

The image features a blue gradient background. In the center, there is a photograph of a modern, white, two-story building with large windows. The word "Barita" is written in blue on the building's facade. To the left of the building, the word "Barita" is written in a large, blue, sans-serif font, with "Investments Ltd." in a smaller, blue, sans-serif font below it. The sky in the background of the photograph is blue with a few white clouds.

**Barita**  
Investments Ltd.

**Prospectus**

**New Issue & Offer for Sale**

## 1. INTRODUCTION INCLUDING WARRANTIES & DISCLAIMERS

This Issue and Offer for Sale (herein called the “Prospectus”) is intended for use in Jamaica only and is not to be construed as an offer for sale outside of Jamaica.

A copy of this Prospectus, having attached thereto the documents specified in Appendix IX, entitled “Documents Available for Inspection” was delivered to the Registrar of Companies pursuant to Section 40(2) of the Companies Act 2004, and was registered by the Registrar of Companies on the 30th of November, 2009. The Registrar of Companies accepts no responsibility whatsoever for the contents of this Prospectus.

The Financial Services Commission registered this Prospectus on the 30<sup>th</sup> of November, 2009, pursuant to Section 26 of the Securities Act. The Financial Services Commission has neither approved the securities offered nor has the Commission passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence.

Application has been submitted to the Jamaica Stock Exchange for the listing of the whole of the Issued Preference and Ordinary Share Capital of the Company at the end of this Public Offering of Preference and Ordinary Shares. However, this statement is not to be construed as a guarantee that the shares will be listed on the Jamaica Stock Exchange. Provided that the Listing Rules under the Jamaica Stock Exchange are met by the Company, it is expected that listing of the Preference and Ordinary Shares will be within fifteen (15) days after the allotment of shares.

The Directors of Barita Investments Limited, whose names appear in Appendix V of this Prospectus, are the persons responsible for the information contained herein, and to the best of their knowledge and belief, have taken all reasonable care to ensure that the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person is authorized to provide information or to make any representation whatsoever in connection with this Prospectus, which is not contained in this Document.

### **BARITA INVESTMENTS LIMITED**

15 St. Lucia Way  
Kingston 5  
Jamaica

2.

**PROSPECTUS**

**COMBINED SHARE ISSUE & OFFER FOR SALE**

by

**BARITA INVESTMENTS LIMITED of**

1. 100,000,000 Series 'A' 2012 Redeemable Cumulative Variable Rate Preference Shares @ \$3.00 per share  
Fixed Rate 16.5% for the First Year
2. 100,000,000 Series 'B' 2012 Convertible Cumulative Variable Rate Preference Shares @ \$3.00 per share  
Fixed Rate 12 % (Zero Rated Tax) for the First Year
3. 160,000,000 Ordinary Shares @ \$2.50 per share - Public  
30,000,000 Ordinary Shares @ \$2.30 per share - Clients  
10,000,000 Ordinary Shares @ \$2.25 per share - Staff & Directors

**PAYABLE IN FULL ON APPLICATION**

Barita Investments Limited (herein after referred to as "the Company" or "Barita") is pleased to invite the public to participate in this Combined Public Offering of Preference Shares and Ordinary Shares and Offer for Sale of Ordinary Shares.

These are three separate ISSUES and applicants may choose any one or more of the three as well as they may subscribe to all three. A separate application form is attached for each issue.

Applications for Preference Shares should be for a minimum of 10,000 shares and multiples of 10,000 shares and for Ordinary Shares should be a minimum of 1,000 ordinary shares and multiples of 1,000 shares.

Applications are due within the open and closed dates of the issue. The application list will open at 9.00 a.m. on December 7, 2009 and will close on December 15, 2009, at 4.30 p.m., subject to the Company's right to close the Application List at any time without notice, if applications have been received for the full amount of the shares being offered.

The Company also reserves the right to extend the offering date beyond the date stipulated above, and to accept oversubscriptions to an amount to be determined by the Board of Directors at the time of the Offer. Allotments will be on a prorated basis. 3 days after the issue is closed, an announcement will be made informing of the allocation of the respective issues.

Applications should be made on the original of the Application Forms provided in this Prospectus and can be downloaded from the Web Site address at The Jamaica Stock Exchange: <http://www.jamstockex.com/>, and Barita Investments Limited: <http://www.barita.com> or from any of the Barita Branches or other stockbrokers listed on Page No: 48

In the case of the Ordinary Shares, Twenty Million (20,000,000) are being sold by the existing shareholders, while the remaining One Hundred and Eighty Million (180,000,000) Shares will be a new issue of shares. All the Preference Shares are new issues. Dividends on the Preference Shares will be paid on a six (6) monthly basis in June and December of each year.

FULL DETAILS OF ALL THREE OFFERINGS ARE EXPLAINED IN APPENDICES I TO IV.

## TABLE OF CONTENTS

1. Introduction including Warranties and Disclaimers
2. Prospectus Relating to a Combined Public Issue & Offer for Sale
3. Purpose of the Offer
4. Share Capital of the Company
5. Letter to Prospective Investors
6. History of Barita Investments Limited
7. 10-Year Financial Performance
8. Newly Re-Organized Barita Investments Limited
9. Appendices:
 

Appendix I	Definitions for Series 'A' and 'B' Preference Shares and Ordinary Shares
Appendix II	Terms of Issue of Series 'A' Redeemable Cumulative Variable Rate Preference Shares
Appendix III	Terms of Issue of Series 'B' Convertible Cumulative Variable Rate Preference Shares
Appendix IV	Terms of Issue of Ordinary Shares
Appendix V	Profile of Directors & Managers
Appendix VI	Risk Profile & Risk Management
Appendix VII	Regulatory & Licensing Framework
Appendix VIII	Statutory & General Information
Appendix IX	Documents Available for Inspection
Appendix X	Management Discussion & Analysis of Financial Condition
Appendix XI	Audited Accounts for 2009 by PricewaterhouseCoopers
Appendix XII	Application Procedures & Conditions
10. Bankers & Consultants
11. Brokers
12. Date & Signature of Directors
13. Application Forms

### **3. PURPOSE OF THE OFFER**

This Public Offer is intended to bolster and strengthen the capital base of the Company so as to expand the Company's business by broadening its reach into the Capital Markets. Immediately the Company is expanding into:

- Individual Retirement Schemes
- More diversified Unit Trust & Mutual Funds Offerings
- Product offerings in foreign currencies
- Upgrading IT facilities to meet the new demands

Capital adequacy is a vital benchmark of the Regulators and although Barita has exceeded this by more than 4:1 in the last three years, the Company would like to maintain the momentum of high standards which the Company has established for itself.

Many opportunities available to public companies are not enjoyed by private companies, such as the ability to raise additional capital for expansion and the ability to be assessed for participation in existing and new projects. Successful companies can also benefit from commentaries by analysts and others.

Prospective and current investors are privy to the detailed operations of a company allowing for greater transparency and can establish a company's worth from day-to-day.

This Offer also opens the opportunity to the public and the loyal and long-standing staff and clients to participate in the ownership of Barita.

### **INVESTMENT WARNING**

**Prospective Subscribers are advised to read this entire Prospectus carefully before making an investment decision about this Offer. Each recipient's attention is specifically drawn to the Risk Factors in Appendix VI of this Prospectus.**

Prospective subscribers are also advised to consult with their stockbroker, licensed investment advisor, attorney-at-law, accountant or other professional advisors before making an investment decision or for any clarification as to the contents of this document.

**In the event that the Issue fails to achieve the required minimum subscription prescribed for listing on the Jamaica Stock Exchange, then the Issue will be withdrawn and the funds so subscribed will be refunded in full.**

#### 4. SHARE CAPITAL OF THE COMPANY

<b>Authorized</b>	1,000,000,000	Ordinary Shares of no Par Value
	500,000,000	Preference Shares of no Par Value
<b>Issued and Fully Paid</b>	405,733,824	Ordinary Shares of no par value
<b>TO BE ISSUED</b>	100,000,000	Series 'A' <b>Redeemable</b> Cumulative Variable Rate Preference Shares
	100,000,000	Series 'B' <b>Convertible</b> Cumulative Variable Rate Preference Shares
	180,000,000	Ordinary Shares - (New Issue)
<b>Offered for sale by Existing Shareholder(s)</b>	20,000,000	Ordinary Shares

\*\*\*\*\*

#### SHARE CAPITAL AFTER THE ISSUE (If fully subscribed)

<b>Authorized</b>	1,000,000,000	Ordinary Shares of No Par Value
	500,000,000	Preference Shares of No Par Value
<b>Issued and Fully Paid</b>	100,000,000	Series 'A' <b>Redeemable</b> Cumulative Variable Rate Preference Shares
	100,000,000	Series 'B' <b>Convertible</b> Cumulative Variable Rate Preference Shares
	585,733,824	Ordinary Shares

\*\*\*\*\*

The Ordinary Shares will, after this subscription, along with the existing Ordinary Shares, be converted into Ordinary Stock divided into stock units, and will rank pari passu in all respects and accordingly will rank for dividends and other distributions hereafter declared paid or made on the Ordinary Stock of the Company.

The Preference Shares now being offered for sale will be converted to Preference Stock divided into stock units and will rank prior to Ordinary Shares as it relates to dividend and maturity.

At the end of the last financial year, 30 September 2009, the Company's authorized share capital was 600 million Ordinary Shares of no par value. On November 4, 2009, at an Extraordinary General Meeting, the Authorized Share Capital was increased by an additional 900 million shares of no par value, 400 million of which were allocated to Ordinary Shares and 500 million to Preference Shares.

#### STAFF AND DIRECTORS SHARE PURCHASE SCHEME

The Board of Directors of the Company has reserved 50 million Ordinary Shares for a Staff and Directors Share Purchase Scheme, planned for June 2010.

## LISTING OF SHAREHOLDERS

The shareholders of Barita Investments Limited are as follows:

Rita Humphries-Lewin	340,199,580
Peta-Rose Hall	27,338,814
Barita Finance House	17,825,766
Paul Cooper	4,502,322
John O. Minott, Sr.	4,502,322
Karl Lewin	4,502,322
Gloria Omphroy	3,636,450
Donovan Lewis	2,150,790
Michael Lee Chin	<u>1,075,485</u>
Total Shares in Issue:	<u>405,733,824</u>

## 5. LETTER TO PROSPECTIVE INVESTORS

Dear Clients:

I am pleased to invite you, our prospective shareholders, to participate in the Public Offering and in the ownership of Barita Investments Limited.

For many years, Barita has served many of you in various aspects of investments, and you have been a part of the success we have attained over these years, and it is only fitting that we offer you an opportunity to participate in the ownership of this Company.

For those who are not clients of Barita, it is our pleasure to welcome you to participate in this Offering.

Barita has been in existence for 32 years, and has withstood many storms in the Financial Markets, and this is due to our history of being very prudent and avoiding over-exposure to risks.

Although we have remained a fairly small house, we are proud to say that we have a history of growing at a steady pace each year, without any injection of new capital.

As time passes on, one needs to make a decision for change, and at this time we are inviting you to be a part of this change. As a public Company the investing members of the public can make a visual and informed observation of the Company's performance.

We look forward to your participation in this Public Offering and welcome you into the Barita Family.

Yours very truly,

---

Rita Humphries-Lewin

Chairman



## 6. HISTORY OF BARITA INVESTMENTS LIMITED

The Company was incorporated in Jamaica on September 2, 1977, with a share capital of \$10,000 and today the Group has total Equity of \$849,000,000,000. It commenced business on September 7, 1977. Its Head Office is located at 15 St. Lucia Way, Kingston 5.

In 1993, two new companies were formed - Barita Unit Trusts Management Company Limited ("Barita Unit Trust") which manages two Unit Trust Funds, and Barita Portfolio Management Limited which separated from the Barita Family in April 2008 and which separation was fully completed in April 2009.

In April 2009, the Company acquired 100% of the issued share capital of Barita Unit Trust, making Barita Unit Trust a wholly owned subsidiary of the Company by the exchange of shares and the incorporation of the Directors of Barita Unit Trust onto the Board of the Company.

### Performance of the Company

The Company has grown steadily since its inception in 1977, by always increasing its revenues each year, and is proud to say that the growth was achieved through the accumulation of profits over the years and not by loans or capital injections. In its 32 years of existence, Barita has never sustained a loss in any of those years and has had a steady upward growth in profits. In the years 2004 to 2007, the Company experienced abnormal fluctuations in profits but when averaged out, the pattern was balanced, and 2008 saw the Company back on track with its growth pattern. This fluctuation was a result of a combination of system changes and the introduction of IFRS standards and treatment assigned to certain securities.

