Mayberry Investments Limited

Financial Statements
31 December 2023

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.

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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.

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:

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Christopher Berry Chairman

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
		(843,756)	6,961,829
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	2,003,744	2,246,655
Operating (loss)/profit		(2,847,500)	4,715,174
Share of profit of joint venture		833,575	21,440
(Loss)/Profit before taxation		(2,013,925)	4,736,614
Taxation credit	10	593,632	1,016
Net (Loss)/Profit for the Year	11	(1,420,293)	4,737,630
Attributable to:			
Stockholders of the parent		(207,897)	2,218,806
Non-controlling interest	36	(1,212,396)	2,518,824
		(1,420,293)	4,737,630
		$	**$**
EARNINGS PER STOCK UNIT – BASIC AND DILUTED	12(a)	(0.17)	1.85

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

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	Fair Value Reserves	Translation Reserve	Other Reserves	Retained Earnings	Non controlling Interest	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'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	-	-	-	-	-	2,218,806	2,518,824	4,737,630
Other comprehensive income	-	-	(30,944)	(33,736)	-	-	(100,521)	(165,201)
Total comprehensive income	-	-	(30,944)	(33,736)	-	2,218,806	2,418,303	4,572,429
Transfer Between Reserves								
From fair value reserves	-	-	(603,218)	-	-	603,218	-	-
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 2022	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		(4,828,515)	(1,473,318)
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		(509,790)	392,536
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		4,239,360	2,106,786
Net /(Decrease)/Increase in Cash and Cash Equivalents		(1,098,945)	1,026,004
Exchange gain/(loss) on foreign cash balances		23,758	(23,970)
Cash and cash equivalents at beginning of year		4,682,618	3,680,584
Cash and Cash Equivalents at End of Year	13	3,607,431	4,682,618

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:

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Christopher Berry Chairman

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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
		2,154,293	2,243,589
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	1,833,634	1,825,979
Profit before Taxation		320,659	417,610
Taxation credit		593,632	1,016
Net Profit for the Year		914,291	418,626

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	900,232	489,907

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						
From fair value reserves	-	-	(410,936)	-	410,936	-
Transactions with Owners						
Dividend paid (Note 35)	-	-	-	-	(336,322)	(336,322)
Balance at 31 December 2022	1,201,149,291	1,582,382	348,423	77,939	4,035,881	6,044,625
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						
From fair value reserves	-	-	(6,701)	-	6,701	-
Transactions with Owners						
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		(6,969,742)	(845,715)
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		(286,760)	769,733
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		6,481,049	1,095,083
Net (Decrease)/Increase in Cash and Cash Equivalents		(775,453)	1,019,101
Exchange gain/(loss) on foreign cash balances		15,218	(18,117)
Cash and cash equivalents at beginning of year		4,367,666	3,366,682
Cash and Cash Equivalents at End of Year	13	3,607,431	4,367,666

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.

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.

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	-

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.

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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 it's carrying value. The Company's associates and joint venture operations are as follows:

Name of Entity	Accounting Year-end	Nature of Business	Nature of Relationship	The Company's Proportion of ordinary shares held (%) 2023	2022
Cherry Hills Development Limited	31December	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

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.

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.

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.

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.

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.

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.

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.

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.

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)

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.

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.

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.

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.

3. Critical Accounting Judgements and Estimates (Continued)

(a) Critical judgements in applying the Company's accounting policy (continued)

i. Investment Entity Business Model
The Group has determined that the business model of its subsidiary MJE is, and always has been, similar to that of an "investment entity" as defined in IFRS 10 having consideration to the following key matters amongst other facts:

i. MJE provides investment management services to multiple investors who have invested in the Company via the JSE to take advantage of the management of a portfolio of Jamaican equities on their behalf.
ii. MJE's principal objective is solely to invest in Jamaican equities for returns from capital appreciation and investment income.
iii. MJE manages and evaluates performance on the Jamaican equities on a fair value basis. A Net Asset Value (NAV) is tracked daily and communicated to the Company's investors and potential investors via the JSE and MJE's website. Additionally, MJE's Investment Manager is compensated based on the fair value appreciation of the portfolio over time (note 34)

The purpose and design of the Company is therefore similar to that of an investment entity per IFRS 10.

