (Note 14)	5,875	4,438	2,945	1,739
Legal and professional fees	2,739	3,188	3,412	3,188
Electricity	612	1,001	612	1,001
Telephone	247	40	247	40
Administration fees	3,380	1,346	3,380	1,346
Insurance	11,372	5,020	8,172	5,020
Advertisement	19	1,037	19	1,037
Rates and taxes	1,938	2,738	2,118	2,738
Security	19,994	16,931	14,229	16,931
Rental Expenses	5,406	2,315	5,406	2,315
Commission	-	24,197	-	24,197
Property Management Fees	41,739	19,718	35,766	19,718
Travelling and entertainment	13	706	13	706
Repair and maintenance	9180	1,765	7,957	1,506
Other	10,822	13,461	7,456	3,636
	121,715	113,211	98,799	99,261

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9. Salaries and Related Costs

	The Group and The Company	
	2019	**2018**
	$'000	**$'000**
Salaries	1,761	9,421
Payroll taxes – employer portion	211	1,026
Pension cost	-	136
Other	34	26
	2,006	10,609

10. Finance Costs

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Exchange losses	21,101	17,394	21,503	21,057
Loan interest	44,840	41,829	27,613	22,350
	65,941	59,223	49,116	43,407

11. Taxation

(a) Taxation comprises income tax at 25% on the profit for the year, adjusted for tax purposes:

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Current income tax at 25%	4,009	2,050	4,008	-
Minimum business tax	-	60	-	60
Tax charge	4,009	2,110	4,008	60

(b) The tax on the Group's profit before tax differs from the theoretical amount that would arise using the statutory tax rate as follows:

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Profit before tax	285,303	1,990,022	184,238	1,887,739
Tax calculated at 25%	71,326	497,506	46,060	471,935
Income not subject to tax	(12,619)	(481,301)	-	(459,457)
Amount not deemed taxable under the special economic zone act	(62,573)	(17,574)	(49,927)	(5,364)
Expenses not deductible for tax	7,875	3,479	7,875	(7,054)
	4,009	2,110	4,008	60

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11. Taxation (Continued)

The company was granted free zone status under the Jamaica Export Zones Act effective on 19 November 2015, resulting in income tax being charged on applicable profits at zero. Based on the company's tax status resulting in uncertainty of its ability to utilize tax losses in the foreseeable future, deferred taxes resulting therefrom are not recognized.

12. Earnings per Stock Unit

	2019 $'000	2018 $'000
Profit for the year attributable to ordinary shareholders	281,294	1,996,912
Weighted average number of shares	757,828	733,467
Total basic and diluted earnings per share attributable to ordinary share holders	0.37	2.72

13. Net Profit and Retained Earnings

The net profit and retained earnings attributable to the shareholder of the Group are reflected in the accounts of the Company and its subsidiaries as follows:

	2019 $'000	2018 $'000
Net Profit		
The Company	180,230	1,884,865
Subsidiary	101,064	112,047
	281,294	1,996,912

	2019 $'000	2018 $'000
Retained Earnings		
The Company	2,728,255	2,731,920
Subsidiary	209,563	108,529
	2,937,818	2,840,449

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14 Property, Plant and Equipment

	The Group		
	Leasehold Improvements	Machinery and Equipment	Total
	$'000	$'000	$'000
Cost -			
31 December 2017	316	36,437	36,753
Additions	-	720	720
Exchange rate adjustment	-	411	411
31 December 2018	316	37,568	37,884
Additions	-	21,558	21,558
Exchange rate adjustment	-	340	340
31 December 2019	316	59,466	59,782
Accumulated Depreciation -			
31 December 2017	316	14,174	14,490
Charge for the year	-	4,438	4,438
Exchange rate adjustment	-	9	9
31 December 2018	316	18,621	18,937
Charge for the year	-	5,875	5,875
Exchange rate adjustment	-	9	9
31 December 2019	316	24,505	24,821
Net Book Value -			
31 December 2019	-	34,961	34,961
31 December 2018	-	18,947	18,947

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14. Property, Plant and Equipment (Continued)