Risk is a critical factor in the Securities Industry and the management of this can make or break a company. Over the years the Company has been very prudent, and in more recent times has had to exercise even greater prudence. In response to the regulatory guidelines implemented in recent years, the Company implemented ground rules which are managed by a team of Managers and which have protected the Company from the recent fall-out in the marketplace.

The rigid observance of the rules on margin accounts, toxic assets, and the definition of qualifying securities have helped to keep the Company on the right path. The recent fall-out of Jamaica Government bond prices has hurt the entire market, including us. In spite of this, Barita's profits for 2009 have increased.

The Audited Accounts for the last three years shows that the Company has exceeded its Capital Adequacy Ratios as established by the Financial Services Commission as follows:

	FSC's Requirements	Barita's Year-end Achievement	
Capital Adequacy	10%	2007	- 36%
		2008	- 41%
		2009	- 54%
Capital Base	50%	2007	- 93%
		2008	- 87%
		2009	- 95%

There is no indebtedness, and the Company owns the two buildings which it occupies in Kingston and its Montego Bay offices.

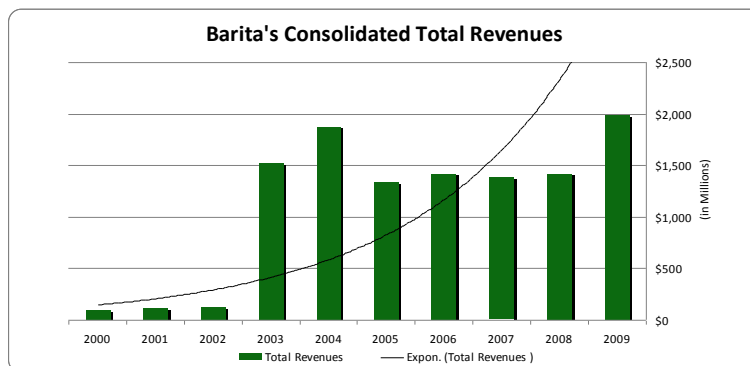
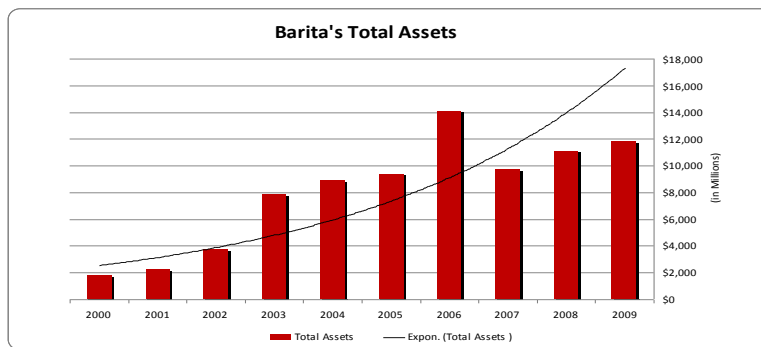
Insurance is carried for errors and omissions relating to the business and in addition to general insurance covers directors and managers.

The Approved Superannuation Fund established by the Company for members of staff is a Defined Contribution Plan and the Company's liability is limited to the extent of its defined contributions.

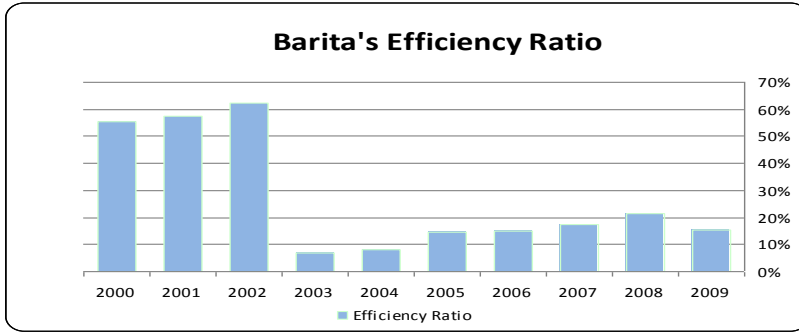
## 7. 10-YEAR FINANCIAL PERFORMANCE

Barita has achieved significant asset growth over the last ten (10) years of its existence. The Group's 10-Year Financial Performance presented and referred to below has been extracted from an amalgamation of the individual audited profit and loss accounts and balance sheets of the Company and Barita Unit Trusts, as, prior to April 2009, the Company did not own Barita Unit Trust and therefore no financial statements for the Group were prepared or audited.

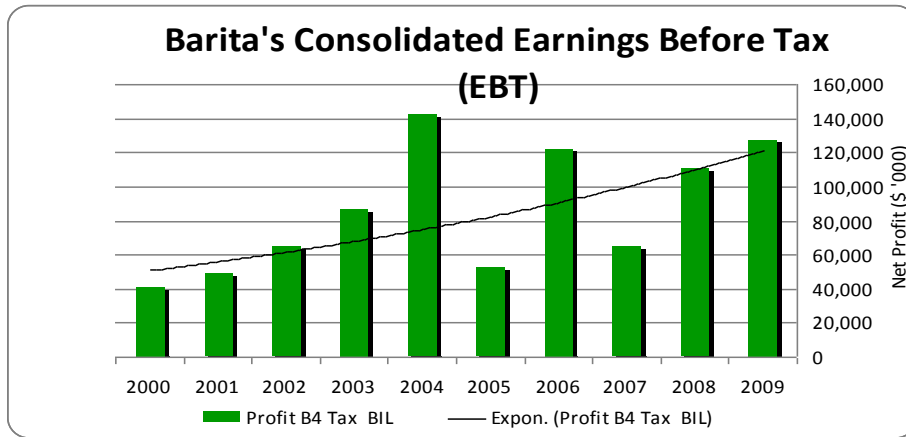
Total Assets which stood at \$1.8B in 2000 grew to \$11.8B in 2009. Assets under management comprised 95% of the total assets. Effective asset management is reflected in the revenue performance of the company over the ten (10) year period 2000 to 2009. Revenue performance in 2000 was \$91M grew to \$2B in 2009. This growth has been achieved by a combination of revenue stream diversification and growth in the Group's Fixed Income and Asset Trading portfolios.



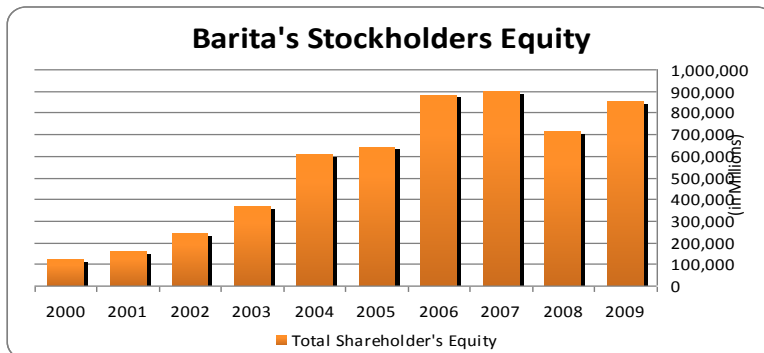
Barita has been able to significantly improve the efficiency of its operations from a position where operating expenses was 55% of total revenues earned in 2000 to 15% of total revenues earned in 2009. This has been achieved through a combination of revenue diversification and growth and cost containment.



The combination of significant asset and revenue growth coupled with efficient utilization of operational resources has enabled Barita Group to attain significant growth in profitability. It must be noted that although the ten year period shows consistent profit performance. It is instructive to also note that the Group has been consistently profitable since its inception in 1977. Profits before tax have grown from \$41M in 2000 to \$127M in 2009



Improvements in Shareholders Equity have over the period 2000 to 2009 grown from \$117M to \$849M, reflecting the results of the improvements in the operational performances of the Barita Group.



Significantly the performance of the Group since inception and specifically over the last ten years has been achieved without debt, or capital infusions.

The 10-Year Financial Performance represents the combined profit and loss accounts and balance sheets of Barita Investments Limited and Barita Unit Trusts Management Company Limited for the year ended and as at 30 September.

## **Independent Auditors' Report**

To the Board of Directors of  
Barita Investments Limited

### **Report on Summarised Financial Statements**

The 10 year financial performance, herein after referred to as the “summarised combined financial statements”, set out on page 15, has been derived from the following:

- (i) The financial statements of Barita Investments Limited for each of the years ended 30 September 2000 to 2009; and
- (ii) The financial statements of Barita Unit Management Company Limited for each of the years ended 30 June 2000 to 2006, the period ended 30 September 2007 and the year ended 30 September 2008.

These summarised combined financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on whether these summarised combined financial statements are consistent, in all material respects, with the financial statements from which they were derived.

We have audited the following financial statements from which these summarised combined financial statements were derived, in accordance with standards on auditing generally accepted in Jamaica. In our reports of noted dates, we expressed an unqualified opinion on the financial statements from which the summarised combined financial statements were derived.

- (i) Barita Investments Limited for the years ended as follows:

<i>Year end</i>	<i>Audit report date</i>
30 September 2004	5 October 2005
30 September 2005	15 August 2006
30 September 2006	18 December 2006
30 September 2007	25 January 2008
30 September 2008	8 January 2009
30 September 2009	27 November 2009

Independent Auditors' Report  
Barita Investments Limited  
27 November 2009

**Report on Summarised Financial Statements (Continued)**

(ii) Barita Unit Trust Management Company Limited for the years/periods ended as follows:

<i>Year/Period end</i>	<i>Audit report date</i>
30 June 2000	27 February 2001
30 June 2001	31 January 2002
30 June 2002	11 December 2002
30 June 2003	6 November 2003
30 June 2004	19 October 2004
30 June 2005	21 October 2005
30 June 2006	22 September 2006
30 September 2007	25 January 2008
30 September 2008	2 January 2009

The financial statements of Barita Investments Limited for each of the years ended 30 September 2000 to 2003, which were used in deriving the summarised financial statements, were not audited by us. Through this report, we do not express an opinion on those financial statements.

In audit reports dated 10 January 2001, 18 January 2002, 13 January 2003, and 22 May 2004, an unqualified opinion was expressed on the financial statements for Barita Investments Limited for the years ended 30 September 2000, 2001, 2002, and 2003, respectively, by the predecessor auditor.

***Opinion***

In our opinion, the accompanying summarised combined financial statements are consistent, in all material respects, with the financial statements from which they were derived.

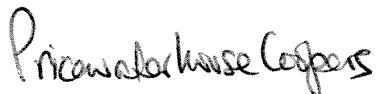
Independent Auditors' Report  
Barita Investments Limited  
27 November 2009

*Emphasis of Matter*

Without qualifying our opinion, we draw your attention to the following:

- (i) Barita Investments Limited acquired full ownership of Barita Unit Trust Management Company Limited during the year ended 30 September 2009. The financial statements for Barita Investments Limited for the year ended 30 September 2009 are the consolidated position of the company and its subsidiary. No consolidated financial statements were required for Barita Investments Limited for each of the years ended 30 September 1999 to 2008 as the company had no subsidiaries. As more fully explained in basis of preparation note to these summarised combined financial statements, the summarised combined financial statements, as presented, represent an amalgamation of the profit and loss accounts and balance sheets of Barita Investments Limited and Barita Unit Trust Management Company Limited, standing alone, for these periods.
- (ii) The audited financial statements for the year ended 30 September 2003 for Barita Investments Limited and the for year ended 30 June 2005 for Barita Unit Trust Management Company Limited contained restatements to correct errors and to reflect retrospective application requirements for new, revised or amended accounting standards. The amounts and balances used in the amalgamation for each year represent the amounts that would have been included in the financial statements, had the errors not been made, or had the new, revised or amended standards always been in effect.
- (iii) The summarised combined financial statements are not a complete set of financial statements, with all the required disclosures of International Financial Reporting Standards. For a better understanding of the group's and the company's financial position and the results of operations for the periods presented, and of the scope of the related audits, the summarised financial statements should be read in conjunction with the financial statements from which the summarised combined financial statements were derived and the relevant audit reports thereon.

Chartered Accountants



27 November 2009

Kingston, Jamaica



The 10-Year Financial Performance below represents the combined profit and loss accounts and balance sheets of Barita Investments Limited and Barita Unit Trusts Management Company Limited for the year ended and as at 30 September.