3. Critical Accounting Judgements and Estimates (Continued)

(a) Critical judgements in applying the Company's accounting policy (continued)

ii. Investments in associated companies
During 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.

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.

3. Critical Accounting Judgements and Estimates (Continued)

(b) Key Sources of estimation uncertainty (continued)

(iii) Fair value of financial assets
A significant amount of financial assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of fair value. Management uses its judgment in selecting appropriate valuation techniques supported by appropriate assumptions to determine fair value of investment securities (note 39).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market price is used to determine fair value of a financial instrument. For financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at the end of the reporting period.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

(i) Investment securities classified as fair value through profit or loss and fair value through other comprehensive income are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models or discounted cash flows or other recognized valuation techniques.

The fair values of liquid assets and other maturing within one year are assumed to approximate their carrying amount. The assumption is applied to liquid assets and short term elements of all financial assets and liabilities.

(ii) The fair values of variable rate financial instruments are assumed to approximate their carrying amounts.

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

Level 1 quoted prices in active markets for identical assets or liabilities

Level 2 other techniques for which all inputs which have a significant effect on the recorded fair value is observable, either directly or indirectly.

Level 3 techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Transfers of items between levels are recognised in the period they occur.

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4. Net Interest Income

	The Group		The Company	
	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
	1,587,993	1,118,845	2,062,748	1,192,332
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
	1,914,208	808,402	1,740,279	645,324
	(326,215)	310,443	322,469	547,008

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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
	412,244	382,991
Services transferred over time -		
Portfolio management	108,959	125,666
	521,203	508,657

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
	611,036	567,826	848,142	55,063

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)
	111,097	116,082	96,945	1,005,621

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8. Salaries, Statutory Contributions and Staff Costs

	The Group		The Company	
	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
	808,338	761,476	800,581	753,770

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

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9. Expenses by Nature

	The Group		The Company	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'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
	2,003,744	2,246,655	1,833,634	1,825,979

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 $'000	2022 $'000	2023 $'000	2022 $'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 $'000	2022 $'000	2023 $'000	2022 $'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.

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	

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11. Net Profit

	2023 $'000	2022 $'000
Dealt with in the financial statements of:		
The Company	914,291	418,626
Subsidiaries	(1,492,193)	5,265,553
	(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)	-	(910,214)
	(1,420,293)	4,737,630
Attributable to:		
Stockholders of the parent	(207,897)	2,218,806
Non-controlling interest	(1,212,396)	2,518,824
	(1,420,293)	4,737,630

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12. Financial Ratios

(a) Earnings per stock unit:

Earnings-per-stock unit is calculated by dividing the net profit attributable to stockholders of the parent by the weighted average number of ordinary stock units in issue during the year. There are no dilutive potential instruments.

	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	($0.17)	$1.85

(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	($0.13)	$1.79

(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	$5.48	$13.98

(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)	10,149,712	9,753,332

13. Cash Resources

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'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
	3,604,504	2,732,187	3,604,504	2,417,235

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

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'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)
	3,607,431	4,682,618	3,607,431	4,367,666

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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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).

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
	3,615,228	5,303,950

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
	6,455,155	4,255,247	6,455,155	5,255,247

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	(23,531)	(21,949)
Balance at end of year	228,680	252,211

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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

19. Investment Properties

	The Group and Company	
	2023 $'000	2022 $'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 $'000	2022 $'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

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 $'000	2022 $'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 2023 $'000	The Group 2022 $'000	The Company 2023 $'000	The Company 2022 $'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
		1,146,768	(5,655,636)	(727,441)	(1,427,141)
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
		(2,456,693)	(6,432,228)	(7,576,129)	(1,754,833)

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)	-
	-	1,092,779

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	16,204,912	2,068,303	18,273,215

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	8,174,245	20,467,161	8,174,245	1,933,035

26. Loans

	The Group		The Company	
	2023 **$'000**	**2022** **$'000**	**2023** **$'000**	**2022** **$'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
	14,251,269	9,407,868	14,251,269	7,209,240

(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.