	The Company		
	Leasehold Improvements	Machinery and Equipment	Total
	$'000	$'000	$'000
Cost -			
31 December 2017	316	22,639	22,955
Additions	-	584	584
31 December 2018	316	23,223	23,539
Additions	-	21,558	21,558
31 December 2019	316-	44,780	45,097
Accumulated Depreciation -			
31 December 2017	316	13,925	14,241
Charge for the year	-	1,739	1,739
31 December 2018	316	15,664	15,980
Charge for the year	-	2,945	2,945
31 December 2019	316-	18,609	18,925
Net Book Value -			
31 December 2019	-	26,172	26,172
31 December 2018	-	7,559	7,559

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15. Investment Properties

	The Group		
	Land	**Building**	**Total**
	$'000	**$'000**	**$'000**
Cost -			
31 December 2017	907,421	1,442,647	2,350,068
Additions	-	419,966	419,966
Revaluation gains	8,370	1,893,286	1,901,656
Exchange rate adjustment	8,601	9,025	17,626
31 December 2018	924,392	3,764,924	4,689,316
Additions	-	29,760	29,760
Revaluation gains	26,020	26,998	53,018
Exchange rate adjustment	6,465	5,593	12,058
31 December 2019	956,877	3,827,275	4,784,152
Net Book Value			
31 December 2019	956,877	3,827,275	4,784,152
31 December 2018	924,392	3,764,924	4,689,316

	The Company		
	Land	**Building**	**Total**
	$'000	**$'000**	**$'000**
Cost -			
31 December 2017	633,952	1,156,748	1,790,700
Additions	-	415,982	415,982
Revaluation gains	(4,483)	1,818,761	1,814,278
31 December 2018	629,469	3,391,491	4,020,960
Additions	-	29,760	29,760
Revaluation losses	(6,427)	(20,967)	(27,394)
31 December 2019	623,042	3,400,284	4,023,326
Net Book Value			
31 December 2019	623,042	3,400,284	4,023,326
31 December 2018	629,469	3,391,491	4,020,960

Investment properties were valued at current market value as at 31 December 2019 by NAI Jamaica Langford and Brown, independent qualified property appraisers and valuators. The values of the properties have been established using the direct capitalization approach, which uses as key inputs rental income from existing contracts, a vacancy factor which contemplates decrements in rental cash flows consequent on vacancies and a capitalization rate, reflective of a rate of return.

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15. Investment Property (Continued)

The fair values on the investment properties are at level 3 in the fair value hierarchy, as, consistent with the requirements of IFRS 13, certain of the inputs into the valuation process are deemed to be unobservable; those being the vacancy factor and capitalization rate. Management considers the rental rates used in the calculations to be observable as they represent actual rentals which are unadjusted.

The assumption to which the values are most sensitive to is the capitalization factor. Which is 7% (2018 7%). Should the capitalization factor decrease/increase by 0.5%, the value of investment properties would decrease/increase by $39,500,000/$34,400,000 for the group and $33,300,000/$29,000,000 for the company (2018 $307,232,000/$354,497,983 for the group and $262,683,360/$303,095,775 for the company). The vacancy factor used is negligible as all the properties are in one location with long rental contacts which are expected to be renewed based on the level of investments by the tenants with one such tenant rent approximately 80% of the rentable space.

The valuations are done in United States dollars which means the exchange rate for the Jamaican dollar against the United States dollar will affect the valuation proportionately. Any percentage change in the exchange rate will affect the valuations proportionately. The exchange rate used at 31 December 2019 was 131.17 /1 (2018: 128.53/1).

16. Investments

	The Group and Company	
	2019	**2018**
	$'000	**$000**
Quoted equities, at fair value	765	765
At the beginning of the year	765	3,779
Fair value losses recognised in other comprehensive income	-	(3,014)
At the end of the year	765	765

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17. Loan and Notes Receivables

This represents loan amount receivable from Unity Capital Incorporated of nil (2018: $13,569,000). The associated interest rate is 10% per annum with a maturity date of 17 November 2027. The loan receivable was repaid during the year.