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME STATEMENT</b>										
Interest Income	1,712,835.00	1,189,474.00	1,289,394.70	1,260,720.75	1,204,443.80	1,743,995.76	1,473,201.37	-	-	-
Interest Expense	(1,555,970.00)	(1,006,995.00)	(1,080,732.57)	(1,085,277.13)	(1,088,293.86)	(1,576,343.71)	(1,332,877.82)	-	-	-
Net Interest Income	156,865.00	182,479.00	208,662.13	175,443.62	116,149.94	167,652.05	140,323.54	17,219.00	-	-
Fees & Commission	54,052.00	64,451.00	65,199.45	76,451.36	67,973.44	61,073.15	34,360.57	110,702.03	97,895.05	79,636.71
Dividend Income	26,635.00	4,080.00	5,091.06	3,342.77	3,507.28	8,564.04	1,761.62	2,313.69	9,411.42	2,786.83
FX Trading & Translation	144,150.00	39,136.00	(18,775.85)	36,974.58	23,299.83	10,173.77	7,474.82	2,745.01	1,298.82	1,421.05
Gain on Sale of Investments	50,157.00	121,589.00	39,100.36	40,203.12	24,416.18	37,867.23	438.00	4,048.00	1,679.00	2,590.00
Other	2,164.00	2,236.00	3,621.42	3,437.66	3,569.57	9,520.71	4,478.59	5,183.71	4,232.30	5,025.39
Net Operating Income	434,023.00	413,971.00	302,898.57	335,853.10	238,916.24	294,850.96	188,837.14	142,211.44	114,516.59	91,459.97
Total Revenues	1,989,993.00	1,420,966.00	1,383,631.14	1,421,130.24	1,327,210.10	1,871,194.66	1,521,714.97	142,211.44	114,516.59	91,459.97
<b>OPERATING EXPENSES</b>										
Staff Costs	(175,809.00)	(158,457.00)	(133,052.86)	(112,227.24)	(90,988.97)	(80,636.69)	(43,697.35)	(38,476.59)	(32,607.72)	(27,312.60)
Administration	(131,194.00)	(145,227.00)	(105,756.29)	(101,722.14)	(101,405.70)	(74,292.39)	(58,346.70)	(39,645.16)	(33,107.55)	(23,335.04)
Total Operating Expenses	(307,003.00)	(303,684.00)	(238,809.15)	(213,949.38)	(192,394.67)	(154,929.08)	(102,044.05)	(78,121.75)	(65,715.27)	(50,647.65)
Profit B/T BIL	127,020.00	110,287.00	64,089.42	121,903.73	46,521.57	139,921.88	86,793.10	64,089.70	48,801.32	40,812.33
Taxation	(28,395.00)	(21,857.00)	(8,545.48)	(2,983.00)	43,719.67	(7,630.00)	(20,508.40)	(9,583.09)	(12,502.89)	(10,160.39)
NET PROFIT	98,625.00	88,430.00	55,543.93	118,920.72	90,241.24	132,291.88	66,284.69	54,506.61	36,298.43	30,651.94
<b>BALANCE SHEET</b>										
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>										
Cash and Bank Balances	62,486.00	74,700.00	47,021.43	20,300.26	67,501.43	130,453.68	95,131.38	30,062.08	17,092.68	29,684.13
Resale agreements	3,420,663.00	3,512,450.00	2,013,390.63	7,880,341.80	3,975,665.29	3,514,712.50	3,316,481.13	3,390,209.87	1,982,769.09	1,563,154.18
Marketable Securities	7,815,190.00	6,789,387.00	7,172,744.90	5,877,567.32	5,032,643.10	4,574,689.12	3,637,486.05	159,691.46	103,016.32	81,922.74
Receivables	321,374.00	347,266.00	329,658.83	172,310.66	179,863.95	618,743.94	684,325.79	86,013.09	41,955.69	49,248.50
Loans Receivables	39,495.00	174,719.00	34,687.22	-	-	-	-	-	-	-
Due from Related Companies	4,382.00	13,788.00	12,523.17	14,846.15	14,011.89	13,352.86	3,351.22	1,099.08	2,690.42	2,012.00
Director's Current Accounts	-	-	73.44	57.44	228.08	6.72	748.10	567.50	407.41	35.10
Taxation Recoverable	-	-	5,624.00	-	-	-	-	-	-	-
Property, Plant and Equipment	133,861.00	139,811.00	105,013.08	108,271.37	109,998.35	53,122.05	53,593.44	48,221.36	30,006.09	26,690.09
Deposits on Fixed Assets	-	-	-	-	-	-	-	301.00	2,431.25	979.84
Investment	2.00	2.00	2.00	2.00	2.00	2.00	2.00	7,874.90	7,874.90	7,874.90
Deferred Tax Assets	441.00	12,826.00	-	-	-	-	7,179.80	-	-	-
<b>Total Assets</b>	<b>11,797,894.00</b>	<b>11,064,949.00</b>	<b>9,720,738.69</b>	<b>14,073,696.99</b>	<b>9,379,914.09</b>	<b>8,905,082.87</b>	<b>7,798,298.92</b>	<b>3,724,040.34</b>	<b>2,188,243.85</b>	<b>1,761,601.48</b>
<b>Liabilities</b>										
Bank Overdraft	6,056.00	18,079.00	14,784.82	9,014.77	27,121.43	99,301.71	10,830.23	11,408.39	16,678.27	3,623.06
Repurchase agreements	10,829,441.00	10,247,787.00	8,623,698.73	13,025,014.60	8,622,426.39	7,840,479.11	6,984,682.36	3,373,101.77	1,982,769.09	1,563,154.18
Payables	63,900.00	81,670.00	61,613.96	31,813.98	32,201.28	268,073.01	430,733.86	92,539.27	28,106.07	65,854.70
Due to Related Companies	1,842.00	1,380.00	2,130.14	1,340.14	802.14	8,133.14	847.50	2,393.34	1,721.80	4,911.11
Taxation Payable	2,174.00	2,197.00	10,056.00	3,206.00	7,632.23	5,771.62	5,502.34	2,795.12	5,743.94	7,132.16
Deferred Tax Liabilities	45,742.00	-	110,296.92	125,582.53	49,005.07	81,286.29	1,499.00	305.00	-	-
<b>Total Liabilities</b>	<b>10,949,155.00</b>	<b>10,351,113.00</b>	<b>8,822,580.56</b>	<b>13,195,972.02</b>	<b>8,739,188.53</b>	<b>8,303,044.88</b>	<b>7,434,095.29</b>	<b>3,482,542.90</b>	<b>2,035,019.16</b>	<b>1,644,675.19</b>
<b>Shareholder's Equity</b>										
Share Capital	667,550.00	62,850.00	62,850.00	62,850.00	62,850.00	62,850.00	62,850.00	51,350.00	39,500.00	25,000.00
Treasury Shares	(9,500.00)	-	-	-	-	-	-	-	-	-
Capital Reserves	1,103.00	86,803.00	69,404.86	69,404.86	69,404.86	38,202.11	38,202.11	43,094.01	37,747.01	37,747.01
Fair Value Reserves	(49,033.00)	(94,811.00)	195,339.46	230,450.23	112,371.54	101,148.50	(4,394.00)	36,851.12	55.00	55.00
Retained Earnings	238,619.00	658,994.00	570,563.82	515,019.88	396,099.16	399,837.39	267,545.51	110,202.31	75,922.71	54,124.27
<b>Total Shareholder's Equity</b>	<b>848,739.00</b>	<b>713,836.00</b>	<b>898,158.13</b>	<b>877,724.97</b>	<b>640,725.56</b>	<b>602,038.00</b>	<b>364,203.62</b>	<b>241,497.44</b>	<b>153,224.72</b>	<b>116,926.29</b>
<b>Total Liabilities and Equity</b>	<b>11,797,894.00</b>	<b>11,064,949.00</b>	<b>9,720,738.69</b>	<b>14,073,696.99</b>	<b>9,379,914.09</b>	<b>8,905,082.87</b>	<b>7,798,298.92</b>	<b>3,724,040.34</b>	<b>2,188,243.88</b>	<b>1,761,601.48</b>

## Notes to the 10- Year Financial Performance

### a) Basis of Preparation

The 10-year financial performance for each of the years presented above represents an amalgamation of the profit and loss accounts and balance sheets for Barita Investments Limited for:

- i. The periods ended, and as at 30 September (Barita Investments Limited) and 30 June (Barita Unit Trusts Management Company) for the periods 2000 through to 2006; and
- ii. The periods ended, and as at 30 September for the years 2007 through to 2009.

No consolidated accounts were required to be prepared for those periods, as the acquisition of Barita Unit Trusts Management Company did not occur until 2009.

### b) Accounting Framework

During the 10 years covered by the financial history, the accounting standards used in the preparation of the financial statements changed from Jamaican Generally Accepted Accounting Principles (JGAAP) to International Financial Reporting Standards (IFRS). The audited accounts from which the financial performance for the years 2000 to 2003 were obtained, were prepared using JGAAP, while the financial performance for the years 2004 to 2009 were obtained from accounts prepared under IFRS. No adjustments were made to the 2000 to 2002 financial performance to facilitate conformity with IFRS.

The financial performance statistics above are not a full set of financial statements, with all the relevant disclosures, as would be required from financial statements prepared under JGAAP or IFRS. For a better understanding of the Group's and the Company's financial position and the results of operations for the periods presented, and of the scope of the related audits, the summarized financial statements should be read in conjunction with the financial statements from which the summarized financial statements were derived and the relevant audit reports thereon.

## 8. NEWLY RE-ORGANIZED BARITA INVESTMENTS LIMITED

The newly re-structured Company has six (6) Board Members, namely:

Rita Humphries-Lewin, Chairman  
 John O. Minott, Sr., Deputy Chairman  
 Carl Domville , Chairman-Audit Committee  
 Robert Anthony Jenkinson  
 George William (Paul) Cooper  
 Karl Lewin

Mr. Ian McNaughton is Secretary of the Board and also General Manager.

Other members of the Management Team include:

Sonia Owens	Trading and Investment Manager
Claudine McLeish	Operations Manager
Dianne Clunie-Wallace	Marketing and Customer Service Manager
Joseph Cools-Lartigue	Information Technology Manager
Samuel Johnson	Accounts Manager
Angelia Thomson	Human Resource Manager
Lynette James	Risk and Compliance Manager
Vanessa Lawrence-Williams	Branch Manager - Mandeville
Geneieve Harty	Branch Manager - Montego Bay

In keeping with the new Companies Act 2004, and in preparation for all the changes which a Public Offering requires, the Company converted itself into a Public Company under the Companies Act 2004, and reorganized its Authorized and Issued Share Capital.

In recognition of the responsibilities now being imposed on Corporate Governance, the Board has put in place several new initiatives, the most important of which is the “Internal Audit” management, and a General Manager whose background is in Accounting and Finance.

The Board opted to use an external audit firm to handle the function of Internal Audits as of 2007. Internal Audits are done on a quarterly basis and the Audit Committee receives a report quarterly, which covers every aspect of the Company, whether it is a manual or electronic intervention. The strength of this approach is the breadth of talent and independence which an external company brings to the internal audit function.

Members of the Audit Committee are Carl Domville, Anthony Jenkinson, and Karl Lewin, with Rita Humphries-Lewin being an ex-officio member. Carl Domville is the Chairman of this Committee to whom the Internal Auditors report directly.

The new General Manager of the Company, being with the Company for the past two years, comes with a strong Accounting and Corporate Secretarial background with locally and internationally listed companies (Goodyear Jamaica Limited and Berger Paints Jamaica Limited), and this is a deliberate move by the Company to ensure strong oversight of the marketing side of the business, which is where the risks lie.

There is a strategic move to groom younger management for the Company and to ensure that corporate governance and prudent management, the hallmark of the Company, be entrenched and continued as the Company grows. The Company is extremely proud of its the Trading, Cash and Risk Management techniques and wishes to engrain these techniques into the new management as the Company develops.

The Company has to thank its loyal staff for their hard work, especially those who have served for many years. At present the staff enjoys a profit sharing scheme with the Company. As it goes public, the Company has put in place a Staff and Directors' Share Purchase Scheme in the amount of 50 Million Ordinary Shares, effective June 2010.

## 9. APPENDICES

### APPENDIX I

#### Definitions for

#### PREFERENCE SHARES – SERIES ‘A’ & ‘B’

and

#### ORDINARY SHARES

In this Prospectus the following expressions, unless the context otherwise requires bear the following meanings:

**“Agreed Rate”** means:

- (1) with reference to the Series ‘A’ Redeemable Cumulative Variable Rate Preference Shares: a Fixed Rate for the first year and thereafter, a Variable Rate of 1.75% above the Government of Jamaica Weighted Average Six (6) Month Treasury Bill Yield.
- (2) with reference to the Series ‘B’ Convertible Cumulative Variable Rate Preference Shares: a Fixed Rate for the first year and thereafter, a Variable Rate being the Government of Jamaica Weighted Average Six (6) Month Treasury Bill Yield, or 12%, whichever is lower.