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 Sagicor 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	**2022**
	$'000	**$'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	**2022**
	$'000	**$'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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27. Deferred Taxation (Continued)

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

	The Group and Company						
	Interest payable	Property, plant and equipment	Unrealised foreign exchange loss	Other	Tax losses carried forward	Provisions	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Deferred income tax assets:							
As at 1 January 2022	10,665	3,712	76,015	14,454	352,197	153,235	610,278
(Charged)/Credited to profit or loss	20,944	2,195	(42,949)	(3,424)	(356)	47,678	24,088
As at 31 December 2022	31,609	5,907	33,066	11,030	351,841	200,913	634,366
(Charged)/Credited to profit or loss	14,930	2,085	-	1,309	675,857	(38,012)	656,169
As at 31 December 2023	46,539	7,992	33,066	12,339	1,027,698	162,901	1,290,535

	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
	1,290,535	634,366
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
	142,071	246,602
Deferred tax asset, net	1,148,464	387,764

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
	11,535,534	11,045,972	11,535,534	10,759,530

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	1,582,382	1,582,382

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30. Fair Value Reserves

These represent net unrealised gains on the revaluation of equity securities. These unrealised gains are transferred to retained earnings on disposal of the equities. The fair value through other comprehensive income securities are based on short term fluctuations in market prices.

31. Other Reserves

	2023 $'000	2022 $'000
Capital redemption reserve fund	51,343	51,343
Stock option reserve	26,596	26,596
	77,939	77,939

32. Retained Earnings

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

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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

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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	-
	8,050,147	-	8,050,147	1,654,863
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	356,116	307,743	356,116	307,743
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	1,092,779	-	1,092,779	-
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	219,352	141,732	219,352	141,732
(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	119,479	354,874	119,479	-

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
	402,033	372,056

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

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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)	-	-
	9,402,495	6,672,991	83,645	124,090
Changes related to Operating Activities				
Loans received	815,234	1,364,443	-	-
Principal repayments	(679,808)	(89,388)	-	-
Net Changes related to Operating Activities	135,426	1,275,055	-	-
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	4,713,348	1,459,822	(13,858)	(40,445)
As at 31 December	14,251,269	9,407,868	69,787	83,645

	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)	-	-	-
	7,205,178	4,479,251	83,645	124,090
Changes related to Operating Activities				
Loans received	815,234	1,364,444	-	-
Principal repayments	(679,808)	(89,388)	-	-
Net Changes related to Operating Activities	135,426	1,275,056	-	-
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	6,910,665	1,454,933	(13,858)	(40,445)
As at 31 December	14,251,269	7,209,240	69,787	83,645

38. Financial Risk Management

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Assets and Liabilities Committee (ALCO) which is responsible for developing and monitoring the Group's risk management policies in their specified areas.

ALCO places trading limits on the level of exposure that can be taken and monitors risks and adherence to limits. The Group, through its training and management standards and procedures, aims to develop disciplined and constructive control environment, in which all employees understand their roles and obligations. This is supplemented by the Compliance Committee which was established in 2020, to specifically monitor regulatory measures.

The Audit Committee is responsible for monitoring compliance with the Group's risk management policies and procedures and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in these functions by both the Compliance Unit and Internal Audit. The Compliance Unit and Internal Audit undertake both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors and the Audit Committee, respectively.

By its nature, the Group's activities are principally related to the use of financial instruments. The Company accepts funds from customers at both fixed and floating rates and for various periods and seeks to earn above average interest margins by investing these funds in high quality assets. The Company seeks to increase these margins by consolidating short-term funds and lending for longer periods at higher rates while maintaining sufficient liquidity to meet all claims that might fall due.