18. Investment in Subsidiary

	2019 $'000	2018 $'000
Unity Capital Incorporated		
Shares, at cost	151,765	151,765
	151,765	151,765

19. Receivables

	The Group		The Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Trade	6,603	15,937	6,603	15,937
Other	1,645	3,356	1,645	3,258
Prepayments	6,505	4,201	6,505	1,921
	14,753	23,494	14,753	21,116
Less: provision for credit losses	(723)	(723)	(723)	(723)
	14,030	22,771	14,030	20,393

20. Cash and Cash Equivalents

	The Group		The Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Cash at bank	33,685	92,581	31,849	91,399
Cash in hand	20	20	20	20
	33,705	92,601	31,869	91,419

Cash at bank includes United States dollar savings account. Interest is currently 0.16% (2018 - 0.15%) per annum.

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21. Payables

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Audit fees	3,854	5,506	1,440	2,400
Statutory	11	43	11	43
Accruals	26,983	21,049	20,921	20,102
Accrued construction expense	26,553	52,577	26,553	52,577
Other Payables	22,480	9,395	24,677	7,158
	79,881	119,834	73,602	113,544

22. Share Capital

	2019	2018
	$'000	$'000
Authorised -		
11,000 (2018 -11,000) 6% Cumulative Preference shares		
757,870,478 (2018 - 757,870,478) Ordinary shares		
Issued and fully paid -		
10,830 (2018 -10,830) 6% Cumulative Preference shares	22	22
757,828,490 (2018 – 757,828,490) Ordinary shares	811,911	811,911
	811,933	811,933

On 29 March 2018, the Company issued 101,488,725 additional ordinary shares at a value of $281,332,107.

On 20 July 2018 the Company offered for sale 757,818,862 ordinary shares. This offer was fully subscribed. On 22 August 2018 the Company was listed on the Jamaica Stock Exchange.

23. Fair Value Reserve

This comprises the fair value gains or losses on investments classified as fair value through other comprehensive income.

24. Capital Reserve

This represent capital reserve on the acquisition of former fellow subsidiary Unity Capital Incorporated.

25. Cumulative Translation Reserve

The cumulative translation reserve comprises currency translation differences from the unrealized gains and losses on the translation of the net assets of the subsidiary which has a different functional currency from the company.

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26. Related Party Transactions and Balances

(a) Year end balances arising from transactions with related parties:

Loan to Subsidiary:

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Unity Capital Incorporated	-	-	-	13,569

Payable to related parties

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Other related parties	-	2,712	8,357	-
Former parent current account	-	26,821	-	26,821

(b) There are no transactions, in the ordinary course of business, with the subsidiary, key management personnel (directors and senior executives) and other related parties.

(c) Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. Such persons comprise the directors, senior management of the Group and company secretary. The compensation paid or payable to key management for employee services is as shown below:

	The Group and Company	
	2019	**2018**
	$'000	**$'000**
Directors emoluments:		
Fees	2,181	534
Management remuneration	-	4,535
	2,181	5,069

As at 1 January 2019, an agreement has been established between the Company and Felton Property Management Services Limited to provide daily on-site property management, administration and accounting services of the Investment Properties. A number of employees of the Company in the prior year are employees of Felton Property Management Services Limited as at 1 January 2019.

27. Deferred Income Taxes

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 25%. Due to the fact that the Company was granted free zone status, the Group has not recognized deferred taxes. The attributed deferred tax (liability)/ asset that have not been recognized in the statement of financial position is ($5,503,000) (2018: $49,526,000)

28. Borrowings

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Development Bank of Jamaica Limited (a)	590,025	622,196	590,025	622,196
Jamaica National Building Society (b)	157,806	156,755	-	-
	747,831	778,951	590,025	622,196
Current portion	(64,665)	(62,459)	(59,812)	(55,313)
	683,166	716,492	530,213	566,883

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28. Borrowings (Continued)

(a) Development Bank of Jamaica Limited and is secured by the following:

(i) A first registered mortgage over Lot B1, Lot 6A, Lot 8A of land part of volume 313 and folio 49, situated at 58 Half Way Tree Road;

(ii) First legal mortgage over Lot 2, Lot 4, Lot 6 and Lot 8 situated at 58 Half Way Tree Road;

(iii) Assignment of all risk insurance over the Company's buildings and equipment with Development Bank of Jamaica Limited's interest noted as loss payee;