After the first year, the rates of the Series ‘A’ and Series ‘B’ Preference Shares will be fixed at the beginning of every subsequent six-month-preference-dividend period and will be based on the average Treasury Bill Rate of the Six-Month Treasury Bill issued immediately preceding the next re-set date for the Preference Dividend.

**“the Board”** means the Board of Directors of the Company

**“Business Day”** means a date not being a Saturday, Sunday nor a public holiday, when Investment Houses are opened for business in Jamaica.

**“Convertible”** as used in this Prospectus with sole reference to the Preference Shares Series “B” means that upon the Relevant Date (as hereinafter defined) the sum of \$3 per share for such Preference Shares shall be paid by the Company to the Registrar and the Registrar shall automatically without any Notice or Consent on the part of the holders of such Preference Shares Series “B” being necessary forthwith on behalf of each such holder subscribe for such amount of Ordinary Shares at the Relevant Rate and at the Relevant Price as can be acquired with the amount to which each such holder was entitled.

**“Cumulative”** means, in the event that the Company fails to pay the prescribed dividends on the appointed date, these dividends will stand in the books of the Company as a debt owing to the Shareholder, until paid.

**“Government”** means the Government of Jamaica and any Ministry, Agency, Department or Authority forming part thereof.

**“JCSD”** means Jamaica Central Securities Depository which is the Registrar, Transfer Agent and Issuing Office to this Offer.

**“Ordinary Shares”** means the permanent share capital of a company which will not be redeemed, but will be available for trading and sale through a stock exchange, in this case the Jamaica Stock Exchange

**“Preference Shares”** means that these shares rank in a preferred status to Ordinary Shares, and have a pre-determined method of paying dividends.

**“Preference Stock Units”** is the name given to units of Preference Shares after the fully paid Preference Shares have been converted into Preference Stock. At the time of maturity of the Preference Stock Units these will return to the Authorized Capital as unissued Preference Shares.

**“Redeemable”** means that the Issue bearing that designation is for a specified period of time and must be redeemed at the date designated in the description of the instrument.

**“Relevant Date”** means the date designated in 2012, as described in Appendices II and III.

**“Relevant Price”** means a sum equal to six (6) times the earnings per Ordinary Share or six dollars (\$6) per Ordinary Share whichever shall be greater.

**“Relevant Rate”** means the number of three dollars (\$3) Preference Shares Series ‘B’ held by a preference shareholder which such shareholder shall require to be used to subscribe for one Ordinary Share at the Relevant Price on the Relevant Date.

## **APPENDIX II**

### **BARITA INVESTMENTS LIMITED**

#### **Terms of Issue of**

#### **SERIES 'A' REDEEMABLE CUMULATIVE VARIABLE RATE PREFERENCE SHARES**

The above Preference Shares will confer upon the registered holders the following rights and shall be subject to the following restrictions, namely:

1. The right to a cumulative preferential dividend at the Agreed Rate per annum on the Capital for the time being paid up or credited as paid up on the Preference Shares, to be paid semi-annually, in Jamaican Dollars, in each case on the earliest possible date following declaration by the Board of Directors of the Company and processed by the JCSD engaged by the Company to attend to payments to registered holders.
2. In the event of a winding up of the Company, or other return of Capital, the right to be paid in Jamaican Dollars in priority to any payment to the holders of the Ordinary Shares in the capital of the Company the amounts paid up on the Preference Shares and any arrears or accruals of the cumulative preferential dividend on the Preference Shares Units, whether declared or earned, or not, calculated down to the date of such repayment, but to no further or other right to share in the surplus assets of the Company on a winding up.
3. The Preference Shareholders shall not have the right to vote at any General Meeting of the Company, except in the circumstances listed below:
  - a) In the event of failure to pay dividends for two consecutive payment periods, the Preference shareholders shall have the right to request the calling of a Meeting to which they will attend and have the right to vote, on the basis of one (1) vote for every three (3) Preference shares held at the closing of the Register for the last Dividend payment which was due and missed.
  - b) In the event of a winding up of the Company.
4. The Company may, without any sanction or consent of the holders of Preference Shares create and issue further preference shares, either ranking pari passu and identical in all respects and so as to form one class with the existing Preference Shares or ranking pari passu as regards priority in respect of income and/or capital but carrying a different rate of dividend or otherwise differing from the Preference Shares.
5. The Preference Shares will be issued subject to Section 62 of the Companies Act 2004 and the Company's Articles of Incorporation Section 3.
6. The Series 'A' Preference Shares are Redeemable and as such will be subject to redemption not later than three years after the issue. The following will obtain for the redemption of the issue:

- a) Notice of Redemption will be sent to each shareholder, at the appointed time of redemption. The Company shall be bound to redeem the said Preference Shares on the Redemption Date and shall pay the redemption value of \$3 per unit, together with any outstanding un-paid dividends due to the registered holder on the redemption date, along with the dividends due on redemption date. The registered holder shall be bound to deliver to the Company or the JCSD a Letter of Redemption, signed and witnessed.
- b) In the event that the Company fails to redeem the Preference Shares, then Dividends will continue to be accrued to the Shareholder, until the matter is resolved or after any Preference Shareholders Meeting is called, at which time a resolution is arrived at.
- c) In the event that the Shareholder fails to redeem the Preference Shares Dividends will cease to accrue to the Shareholder, and the proceeds of the Redemption Proceeds will be kept segregated in an "Unpaid Shareholders' Account" which shall not accrue interest.
- d) No Preference Share shall be redeemed otherwise than out of distributable profits or the proceeds of a fresh issue of preference shares made for the purpose of the redemption as permitted by the Act.
- e) No Preference Share redeemed by the Company shall be capable of re-issue and on redemption of any Preference Shares, the Directors may convert the Authorized Share Capital created, as a consequence of such redemption, into shares of any other class of share capital into which the authorized share capital of the Company is or may at that time be divided of a like nominal amount (as nearly as may be) as the shares of such class then in issue or into unclassified shares of the same nominal amount as the Preference Shares.



## **APPENDIX III**

### **BARITA INVESTMENTS LIMITED**

#### **Terms of Issue of**

#### **SERIES 'B' CONVERTIBLE CUMULATIVE VARIABLE RATE PREFERENCE SHARES**

The above Preference Shares will confer upon the registered holders the following rights and shall be subject to the following restrictions, namely:

1. The right to cumulative preferential dividend at the Agreed Rate per annum on the capital for the time being paid up or credited as paid up on the Preference shares, to be paid semi-annually, in Jamaican Dollars, in each case on the earliest possible date following declaration by the Board of Directors of the Company and processed by the JCSD engaged by the Company to attend to payments to registered holders. Series 'B' Preference Shares will be paid without the deduction of tax and for income tax purposes, will qualify for a 'NIL' rate of income tax.
2. In the event of a winding up of the Company, or other return of Capital, the right prior to December 2012, to be paid in Jamaican Dollars in priority to any payment to the holders of the Ordinary Shares in the capital of the Company the amounts paid up on the Preference Shares and any arrears or accruals of the cumulative preferential dividend on the Preference Shares, whether declared or earned, or not, calculated down to the date of such repayment, but to no further or other right to share in the surplus assets of the Company on a winding up.
3. The Preference Shareholders shall not have the right to vote at any General Meeting of the Company, except in the circumstances listed below:
  - a) In the event of failure to pay dividends for two consecutive payment periods, the Preference shareholders shall have the right to request the calling of a Meeting to which they will attend and have the right to vote, on the basis of one (1) vote for every three (3) Preference Shares held at the closing of the Register for the last Dividend payment which was due and missed.
  - b) In the event of a winding up of the Company.
4. The Company may, without any sanction or consent of the holders of Preference Shares create and issue further preference shares, either ranking pari passu and identical in all respects and so as to form one class with the existing Preference Shares or ranking pari passu as regards priority in respect of income and or capital but carrying a different rate of dividend or otherwise differing from the Preference Shares.
5. The Preference Shares is issued subject to Section 62 of the Companies Act and the Company's Articles of Incorporation Section 3.
6. The Series "B" Preference Shares are Convertible (as hereinbefore defined). The conversion into Ordinary Shares will take place prior to the third anniversary date of the close of the issue, which is expected to be November 2012.

- a) The conversion into Ordinary Shares will be effected by the Company delivering to the JCSD as Registrar the amount of three dollars (\$3) per share for such Preference Shares and JCSD as Registrar will automatically apply those funds on behalf of each holder in subscribing for Ordinary Shares in accordance with the following formula.
  - b) The conversion will be based on the Relevant Rate, and each Ordinary Share will be acquired at the Relevant Price.
7. Any change in the rights of or capital distributions to Ordinary Shareholders other than dividend payments during the life of the Convertible Preference Shares shall accrue to the Convertible Preference Shareholders and at the date of conversion these rights shall be reflected in the rate of conversion simultaneously.
8. No Preference Share redeemed by the Company shall be capable of re-issue and on redemption of any Preference Shares the Directors may convert the Authorized Share Capital created as a consequence of such redemption into shares of any other class of share capital into which the authorized share capital of the Company is or may at that time be divided of a like nominal amount (as nearly as may be) as the shares of such class then in issue or into unclassified shares of the same nominal amount as the Preference Shares.
9. The JCSD being the Registrar and Issuing Office of these Issues will be responsible for the proof of ownership, payment of dividends and transfer in and out of respective owner's name, and will execute the conversion in 2012.

**APPENDIX IV**

**BARITA INVESTMENTS LIMITED**

**Terms of Issue of**

**ORDINARY SHARES**

The offer of Ordinary shares is a combination of a New Issue of Shares as well as Existing Issued Shares being offered for sale.

**OFFER FOR SALE**

of

**200,000,000**

**Ordinary Shares as priced below**

NEW ISSUE OF SHARES	-	180,000,000
OFFER OF EXISTING SHARES	-	20,000,000
<b>The Public Offering</b>	-	<b>160,000,000 @ \$2.50</b>
<b>Reserved for Existing Clients of Barita</b>	-	<b>30,000,000 @ \$2.30</b>
<b>Reserved for Staff and Directors</b>	-	<b>10,000,000 @ \$2.25</b>

The Issue of New Ordinary Shares now being offered for sale will rank pari passu in all respects with the existing ordinary shares of the Company and accordingly will rank for dividends and other distributions hereafter declared, paid or made on the Ordinary Share Capital of the Company.

The Issue of Ordinary Shares, in this Offering, will be a combination of a New Issue of Shares as well as Sale of Shares from some or all of the existing shareholders. Ordinary Shares rank in a secondary position to the Preference Shares as this relates to profits, however, while Ordinary Shareholders rank in a secondary position, they enjoy all the surplus profits of the Company, after payment of Preference dividends. Preference shareholders do not enjoy this. Preference Shareholders' dividends are pre-determined at inception of the issue. The availability of surplus profits to Ordinary Shareholders is that which drives the movement of share prices, through gains experienced on the trading of Ordinary Shares on a stock exchange. The reverse is true for losses, when share prices fall.

Ordinary Shares are not redeemable at any time in the life of a Company, but can be disposed of through the facilities of a stock exchange or by private treaty. However, under the new Articles of Incorporation registered under the Companies Act 2004, the Company has the option of buying back its shares and removing this purchase of shares out of the "Issued" shares and returning same to the "Authorized" share capital category.

If a company makes profits, the Directors may or may not decide to declare the payment of dividends to the shareholders. This is influenced by a number of factors, amongst them being the state of the earnings of the company, the liquidity of the company and the reserves of the company.

The Ordinary Shareholders are the owners of the Company, and have the right to attend shareholders' meetings and vote on issues relating to the management of the Company.

**ORDINARY SHARE CAPITAL AFTER ISSUE**

**The Existing Shares being sold by existing Shareholders amounting to \$50 million will be paid to the respective shareholders. The new issue of 180 million shares will result in an injection of \$441.5 million into the Capital of the Company.**

Existing Shares presently in Issue	405,733,824	Ordinary Shares
New Shares to be issued	180,000,000	“ “
<b>Total Shares after the Issue</b>	<b>585,733,824</b>	<b>“ “</b>

The JCSD being the Registrar and Issuing Office of these Issues, will be responsible for the proof of ownership, payment of dividends, notices of meetings, and transfer in and out of respective owners names.