The Company also seeks to raise its interest margins by obtaining above average margins, net of provisions, through lending to commercial and retail borrowers with a range of credit standing.

The Group also trades in financial instruments where it takes positions to take advantage of short-term market movements in equity and bond prices and in foreign exchange and interest rates.

38. Financial Risk Management (Continued)

Risk Management Framework (continued)

(a) Liquidity risk

The Company is exposed to daily calls on its available cash resources from maturing repurchase agreements and loan draw downs. The Company does not maintain cash resources to meet all of these needs as experience shows that a minimum level of re-investment of maturing funds can be predicted with a high level of certainty. The Company's treasury and securities department seek to have available a minimum proportion of maturing funds to meet such calls. The Company's policy is to hold a high proportion of liquid assets to cover withdrawals at unexpected levels of demand. Daily reports cover the liquidity position of the Company as well as any exceptions and remedial actions taken.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Company. It is unusual for the Company ever to be completely matched since business transacted is often of uncertain term and of different types. An unmatched position potentially enhances profitability but can increase the risk of loss. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Company and exposure to changes in interest rates and exchange rates.

The key measure used by the Company for managing liquidity risk is the ratio of liquid assets to securities sold under repurchase agreements and loans. For this purpose liquid assets are considered as including cash and cash equivalents, investment grade securities, excluding equities, for which there is an active and liquid market and loans and other receivables.

The tables below present the undiscounted cash flows (both interest and principal cash flows) to settle financial liabilities, based on contractual repayment obligations. However, the Group expects that many customers will not request repayment on the earliest date the Group could be required to pay.

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

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38. Financial Risk Management (Continued)

(a) Liquidity risk (continued)

	The Company					
	2022					
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
Financial Liabilities						
Bank overdraft	50,337	-	-	-	-	50,337
Securities sold under repurchase agreements	1,520,233	2,130,756	1,283,060	-	-	4,934,049
Loans	2,245,362	417,540	628,133	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	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets							
Cash resources	2,732,187	-	-	-	-	-	2,732,187
Investment securities	15,375	128,846	480,441	1,666,826	201,345	7,055,193	9,548,026
Reverse repurchase agreements	2,359,124	1,883,132	1,061,694	-	-	-	5,303,950
Promissory notes	461,010	173,130	96,088	2,176,519	1,348,500	-	4,255,247
Loans and other receivables	5,472,108	59,225	-	-	-	874,051	6,405,384
Total assets	11,039,804	2,244,333	1,638,223	3,843,345	1,549,845	7,929,244	28,244,794
Financial Liabilities							
Bank overdraft	50,337	-	-	-	-	-	50,337
Securities sold under repurchase agreements	1,516,573	2,116,059	1,236,642	-	-	-	4,869,274
Loans	2,242,800	454,279	2,750,052	2,954,099	1,006,638	-	9,407,868
Other	1,086	2,192	10,201	20,840	49,326	11,045,972	11,129,617
Total liabilities	3,810,796	2,572,530	3,996,895	2,974,939	1,055,964	11,045,972	25,457,096
Total interest rate sensitivity gap	7,229,008	(328,197)	(2,358,672)	868,406	493,881	(3,116,728)	2,787,698
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	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets							
Cash resources	2,417,235	-	-	-	-	-	2,417,235
Investment securities	15,375	128,846	480,441	1,666,826	214,012	662,825	3,168,325
Reverse repurchase agreements	2,359,124	1,883,132	1,061,694	-	-	-	5,303,950
Promissory notes	461,010	173,130	96,088	3,176,519	1,348,500	-	5,255,247
Due from subsidiaries	-	-	-	-	-	1,654,863	1,654,863
Loans and other receivables	5,430,642	-	-	-	-	861,160	6,291,802
Total assets	10,683,386	2,185,108	1,638,223	4,843,345	1,562,512	3,178,848	24,091,422
Financial Liabilities							
Bank overdraft	50,337	-	-	-	-	-	50,337
Securities sold under repurchase agreements	1,516,573	2,116,059	1,236,642	-	-	-	4,869,274
Loans	2,242,800	414,950	590,753	2,954,099	1,006,638	-	7,209,240
Other	1,086	2,192	10,201	20,840	49,326	10,759,530	10,843,175
Total liabilities	3,810,796	2,533,201	1,837,596	2,974,939	1,055,964	10,759,530	22,972,026
Total interest rate sensitivity gap	6,872,590	(348,093)	(199,373)	1,868,406	506,548	(7,580,682)	1,119,396
Cumulative interest rate sensitivity gap	6,872,590	6,524,497	6,325,124	8,193,530	8,700,078	1,119,396	