(iv) Establishment of a debt Service Reserve Account (DSRA) in which shall be deposited over a period of six (6) months from the date of commencement of the lease an amount equivalent to three (3) month's principal payments and six (6) months interest payments totaling USD 209,026 such (DSRA) to be assigned to Development Bank of Jamaica Limited;

(v) Assignment of lease agreements concerning those properties owned by the Company;

(vi) Debenture in favour of Development Bank of Jamaica Limited over real property and other fixed assets belonging to the borrower; and

(vii) Security interest in and over equipment and any other personal property purchased with the loan, such interest to be registered under the Security Interest in Personal Property Act by Development Bank of Jamaica Limited.

The loan amount disbursed was US$4,871,710. This loan is repayable over 12 years and is amortized over 10 years and 6 months with a moratorium of 18 months on interest, (which shall be accrued during the moratorium period and is capitalized at the end of the same period). The interest rate on this loan is 4.5%.

(b) Jamaica National Building Society and is secured by the following:

(i) This is secured by the land and buildings owned by Unity Capital Incorporated.

The original loan amount is J$170,000,000 and is repayable over 202 months and at an interest rate of 11.375%.

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28. Borrowings (Continued)

(c) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	Total
	$'000
Net debts as at 1 January 2018	713,909
Cash movements -	
Loans received	69,479
Repayment - principal	(47,738)
Non-cash movements -	
Foreign exchange adjustments	43,301
Net debt as at 31 December 2018	778,951
Cash movements -	
Repayment - principal	(61,192)
Non-cash movements -	
Foreign exchange adjustments	30,072
Net debt as at 31 December 2019	747,831

	The Company
	$'000
Net debts as at 1 January 2018	556,789
Cash movements -	
Loans received	69,479
Repayment - principal	(41,227)
Non-cash movements -	
Foreign exchange adjustments	37,155
Net debt as at 31 December 2018	622,196
Cash movements -	
Repayment - principal	(55,837)
Non-cash movements -	
Foreign exchange adjustments	23,666
Net debt as at 31 December 2019	590,025

28. Borrowings (Continued)

(d) Fair value of Non-current borrowings

The fair values of non-current borrowings are based on discounted cash flows using the current borrowing rate of 4.5% (2018 – 4.5%). They are classified as level 2 fair values in the fair value hierarchy.

	Group			
	Carrying amount		Fair value	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Development Bank of Jamaica Limited	530,213	566,883	244,815	261,749
Jamaica National Building Society	152,953	156,755	31,532	31,322
	683,166	723,638	276,347	293,071

	Company			
	Carrying amount		Fair value	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Development Bank of Jamaica Limited	530,213	566,883	244,815	261,749

29. Long Term Payables

This represents rent deposit payable for leased property rented by the Company. The rent deposit payable becomes due upon the lessee terminating the lease. The lease period attributed with the lease properties is five (5) years with an option to terminate in the fourth year. Rent deposit payable in 2018 has been disclosed in Payables (note. 21).

30. Dividends

(a) Distributions to shareholders of the Parent Company

	2019	2018
	$'000	$'000
First interim dividend for 2019 paid 10 May 2019 - 12¢	92,986	-
Second interim dividend for 2019 paid 8 November 2019 - 12¢	90,939	-
	183,925	-

31. Change in Accounting Policies

This note explains the impact of the adoption of IFRS 16 Leases on the Group's financial statements.

(a) Impact on financial statements

The Group has adopted IFRS 16 for the financial year ending 31 December 2019 which resulted in a change in the Group's accounting policies. As explained in note 3, IFRS 16 was generally adopted without restating comparative information. The Company and Group have no leases for which it is a lessee. As such there is no impact from the adoption of IFRS 16 on the Company and Group.

32. Subsequent Event

Beginning in January 2020, global financial markets have experienced and may continue to experience significant volatility resulting from the spread of a novel coronavirus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The extent and duration of the impact of COVID-19 on global and local economies, financial markets, and sectors and the specific industry in which the Company operates is uncertain at this point and has the potential to continue to adversely affect our business, results of operations or financial condition, the impact of which is still under assessment.