**Directors' and Employees' Allocation**

A Block of 10 Million Ordinary Shares has been reserved for subscription, as to 4 Million by Directors and as to 6 Million by Employees and will be allocated on a prorated basis. No Employee or Director is allowed to purchase shares jointly with outsiders, nor on behalf of outsiders, but may do so jointly with spouses and/or children. Directors and Employees who qualify for the Directors and Employees Reserved Block of Shares and who are also Clients of the Company, cannot qualify for the Block of Shares reserved for Clients.

**Existing Clients Reserved Block of Shares**

Shares reserved for clients will be identifiable by the Barita Clients' Account Number, established before December 1, 2009, affixed on the Application Form, as provided. Allocation of shares reserved for purchase by clients will be on a prorated basis. "Clients" for the purpose of this reserved block, relates to individuals only.

Clients purchasing shares from the Block of Shares reserved for Clients will be allowed joint ownership only with spouses and/or children. Allocation of shares will be done on a prorated basis.

Clients, staff and directors are free to purchase additional shares from the pool offered to the public.

**Reserved shares of both blocks, not taken up, will automatically be allotted to the public's pool.**

**APPENDIX V**

**PROFILE OF DIRECTORS AND MANAGERS**

**Rita Humphries-Lewin, C.D., Chairman**



Rita Humphries-Lewin is the Founder and Chairman of the Barita Group of Companies. She has been at the forefront of Jamaica’s stock broking industry for over forty years, becoming the first female Chairman of a Stock Exchange in the Caribbean. She led the Jamaica Stock Exchange (JSE) in this capacity in 1984 and again in 1995 to 2000, where she spearheaded the establishment of the Jamaica Central Securities Depository in 1998 and the development of electronic trading on the JSE in January of 2000.

**Karl Lewin, B.Sc., MBA**



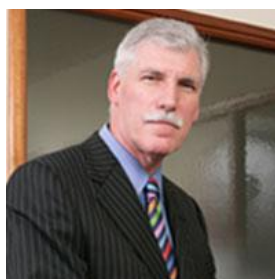
Karl Lewin has held numerous management positions in Accounting and Finance in New York and Chicago, returning to Jamaica in 1983. He served as the General Manager of Crawford Fletcher from 1984-1987 and then went on to become a Management Consultant from 1987-1990. Mr. Lewin worked with the Office of the Prime Minister from 1990-1992 as an Executive Director of the Policy Review Unit and then moved to Barita in 1992 where he was instrumental in the formation of Barita Unit Trusts Management Co. Ltd. in 1993. Mr. Lewin is a Director of RJR and Deputy Chairman of TVJ.

**Carl Domville, B.Sc. (Hons.), F.C.C.A., F.C.A.**



Carl Domville, a Chartered Accountant, is the Group Financial Controller and Treasurer of the Seprod Group of Companies. He also serves on the Boards of Radio Jamaica Limited and Golden Grove Sugar Co. Ltd.

**Anthony Jenkinson, LL.B. (Hons.), M.A., J.P.**



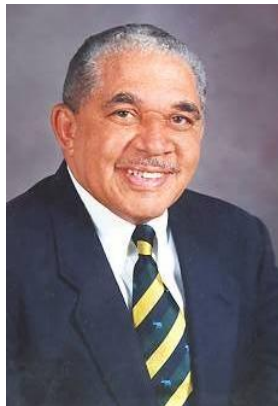
Anthony Jenkinson is the Senior Partner and Managing Partner of Nunes, Scholefield, DeLeon and Co. In addition to being an Attorney-at-Law in Jamaica, he was called to Gray’s Inn, and is a barrister-at-Law of the United Kingdom. Mr. Jenkinson’s current practice concentrates on Mergers and Acquisitions, acting for both local and overseas clients. Currently, he also serves as a Director of, among other entities, the Bermudez Group Limited (a Trinidad conglomerate), the Jamaica Biscuit Company Limited and Fleetwood Jamaica Limited. He is a former director of Colgate Palmolive (Jamaica) Limited and Goodyear (Jamaica) Limited and past president of AMCHAM Jamaica.

**Paul G.W. Cooper**



Paul Cooper is a partner of Livingston, Alexander and Levy, Attorneys-At-Law, since 1979, with over 39 years experience, practising mainly in the areas of real estate, company law, and commercial law. He was admitted to practise as an Attorney-At-Law in Jamaica in September 1970 and as a Solicitor in England in October 1980. He specializes in sales (private and public auctions), real estate developments, bankers' security documentation, building societies' loan agreements, mortgages and leases. Paul is also a member of the Jamaican Bar Association and the Law Society of England and Wales.

**John (Jackie) Minott, B.Com., C.D., J.P**



John Minott, Snr., is the Managing Director of Jamaica Standard Products Company Limited since 1972. He holds a Bachelor of Commerce degree, specializing in Marketing and Business Administration from McGill University in Montreal, Canada. Prior to 1972, he held numerous Management positions in Retail and Commerce. John sits on numerous boards and committees and is a Justice of the Peace for Manchester. In 2000, Mr. Minott was bestowed with the Order of Distinction, Commander Class (CD), for his outstanding contribution in the fields of Commerce and Export.

**Ian McNaughton, Company Secretary & General Manager, B.Sc., MBA**



Ian McNaughton has over seventeen years experience in Finance, Information Systems and Human Resource, working in major international manufacturing, sales and distribution entities. He holds a B.Sc. in Management Studies from the University of the West Indies and an MBA from Nova Southeastern University, Fort Lauderdale. Mr. McNaughton possesses extensive experience in team development and is a strong believer in leading by example.

## PROFILE OF MANAGERS

### **Sonia Owens - Manager, Trading & Investments**

Sonia Owens joined the Barita Group as a Secretary in 1984 and is now the Trading and Investments Manager. Sonia is responsible for the strategic management of interest rates, liquidity and fixed income trading. She holds a Bachelor's degree in Banking & Finance from the University of the West Indies.

### **Geneieve Harty - Manager, Montego Bay Branch**

Geneieve Harty joined the Barita the Group in August 2002 as an Account Executive and in 2005 she was promoted to the position of Manager, Montego Bay Branch. She is responsible for guiding our clients in achieving their financial goals as well as, the day to day operations of the Branch. She has over 20 years experience in the financial sector having worked in administration and investments at several of the country's leading financial institutions. Mrs. Harty holds a BSc. in Management Studies from the University of the West Indies.

### **Dorothea James - Manager, Risk & Compliance**

Dorothea James joined Barita in 1992 as the Acting Accounts and Finance Manager and has served as the Risk & Compliance Manager since 2004. She is responsible for development, implementation and monitoring of the compliance framework of Barita. Prior to joining Barita, she was a Management Consultant and Financial Analyst for many years at the now defunct Julius Edwards & Company. Mrs. James holds a BSc. in Management Studies from the University of the West Indies

### **Dianne Clunie-Wallace - Manager, Marketing & Client Services**

Dianne Clunie-Wallace has been the Marketing Manager at Barita since July 2004. In 2005 she was promoted to the position of Manager, Marketing & Client Services and is responsible for strategic marketing and brand development, as well as client relationship management. Prior to joining Barita, she was the Manager of Surrey Automotive Parts and also worked as an Account Executive at Jamaica Freight & Shipping Co. Ltd. Dianne holds a MBA from Nova Southeastern University in Florida.

### **Joseph Cools-Lartigue - Manager, Information Technology**

Joseph Cools-Lartigue joined Barita in April 2002 as a Programmer/Analyst. He is now the Information Technology Manager with responsibility for formulating, directing and implementing the technologic needs of the Company. With over 19 years experience in Information Technology, Mr. Cools-Lartigue worked with KPMG as a Consultant, prior to joining Barita. Mr. Cools-Lartigue is a graduate of the University of Technology where he pursued undergraduate studies in Computer & Management Studies.

### **Claudine McLeish - Manager, Operations**

Claudine McLeish joined Barita in 2003 as Cambio Trader and is currently the Operations Manager with responsibility for the Back Office Operations including settlement and Securities. She has over 20 years in banking, having worked at NCB and Manufacturers Sigma Merchant Bank in various positions. She holds a B.Sc. in International Relations & Politics and a MBA in Finance and Banking from Manchester Business School and a Diploma in Compliance from the International Compliance Association.

**Vanessa Lawrence-Williams - Manager, Mandeville Branch**

Vanessa Lawrence-Williams joined Barita Investments Limited in 2002 as the Manager of our Mandeville Branch. She has over 20 years experience in the financial sector having worked at various levels within the industry. She has responsibility for guiding our clients in achieving their financial goals, as well as the day to day operations of the Branch. Vanessa holds a MBA in Finance from Manchester Business School and a Certificate in Compliance from the International Compliance Association.

**Angelia Thomson - Manager, Human Resources**

Angelia Thomson joined Barita Unit Trust Management Company Limited in 2001 as an Administrative Officer and in 2005 was transferred to Barita Investments as the Human Resource Manager. She is responsible for the human resource activities and programmes of Barita, within the framework and policies of the group. She has many years of experience in the administrative field and has completed several courses in human resource management.

**Samuel Johnson - Manager, Accounting Department**

Samuel Johnson joined Barita in 2006 as a Consultant in the Accounting Department and in 2008 was appointed to the position of Manager for the Department with responsibility for directing the day-to-day financial and accounting activities of the company. Prior to joining Barita, Sam worked at J Wray & Nephew for eight years in various Management positions. He has extensive experience in accounting, having worked in the field for over 26 years.



**APPENDIX VI****RISK PROFILE & RISK MANAGEMENT**

Prospective Applicants should carefully read all the information provided in the Prospectus in respect of the Combined Public Issue and Offer for Sale including the Risk Factors below and should consult with their Investment Advisor or other professional advisor before making a decision.

The Company's risk management is currently undertaken by the Risk & Compliance Manager working with the Risk & Compliance Committee which consists of the Managers of Trading and Investment Department, Operations Department, Information Technology Department and chaired by the General Manager or the equivalent.

The ground rules set by Management in conformity with the Enterprise Risk Management Policy are:

1. Invest only in Government instruments and Instruments issued by high-net-worth Companies.
2. Foreign currency exposure must be limited to investments in Securities issued by local and foreign governments, and instruments of high-net-worth companies and speculative instruments are forbidden.
3. Margin Accounts can only be used for temporary finance cover and are not allowed to be used for speculative trading.
4. Assets purchased must be wholesome assets and not derivatives.
5. Repurchase Agreements must be backed by Instruments described in Items 1 & 2 above and cannot be collateralized by equity or equity funds.

Because the principal area of activity is in Repurchase Agreements, the risk factors itemized above become a very sensitive matter with regards to the Company's operations.

Any variation from these rules must be approved by the Risk and Compliance Committee and if necessary referred to the Board for approval.

This section should be read in conjunction with the full text of the audited financial statements for the financial year ended 30 September 2009. In particular, note 3 to the financial statements, which discusses financial risk management should be read.

As part of its credit risk management strategies, the Company's investments are mainly in liquid securities with counterparties that have high credit quality and Government of Jamaica securities. According, the Company does not expect any counterparty to fail to meet its obligations.

The Financial Services Commission (FSC) also monitors the Company's Risk profile on a monthly basis and the following statistics provided to the FSC monthly will assist in your determination of the Company's status.

	FSC's Requirements	Barita's Year-end Achievement	
Capital Adequacy	10%	2007	- 36%
		2008	- 41%
		2009	- 54%
Capital Base	50%	2007	- 93%
		2008	- 87%
		2009	- 95%

Interest Rate fluctuations and Currency movements play a pivotal role to the profitability and viability of the organization and as such research and analysis of the market trends are undertaken on a regular basis in order to be ahead of the market.

Weekly meetings are conducted in the Trading Department to analyze and review the market conditions. Weekly communications are dispatched to Investment Advisors determining the rates applicable in the market.

### Internal Audit

One additional tool which the company has employed is the use of External Auditors to perform the functions of Internal Auditors. This decision was made to ensure the following:

1. Independence of opinion and an element of surprise to avoid complacency
2. Variety of expertise available from a corporate body
3. Exclusion of staff from the programme being undertaken, other than to provide information

The Internal Auditor reports on a quarterly basis, directly to the Audit Committee Chairman who is also a non-executive Director.

### Clients and Investors Risks

Investing bears a natural risk if one wishes to generate wealth from this activity. Purchasing fixed-income instruments, especially Government instruments, bears very little risk, but, the downside to this is the erosion of capital by inflation.

Investing to make your money grow cannot be achieved without taking some risk, but this risk can be minimized if investors remain prudent and informed.