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)	-

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

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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

38. Financial Risk Management (Continued)

(d) Currency risk (continued)

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

Sensitivity analysis

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

	The Group			
	Change in Currency Rate 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)

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.

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 $'000	2022 $'000	2023 $'000	2022 $'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	6,455,155	4,255,247	10,133,864	6,291,802

	Company			
	Promissory Notes		Loans and Other Receivables	
	2023 $'000	2022 $'000	2023 $'000	2022 $'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	6,455,155	5,255,247	10,133,864	6,291,802

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	**2022**
	$'000	**$'000**
Promissory notes	(23,531)	(21,948)
Loans and other receivables	(7,411)	128,284
Investment securities – at amortised cost	(28,727)	22,372
	(59,669)	128,708

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
	10,066,807	251,026		6,431,374	298,477	

	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
	10,066,807	251,026		6,326,066	298,477	

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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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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

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

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

The 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.

38. Financial Risk Management (Continued)

(f) Settlement risk

The Company's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of a company to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For certain types of transactions, the Company mitigates this risk by conducting settlements through a settlement/clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

(g) Regulatory capital management

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

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

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

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

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

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

In addition, the Company is subject to bi-annual Stress Testing by the Financial Services Commission to determine if capital is sufficient to absorb losses during economic and financial market stress as well as effective capital planning processes.

The Company's capital adequacy ratios have passed all individual and combined shocks applied to its balance sheet data in the bi-annual stress tests. Passing the bi-annual stress tests underscores the Company's commitment to a sustained capital planning process that satisfies the expectations of our stakeholders.

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

38. Financial Risk Management (Continued)

(g) Regulatory capital management (continued)

The Company's policy is to maintain a strong capital base to ensure investor, creditor and market confidence and to sustain the future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Company recognises the need to maintain a balance between higher returns that might be possible with greater leverage and the advantages and security afforded by a sound capital position.

The Company has complied with all regulatory capital requirements throughout the period. There have been no material changes in the management of capital during the period.

Capital allocation

Although maximization of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Company to operations or activities, it is not the sole basis used for decision making. Account is also taken of synergies with other operations and activities, availability of management and other resources, and the fit of the activity with the Company's longer-term strategic objectives. Capital management and allocation are reviewed regularly by the Board of Directors.

39. Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market price is used to determine the fair value of a financial instrument. However, market prices are not available for some of the financial assets held by the Group. Therefore, for financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at the end of the reporting period.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

(i) Investment securities and investment in associates classified as FVTPL and investment securities FVTOCI are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models or discounted cash flows or other recognized valuation techniques.

(ii) The fair values of liquid assets and other assets maturing within one year are assumed to approximate their carrying amount. This assumption is applied to liquid assets and short term elements of all financial assets and financial liabilities.

(iii) The fair values of variable rate financial instruments are assumed to approximate their carrying amounts.

39. Fair Values (Continued)

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

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

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

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

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

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39. Fair Values (Continued)

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

	The Group 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
	463,790	2,218,323	-	2,682,113

	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
	24,837,757	2,236,553	216,245	27,290,555

39. Fair Values (Continued)

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

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	11,535,534	11,535,534

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	-	-

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	2022	2023	2022
	$'000	$'000	$'000	$'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.

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.