**Investing is not for the faint-hearted, and caution is always to be observed.**

## RISK FACTORS

### Source of Profits

The Company's source of profits is generated from Fixed Income Trading activity, equities trading, cambio trading, and funds management, in both local and foreign currencies. There are risks associated to all these areas from either interest rates movements, currency devaluations and revaluations, equity volatility and government and supervisory agencies policies. Research and Management of these variables are integral to the process of doing business, and pro-activity and planning assists in mitigating the harsh effects which these factors can cause.

### **Volatility in Stock Prices**

Newly issued shares, both ordinary and preference, can experience significant volatility in stock price and may extend beyond the short term and which may be dependent on the Company's performance, investors' confidence, and other factors which the Company has no control over.

### **No prior public market for Shares**

The Company has not before had shares traded publicly, and therefore there is no measure to determine the acceptance of the market place. The Offer Price is based on a price/earnings ratio, and neither the Company nor any of its advisers can predict the stock price movements after they are listed on the Jamaica Stock Exchange.

### **Issue of additional Shares**

The Directors of the Company may hereafter authorize the issue of additional ordinary and preference shares in the Company, and such shares may rank *pari passu* with the existing shares, and may be listed on any stock exchange. Additional shares so issued could affect the market price of the previously issued shares.

### **Regulatory and Legal Uncertainties**

The Company operates in a heavily regulated industry and changes in the approach by any of the Regulators or the Government or the introduction of new regulations and guidelines may affect the operations of the Company and therefore affect profitability.

### **Macro-economic Policies**

Changes in fiscal and monetary policies by the Government may affect the behaviour of capital markets. These changes in policies may create opportunities as well as challenges for the Company.

### **Sovereign Risk**

A substantial portion of the securities held by the Company for its Customers and for its own account is in debt securities issued by the Government and changes to the credit-worthiness of the Government could affect the value of such securities and hence the financial performance of the Company.

### **New Accounting Rules and Standards**

The Company may be subject to new accounting rules and standards that differ from those that are presently applicable. In view of the changes anticipated in rules by some foreign jurisdictions, it is quite possible that further and more drastic accounting standards may be set for the accounting profession with the inherent effects these may have on the reporting of profits and valuation of securities. Such changes may or may not impact the reported profitability of the Company.

### **Risks Associated with International Operations**

Changes in Exchange Rates pose the largest risk factor in dealing with international operations. In matters of investment decisions, the principles remain the same as those enunciated under the item "ground rules for investment" in the opening remarks of Risk Profile & Risk Management as it relates to risk-taking and the description of the Assets as ruled by management.

Other risks associated with International Operations are:

- International political and economic conditions
- Changes in government regulations in various countries overseas
- Trade barriers
- Adverse tax consequences and
- Costs associated with expansion into new territories.

### **Dependence on Key Personnel**

By virtue of being the founder and driving force behind Barita Investments Limited, it is quite natural for the public to perceive Barita Investments Limited as synonymous with Rita Humphries-Lewin. However, over the last 10 years, the implementation of an effective succession planning programme has ensured that highly skilled personnel are placed in the key areas of operation.

Priority has recently been made to put a General Manager in place who separates the Chairman from the staff, in preparation for being a public company. The Board has made a decision that the General Manager should be a Financial Manager rather than a Marketing Manager and this is aimed at maintaining oversight of the risks taken and a tight grip on the direction to which the Company expands itself.

Over the years the Company has had the good fortune of having several senior personnel members who have become experts in their respective fields and they are still employed to the Company.

### **Operational Risk**

This is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. This definition excludes systemic risk, legal risk and reputation risk.

This catchall category of risks includes:

- Employee errors
- Computer and manual systems failures, security failures
- Fire, floods or other losses to physical assets and
- Fraud or other criminal activity, including money laundering

The Company is satisfied that systems are in place to ensure that operational risks are minimal and that fraud or money laundering are detectable early, however, that does not say that the Company is immune from these possibilities, but endeavours to mitigate against these activities.

Off-site recovery facilities and the appointment of External Audit services for conducting internal audits will assist the Company in reducing and detecting Operational Risks.

## **APPENDIX VII**

### **REGULATORY & LICENSING FRAMEWORK**

The Company is licensed by:

The Financial Services Commission and is authorized to conduct investment businesses as defined in the Securities Act

The Bank of Jamaica for the conduct of  
Cambio Trading and  
Primary Dealership

Jamaica Stock Exchange  
For trading on the Jamaica Stock exchange and  
Regional Stock Exchanges

Barita Unit Trusts Management Company Limited (wholly owned subsidiary of the Company) is licensed by the Financial Services Commission to manage Mutual and Unit Trust Funds

#### **Jamaica Stock Exchange**

The Company was licensed by the Jamaica Stock Exchange on September 7, 1977 and continues to be a member today. The Stock Exchange approval is for trading on the “floor” of the Jamaica Stock Exchange and other stock exchanges in the Caribbean, and for conducting the business of investment advice and execution of transactions on behalf of clients.

#### **Financial Services Commission**

The Company was licensed by the Financial Services Commission, formerly the Securities Commission, in 1996 and continues to be licensed by it on an annual basis, the next date of renewal being December 1, 2009. Application has been made to the Financial Services Commission for the renewal of this Licence. While the Company cannot assume that this Licence will be renewed, the Company has no reason to believe that this Licence will not be renewed.

The Financial Services Commission is the overall Regulator which must approve any member of the investing community, regardless of the type of business pursued. In addition all trading and advisory staff of the Company are to be licensed under Form B of the Securities Act. At present 19 members of the Company’s staff are licensed Registered Dealers Representatives.

All Directors are designated Fit & Proper under the Securities Act.

#### **Bank of Jamaica**

The Company is licensed by the Bank of Jamaica for two distinct activities:

- a) The Company was appointed a Primary Dealer of the Bank of Jamaica in 1994 and, in 2009, with the introduction of Official Licences, was granted an Official Annual Licence which expires on June 30, 2010.
- b) The Company was approved as a Cambio Dealer on December 4, 1995 and is currently licensed to December 3, 2009. Application has been made to Bank of Jamaica for the renewal of the Licence. While the Company cannot assume that the Licence will be renewed, the Company has no reason to believe that this Licence will not be approved.

### **Unit Trust - Financial Services Commission**

Barita Unit Trusts Management Company Limited., a wholly owned subsidiary of the Company, is licensed by the Financial Services Commission to operate and manage Unit Trusts and Mutual Funds in Jamaica. It currently manages two funds:

- a) **Barita Capital Growth Fund** which was approved on September 14, 1992 and
- b) **Barita Money Market Fund** which was approved on December 21, 1995

## APPENDIX VIII

### STATUTORY AND GENERAL INFORMATION

#### STATUTORY INFORMATION

**Statutory Information, as required by Part 1 of the Third Schedule of the Companies Act (“the Act”)**

1. (1) The Company has no founders or management or deferred shares.
  - (2) The Company commenced business on September 7, 1977 i.e. more than two years before the issue of this Prospectus and consequently sub-paragraphs (b) and (c) of paragraph 1(1) of the Third Schedule of the Act do not apply.
  
2. No minimum amount is required to be raised out of the proceeds of the Share Issues to provide for any of the matters set out in paragraph 2 of Part 1 of the Third Schedule to the Act. The expenses in connection with this Offer, namely advertising, printing, professional and consultancy fees, brokerage fees and any miscellaneous expenses, are estimated to be \$26 Million and will be borne by the Company.
  
3. (1) a) The Application list will open at 9.00 am on December 7, 2009 and will close at 4.30 pm on December 15, 2009, subject to the Company’s right to close the application list at any time if applications have been received for an amount in excess of the offer of shares or to extend the closing date beyond December 15, 2009.
  
- b) All applicants will be required to pay in full on application as follows:
  - i) The Offer price of \$3.00 per share for the Series ‘A’ Redeemable Cumulative Variable Rate Preference Shares and \$3.00 per share for the Series ‘B’ Cumulative Variable Rate Convertible Preference Shares,
  - ii) The Offer price of \$2.50 per share for the Ordinary Shares in the block of shares being offered to the Public,
  - iii) The Offer Price of \$2.30per share for the Ordinary Shares reserved for Clients,
  - iv) The Offer Price of \$2.25 per share for the Ordinary Shares Reserved for the staff and directors, and
  - v) Applicants will be required to pay \$100 per application for JCSD Registration Fee.

No further sums will be required to be paid on allotment.

- (2) No previous offer of Shares in the Company has been made to the public.
4. No person has been or is entitled to be given any option to subscribe for any Shares in or debentures of the Company except that there is a resolution recommended by a Directors' Meeting and approved in an Extraordinary General Meeting for the adoption of a Staff and Directors Share Purchase Scheme in the amount of 50 Million Ordinary Shares. The basis of the allotment will be by Seniority, Salary Scale, and Longevity to be weighted on a 33 -1/3% basis for each category and will be priced by using an 80% of the average price/earnings ratio of the market with a lower limit of six (6) times earnings.
5. a) As at September 30, 2009, the Company held the following investment as reflected in the Company's Consolidated Accounts.
- |   | <u>\$ Million</u> |
|---|-------------------|
| (i) Fixed Income Investments                              | \$11,094          |
| (ii) Quoted Investments (other than trade investments)    | \$ 124            |
| (iii) Unquoted Investments (other than trade investments) | \$ 41             |
- b) There is no amount of goodwill, patent or trade marks shown in the Financial Statements of the Company and there is no contract for sale and purchase which would involve any goodwill, patent or trade marks.
- c) The Company has no outstanding long term loans or mortgages and has no immediate plans to incur such debts. The Company carries overdraft facilities with two commercial banks and the Bank of Jamaica's RTGS System (a Clearing House facility) for the purpose of providing temporary coverage on a daily basis. At September 30, 2009, overdraft at the two commercial banks was \$6M and the Bank of Jamaica was nil. The Company has no Margin Accounts.
- d) The Company has no dividend policy for distribution on Ordinary Shares. The Preference Shareholders are entitled to earn Dividends as described in Appendices I, II and III.
6. No property has been or is proposed to be purchased or acquired by the Company, which is to be paid for wholly or partly out of the proceeds of this Offer, and accordingly, paragraph 6 of Part 1 of the Third Schedule of the Act does not apply.
7. For the reason stated in paragraph 6 above, paragraph 7 of Part 1 of the Third Schedule to the Act does not apply.
8. For the reason stated in paragraph 6 above, paragraph 8 of Part 1 of the Third Schedule to the Act does not apply.
9. For the reason stated in paragraph 6 above, paragraph 9 of Part 1 of the Third Schedule of the Act does not apply.
10. Within the two preceding years no commissions have been paid, nor will any be payable to anyone for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures of the Company. In this Offer, commission will be paid by the Company to stockbrokers and Barita's staff at the rate of 0.25% of the Offer Price of each share allocated based on applications (other than Customers' applications), through any of the stockbrokers or the selling agents.



- b) The total expenses of the Offer is estimated at \$26M and will be payable among the following persons namely: (i) daily newspapers and local media houses for announcing the Offer (ii) PricewaterhouseCoopers for accounting services, (iii) Nunes, Scholefield, Deleon & Co. for legal services and (iv) Waterworks Limited for corporate communication services and (v) MAPCO for printing.
  - (c) Within the last two years preceding the date of this Prospectus no amount of benefit has been paid or given or is intended to be paid or given to any promoter.
11. No material contracts other than contracts in the ordinary course of business have been entered into by the Company within the two (2) years immediately preceding the date of this Prospectus.
  12. The name and address of the auditors of the Company are:
 

<p>PricewaterhouseCoopers Scotia Bank Centre Duke Street Kingston</p>	<p>External Auditors</p>
<p>Ernst &amp; Young 8 Olivier Road Kingston 8</p>	<p>Internal Auditors</p>
  13. This Prospectus is issued more than two years after the date on which the Company was entitled to commence and actually commenced business. For this reason paragraph 13 of Part 1 of the Third Schedule to the Act does not apply.
  14. The authorized share capital of the Company consists of Preference Shares and Ordinary shares. Prior to this Offer the only issued shares were Ordinary Shares. After the Offer there will be three classes of Shares namely:

Series 'A' Redeemable Cumulative Variable Rate Preference Shares  
 Series 'B' Convertible Cumulative Variable Rate Preference Shares  
 Ordinary Shares

The Series 'A' and Series 'B' Preference Shares rank in preference to the Ordinary Shares in respect of capital and dividends. The Ordinary Shareholders are the only shareholders allowed to vote in any general meeting, other than the rights given to Preference Shareholders under circumstance as set out in the Appendices of this Prospectus. On voting in a general meeting by show of hands, every ordinary shareholder present in person has one vote but on a poll every shareholder present in person or by proxy has one vote for every Share held by him. (See Article 62).

## GENERAL INFORMATION

### 1. Articles of Incorporation

On January 5, 2009 the Company converted from a private company to a public company, and adopted new Articles of Incorporation and filed a Statement in Lieu of Prospectus with the Registrar of Companies.

The Articles of Incorporation provides that the Core Businesses of the Company are Stockbrokers, Securities Dealers, Cambio Operators and Funds Management.

a) **Dividends**

Subject to the right of the Preference Shareholders, the ordinary shareholders are entitled to the profits of the Company available for dividend and resolved to be distributed, in proportion to the number of Shares held by them and the amount paid up thereon. No dividend may be declared unless recommended by the Directors. The Directors may pay interim dividends.

b) **Conversion of Shares to Stock**

The company is authorized by ordinary resolution to convert Shares to Stock.

c) **Power to Issue Shares of Different Classes**

The Company may issue shares with “such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of capital, transfer or transmission, or otherwise as the Company may from time to time by ordinary resolution determine”.

“Subject to the provisions of Sections 56, 57 and 62 of the Act 2004, any share and any preference share may, with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed on such terms and in such manner as the Company before the issue of the shares may by ordinary resolution determine.”

d) **Power to Purchase its own Shares**

The Company has the power, subject to the provisions of the Companies Act 2004, to exercise to the fullest extent, the powers granted by section 58, 59 and 70 of the Act, to purchase or otherwise deal in its own Shares. The Company may, to the extent permitted by law give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Shares in the Company or in its holding company (if any) and the Company may, to the extent permitted by law, make a loan for any purpose whatsoever on the security of its Shares or those of its holding company (if any).

e) **Directors' Indemnity**

To the fullest extent permitted by section 201, 202 and 203 of the Companies Act 2004, every Director or other officer of the Company or their respective legal representatives is entitled to be indemnified out of the assets of the Company against all costs, charges, expenses, awards of damages, losses or liabilities which he may sustain or incur:

- (i) in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a Director or officer of the Company;
- (ii) in connection with any derivative action;
- (iii) in connection with any application under section 389 of the Act in a case where relief is granted by the Court in an action against a Director, who though liable in negligence or breach of duty, acted honestly.

f) **Directors' & Officers' Liability Insurance**

The Directors are authorized to effect and maintain at the cost of the Company such Directors' & Officers' Liability insurance as is permitted by section 204 of the Companies Act.

g) **Directors Interest in Contracts**

If a Director is in any way directly or indirectly interested in a contract or proposed contract with the Company, he must disclose the nature and extent of his interest in writing and shall not be present during any Board meeting at which the contract is considered for approval and cannot be counted in the quorum. There are limited exceptions to this requirement.

2. **Litigation**

The Company has no outstanding matter under litigation.

3. **Taxation**

Under current legislation, the Company's taxable profits are subject to tax at the rate of 33-1/3%. If the Company's shares are listed on the Jamaica Stock Exchange ("JSE"), as anticipated, then dividends paid on ordinary shares will be tax-free in the hands of the recipient, but in the case of Preference shares, while the dividends will be paid without the deduction of tax at source, shareholders should consult their tax advisors on the treatment thereafter.

In the case of the "Convertible Cumulative Variable Rate Series 'B'", dividends paid to shareholders will be at a NIL RATE OF INCOME TAX. Under letter from the Ministry of Finance, dated November 13, 2009, copy of which is available under "Documents Available for Inspection" in Appendix IX, the formula is set out for the qualification for NIL RATE OF INCOME TAX.

The transfer of both ordinary and preference shares, if conducted through the JSE is exempt from both transfer tax and stamp duty. If the shares are transferred outside of the JSE then transfer tax and stamp duty are liable to be paid.

4. **Underwriting**

The combined Issue and Offer for Sale is not underwritten.

5. **Changes in Financial or Trading Position**

There has been no significant change in the financial or trading position of the Company since September 30, 2009, the date of the audited financial statements included herein.

6. **Insurance**

The Directors are of the opinion that the Company carries reasonable insurance cover, apart from Property Insurance. The Company carries Stockbrokers Crime, Errors and Omission Insurance as well as Directors and Officers Liability Insurance.

**7. Pensions**

The Company operates a defined contribution pension scheme, which is compulsory, and under which it contributes, in respect of each participating employee, a fixed contribution of 5% and the option to match the employees' contributions of up to a maximum of 10% of their salary. The Company bears no risk of under funding and the scheme is approved by the Commissioner of Income Tax. The Scheme was approved by the Financial Services Commission on June 30, 2009.

**8. Consents**

The following Auditors and the JCSD have given and have not withdrawn their consents to the Issue of this Prospectus with the inclusion therein of their reports (where applicable) and the references to their names in the form and context in which they are included

PricewaterhouseCoopers  
Scotia Centre, Duke Street  
Kingston

External Auditors to the  
Company

Ernst & Young  
8 Olivier Road  
Kingston 8

Internal Auditors to the  
Company

Jamaica Central Securities Depository Limited  
40 Harbour Street  
Kingston

Registrar, Transfer Agent,  
and Receiving & Issuing  
Office

## **APPENDIX IX**

### **DOCUMENTS AVAILABLE FOR INSPECTION**

From the date of Publication of this Prospectus, the following documents will be available for inspection on any weekday (Saturdays, Sundays and public holidays excepted) during the hours of 9.00 a.m. and 4.00 p.m. at the offices of the Company at 15 St. Lucia Way, Kingston 5.

- a) Articles of Incorporation
- b) Written consent of the Auditors, PricewaterhouseCoopers and Ernst & Young
- c) Audited Financial Statements for the last five years
- d) Securities Dealers Licence from the Financial Services Commission
- e) Cambio Licence from the Bank of Jamaica
- f) Primary Dealers Licence from Bank of Jamaica
- g) Trust Deeds of the Barita Money Market Fund & the Capital Growth Fund
- h) Letter from Ministry of Finance re Treatment of Preference Dividends

## **APPENDIX X**

### **MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION**

Founded in 1977 by **Rita Humphries-Lewin**, Barita Investments Limited has the distinction of being the oldest stock broking company in Jamaica. Over the past 32 years, the Company has built a solid reputation for excellence in the areas of Equities Trading, Fixed Income Securities, Foreign Currency Trading, Asset Management and Investment Research. The Company is licensed by the Financial Services Commission, is a member of the Jamaica Stock Exchange, and a Primary Dealer and Cambio Dealer for the Bank of Jamaica.

Since its incorporation, Barita gave rise to two more companies: **Barita Unit Trusts Management Company Limited** and **Barita Portfolio Management Limited**.

In April 2008 Barita Portfolio Management Limited separated from the Barita Group of companies and changed its name to BPM Financial Limited, an independent company which is no longer associated with Barita. This separation was completed in April 2009.

In April 2009 Barita Investments Limited acquired the issued share capital of Barita Unit Trust Management Company Limited, making Barita Unit Trust a wholly owned subsidiary of Barita Investments Limited.

Barita continues to experience a growth in demand for its products and services. Along with the Company's Head Office in New Kingston, and branches located in Mandeville and Montego Bay, the Company remains committed to serving its customers island-wide, with a dedicated team of over seventy (70) professionals.

Since its inception in 1977 Barita has grown steadily with yearly increases in profits. This continuous growth performance has been achieved without debt or capital infusions and totally from internally generated cash flows.

The financial year 2009 ended with consolidated pre tax profits of J\$127 million, a 15% increase over prior year. Total revenue of J\$1.9B increased by 40% compared to prior year. While net interest income fell by 15% non interest income revenue increased by 20% compared to financial year 2008.

Successful cost management strategies have resulted total operating expenses increasing by 1% over prior year. This is especially significant in light of the fact that inflation was 7% over the same period.

As Barita strives to perpetuate a culture of sustainable growth, continued emphasis will be placed on sustainable revenue growth and diversification coupled with strategies to manage costs and improve operating efficiencies. Improvements in the operating efficiencies will be driven by strategic changes in the information technology platform.

**APPENDIX XI**

**AUDITED ACCOUNTS FOR 2009-PRICEWATERHOUSECOOPERS**

**Barita Investments Limited**

**Financial Statements  
30 September 2009**



# Barita Investments Limited

Index

30 September 2009

---

Page

## Independent Auditors' Report to the Members

### Financial Statements

Consolidated profit and loss account	1
Consolidated balance sheet	2
Consolidated statement of changes in shareholders' equity	3
Consolidated statement of cash flows	4
Company profit and loss account	5
Company balance sheet	6
Company statement of changes in shareholders' equity	7
Company statement of cash flows	8
Notes to the financial statements	9 – 55

# Barita Investments Limited

## Consolidated Profit and Loss Account

Year ended 30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2009 \$'000	2008 \$'000
<b>Net Interest Income and Other Revenue</b>			
Interest income		1,712,835	1,189,474
Interest expense		<u>(1,555,970)</u>	<u>(1,006,995)</u>
Net interest income		156,865	182,479
Fees and commission income		54,052	64,451
Dividend income		26,635	4,080
Foreign exchange trading and translation gains		144,150	39,136
Gain on sale of investments		50,157	121,589
Other		<u>2,164</u>	<u>2,236</u>
Net operating revenue		<u>434,023</u>	<u>413,971</u>
<b>Operating Expenses</b>			
Staff costs	7	(175,809)	(158,457)
Administration		<u>(131,194)</u>	<u>(145,227)</u>
	6	<u>(307,003)</u>	<u>(303,684)</u>
<b>Profit before Taxation</b>		127,020	110,287
Taxation	8	<u>(28,395)</u>	<u>(21,857)</u>
<b>NET PROFIT</b>		<u>98,625</u>	<u>88,430</u>
<b>Earnings Per Share</b>			
	13	<u>\$0.24</u>	<u>\$0.22</u>

# Barita Investments Limited


## Consolidated Balance Sheet

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2009 \$'000	2008 \$'000
<b>ASSETS</b>			
Cash and bank balances	9	62,486	74,700
Securities purchased under resale agreements	10	3,420,663	3,512,450
Marketable securities	11	7,815,190	6,789,387
Receivables	12	321,374	347,266
Loans receivable		39,495	174,719
Due from related parties	14	4,382	13,788
Property, plant and equipment	15	133,861	139,811
Investments	16	2	2
Deferred tax assets	18	441	12,826
<b>Total assets</b>		<u>11,797,894</u>	<u>11,064,949</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Liabilities</b>			
Bank overdraft	9	6,056	18,079
Securities sold under repurchase agreements		10,829,441	10,247,787
Payables	19	63,900	81,670
Due to related parties	14	1,842	1,380
Taxation		2,174	2,197
Deferred tax liabilities	18	45,742	-
<b>Total liabilities</b>		<u>10,949,155</u>	<u>10,351,113</u>
<b>Shareholders' Equity</b>			
Stated capital	20	667,550	62,850
Treasury shares	20	(9,500)	-
Capital reserve	21	1,103	86,803
Fair value reserve	22	(49,033)	(94,811)
Retained earnings		238,619	658,994
<b>Total shareholders' equity</b>		<u>848,739</u>	<u>713,836</u>
<b>Total liabilities and shareholders' equity</b>		<u>11,797,894</u>	<u>11,064,949</u>

Approved for issue by the Board of Directors on 27 November 2009 and signed on its behalf by:

  
Rita Humphries-Lewin

  
Carl Delroy Domville

# Barita Investments Limited

## Consolidated Statement of Changes in Shareholders' Equity

Year ended 30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Stated Capital \$'000	Treasury Shares \$'000	Capital Reserve \$'000	Fair Value Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 September 2007		62,850	-	69,405	195,340	570,564	898,159
Net income/(losses) recognised directly in equity:							
Unrealised losses on available-for-sale investments, net of taxes		-	-	-	(168,562)	-	(168,562)
Gains recycled to the profit and loss account on disposal and maturity of available-for-sale investments		-	-	-	(121,589)	-	(121,589)
Revaluation surplus, net of taxes		-	-	17,398	-	-	17,398
		-	-	17,398	(290,151)	-	(272,753)
Net profit		-	-	-	-	88,430	88,430
Total recognised income/(losses) for 2008		-	-	17,398	(290,151)	88,430	(184,323)
<b>Balance at 30 September 2008</b>		62,850	-	86,803	(94,811)	658,994	713,836
Net income/(losses) recognised directly in equity:							
Unrealised gains on available-for-sale investments, net of taxes		-	-	-	95,935	-	95,935
Gains recycled to the profit and loss account on disposal and maturity of available-for-sale investments		-	-	-	(50,157)	-	(50,157)
		-	-	-	45,778	-	45,778
Net profit		-	-	-	-	98,625	98,625
Total recognised income for 2009		-	-	-	45,778	98,625	144,403
Issue of ordinary shares	20	85,700	-	(85,700)	-	-	-
Issue of bonus shares	20	519,000	-	-	-	(519,000)	-
Purchase of treasury shares	20	-	(9,500)	-	-	-	(9,500)
<b>Balance at 30 September 2009</b>		667,550	(9,500)	1,103	(49,033)	238,619	848,739

# Barita Investments Limited

## Consolidated Statement of Cash Flows

Year ended 30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2009 \$'000	2008 \$'000
<b>Cash Flows from Operating Activities</b>			
Net profit		98,625	88,430
Adjusted for:			
Depreciation	15	15,022	13,319
Effect of exchange gain on foreign balances		(107,143)	(20,596)
Interest income		(1,712,835)	(1,189,474)
Interest expense		1,555,970	1,006,995
Income tax expense	8	28,395	21,857
Gain on the disposal of property, plant and equipment		(311)	(2,001)
		<u>(122,277)</u>	<u>(81,470)</u>
Changes in operating assets and liabilities:			
Marketable securities		(366,289)	150,320
Securities purchased under resale agreements		186,416	(1,500,812)
Securities sold under repurchase agreements		46,795	1,485,170
Receivables		25,892	(17,470)
Loans receivable		135,224	(140,032)
Payables		(17,770)	19,993
Due from related companies		368	3,611
		<u>(111,641)</u>	<u>(80,691)</u>
Interest received		1,551,950	1,065,120
Interest paid		(1,431,162)	(927,895)
Income tax paid		(2,463)	(12,253)
Cash provided by operating activities		<u>6,684</u>	<u>44,281</u>
<b>Cash Flows from Investing Activities</b>			
Proceeds from the disposal of property, plant and equipment		1,670	2,001
Purchase of property, plant and equipment	15	(10,431)	(22,020)
Cash used in investing activities		<u>(8,761)</u>	<u>(20,019)</u>
Effect of exchange rate on cash and cash equivalents		1,886	122
(Decrease)/increase in net cash and cash equivalents		(191)	24,384
Net cash and cash equivalents at beginning of year		56,621	32,237
<b>NET CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	9	<u><u>56,430</u></u>	<u><u>56,621</u></u>

# Barita Investments Limited

Company Profit and Loss Account

Year ended 30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2009 \$'000	2008 \$'000
<b>Net Interest Income and Other Revenue</b>			
Interest income		1,709,141	1,182,717
Interest expense		<u>(1,556,813)</u>	<u>(1,007,919)</u>
Net interest income		152,328	174,798
Fees and commission income		21,380	28,784
Dividend income		26,635	4,080
Foreign exchange trading and translation gains		144,150	39,136
Gain on sale of investments		50,157	121,589
Other		<u>2,568</u>	<u>2,640</u>
Net operating revenue		<u>397,218</u>	<u>371,027</u>
<b>Operating Expenses</b>			
Staff costs	7	(158,129)	(141,718)
Administration		<u>(118,059)</u>	<u>(132,060)</u>
	6	<u>(276,188)</u>	<u>(273,778)</u>
<b>Profit before Taxation</b>		121,030	97,249
Taxation	8	<u>(26,466)</u>	<u>(17,627)</u>
<b>NET PROFIT</b>		<u>94,564</u>	<u>79,622</u>

# Barita Investments Limited


Company Balance Sheet

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2009 \$'000	2008 \$'000
<b>ASSETS</b>			
Cash and bank balances	9	55,523	43,041
Securities purchased under resale agreements	10	3,420,289	3,512,373
Marketable securities	11	7,755,368	6,759,333
Receivables	12	309,127	332,242
Loans receivable		39,495	174,719
Due from related parties	14	952	10,277
Property, plant and equipment	15	129,985	135,658
Investment	16	2	2
Investment in subsidiary	17	85,700	-
Deferred tax assets	18	-	12,722
<b>Total assets</b>		<u>11,796,441</u>	<u>10,980,367</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Liabilities</b>			
Bank overdraft	9	6,056	18,079
Securities sold under repurchase agreements		10,851,978	10,259,675
Payables	19	52,874	79,008
Due to related parties	14	632	565
Deferred tax liabilities	18	45,742	-
<b>Total liabilities</b>		<u>10,957,282</u>	<u>10,357,327</u>
<b>Shareholders' Equity</b>			
Stated capital	20	667,550	62,850
Treasury shares	20	(9,500)	-
Capital reserve	21	62,958	62,958
Fair value reserve	22	(49,601)	(94,956)
Retained earnings		167,752	592,188
<b>Total shareholders' equity</b>		<u>839,159</u>	<u>623,040</u>
<b>Total liabilities and shareholders' equity</b>		<u>11,796,441</u>	<u>10,980,367</u>

Approved for issue by the Board of Directors on 27 November 2009 and signed on its behalf by:

  
Rita Humphries-Lewin

  
Carl Delroy Domville

# Barita Investments Limited

## Company Statement of Changes in Shareholders' Equity

Year ended 30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Stated Capital \$'000	Treasury Shares \$'000	Capital Reserve \$'000	Fair value Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 September 2007		62,850	-	45,560	195,039	512,566	816,015
Net income/(losses) recognised directly in equity:			-				
Unrealised losses on available-for-sale investments, net of taxes		-	-	-	(168,406)	-	(168,406)
Gains recycled to the profit and loss account on disposal and maturity of available-for-sale investments		-	-	-	(121,589)	-	(121,589)
Revaluation surplus, net of taxes		-	-	17,398	-	-	17,398
		-	-	17,398	(289,995)	-	(275,597)
Net profit		-	-	-	-	79,622	79,622
Total recognised income/(losses) for 2008		-	-	17,398	(289,995)	79,622	(192,975)
<b>Balance at 30 September 2008</b>		62,850	-	62,958	(94,956)	592,188	623,040
Net income/(losses) recognised directly in equity:							
Unrealised gains on available-for-sale investments, net of taxes		-	-	-	95,512	-	95,512
Gains recycled to the profit and loss account on disposal and maturity of available-for-sale investments		-	-	-	(50,157)	-	(50,157)
		-	-	-	45,355	-	45,355
Net profit		-	-	-	-	94,564	94,564
Total recognised income for 2009		-	-	-	45,355	94,564	139,919
Issue of ordinary shares	20	85,700	-	-	-	-	85,700
Issue of bonus shares	20	519,000	-	-	-	(519,000)	-
Purchase of treasury shares	20	-	(9,500)	-	-	-	(9,500)
<b>Balance at 30 September 2009</b>		667,550	(9,500)	62,958	(49,601)	167,752	839,159



# Barita Investments Limited

## Company Statement of Cash Flows

Year ended 30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2009 \$'000	2008 \$'000
<b>Cash Flows from Operating Activities</b>			
Net profit		94,564	79,622
Adjusted for:			
Depreciation	15	14,027	12,715
Effect of exchange gain on foreign balances		(107,143)	(20,066)
Interest income		(1,709,141)	(1,182,717)
Interest expense		1,556,813	1,007,919
Income tax expense	8	26,466	17,627
Gain on the disposal of property, plant and equipment		(311)	(2,001)
		<u>(124,725)</u>	<u>(86,901)</u>
Changes in operating assets and liabilities:			
Marketable securities		(579,873)	654
Securities purchased under resale agreements		429,053	(1,407,657)
Securities sold under repurchase agreements		57,444	1,506,688
Receivables		23,115	(24,597)
Loans receivable		135,224	(140,032)
Payables		(26,134)	21,622
Due from related companies		(108)	735
		<u>(86,004)</u>	<u>(129,488)</u>
Interest received		1,548,671	1,068,471
Interest paid		<u>(1,432,005)</u>	<u>(928,820)</u>
Cash provided by operating activities		<u>30,662</u>	<u>10,163</u>
<b>Cash Flows from Investing Activities</b>			
Proceeds from the disposal of property, plant and equipment		1,670	2,001
Purchase of property, plant and equipment	15	<u>(9,713)</u>	<u>(18,082)</u>
Cash used in investing activities		<u>(8,043)</u>	<u>(16,081)</u>
Effect of exchange rate on cash and cash equivalents		<u>1,886</u>	<u>119</u>
Increase/(decrease) in net cash and cash equivalents		24,505	(5,799)
Net cash and cash equivalents at beginning of year		<u>24,962</u>	<u>30,761</u>
<b>NET CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	9	<u><u>49,467</u></u>	<u><u>24,962</u></u>

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

---

## 1. Identification, Regulation and Licence

Barita Investments Limited (Barita, the company) is a limited liability company incorporated and resident in Jamaica, with its registered office at 15 St. Lucia Way, Kingston 5.

The company is a licensed securities dealer and has primary dealer status from the Bank of Jamaica (BoJ). It is licensed under the Securities Act and regulated by the Financial Services Commission (FSC).

On 1 April 2009 the company acquired 100% of the issued share capital of Barita Unit Trusts Management Company Limited (BUTM) by way of a share exchange, thus resulting in it becoming a wholly owned subsidiary, as detailed in Notes 17 and 20.

The principal activities of the company and its subsidiary (collectively referred to as "the Group") are stock broking, money market activities, securities broking, operating a foreign exchange cambio and funds management.

## 2. Significant Accounting Policies

### (a) Basis of preparation

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) and have been prepared under the historical cost convention as modified by the revaluation of available-for-sale investment securities, and certain items of property, plant and equipment.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results could differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant for the financial statements are disclosed in Note 4.

### ***Interpretations and amendments to published accounting standards effective in the current financial year***

Certain amendments and interpretations to existing standards have been published that became effective during the current financial period. The Group has assessed the relevance of all such new interpretations and amendments and has concluded that none is relevant to its operations.

### ***Standards, interpretations and amendments to published accounting standards that are not effective in the current financial year***

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which were not effective at the balance sheet date, one of which the Group has early adopted as noted below.

*Standard early adopted by the Group:*

**IFRS 8, Operating Segments** (effective for annual periods beginning on or after 1 January 2009) Replaces IAS 14, "Segment reporting", and requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. Segment information has been presented in Note 5 and did not result in any adjustment to opening retained earnings.

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

---

## 2. Significant Accounting Policies (Continued)

### (a) Basis of preparation (continued)

#### ***Standards, interpretations and amendments to published accounting standards that are not effective in the current financial year (continued)***

The Group has assessed the relevance of all other new standards, interpretations and amendments, has determined that the following may be relevant to its operations, and has concluded as follows:

- **IAS 23 (Amendment), 'Borrowing costs'** (effective for annual periods beginning on or after 1 January 2009). The amendment to IAS 23 requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group will apply IAS 23 (Amended) from 1 October 2009 but is currently not applicable to the Group as there are no qualifying assets.
- **IAS 27 (Revised), Consolidated and Separate Financial Statements** (effective for annual periods beginning on or after 1 July 2009). The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control. These transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group will apply IAS 27 from 1 October 2009.
- **IFRS 3 (Revised), Business Combinations** (effective for business combinations occurring in annual periods beginning on or after 1 July 2009). The revised standard continues to apply the acquisition method of accounting for business combinations, with some significant changes. It requires that all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the profit and loss account. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group will apply IFRS 3 (Revised) from 1 October 2009.
- **IAS 1, Presentation of Financial Statements (Revised)** (effective for annual periods beginning on or after 1 January 2009). The main objective in revising IAS 1 was to aggregate information in the financial statements on the basis of shared characteristics. IAS 1 will affect the presentation of owner changes in equity and of comprehensive income. It will not change the recognition, measurement or disclosure of specific transactions and other events required by other IFRS. IAS 1 will require an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) will be required to be presented in one statement of comprehensive income or in two statements (a separate profit and loss account and a statement of comprehensive income). Components of comprehensive income will not be permitted to be presented in the statement of changes in equity. The Group will apply IAS 1 (Revised) from 1 October 2009. Management will comply and will present non-owner changes in equity using two statements.

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

---

## 2. Significant Accounting Policies (Continued)

### (b) Basis of consolidation

Subsidiaries, which are those entities in which the Group has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies, are consolidated.

#### (i) *Acquisitions from third parties*

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of the cost over the fair value of net assets acquired is recorded as goodwill.

#### (ii) *Acquisitions involving entities under common control*

The predecessor method of accounting is used to account for acquisitions involving entities under common control, as such acquisitions are outside of the scope of IFRS 3. Under the predecessor method of accounting, the acquiring entity consolidates the results and net assets of the acquired entity either from the date of acquisition, or as if the acquisition had always taken place, and the current structure had always been in existence. In electing to utilise the latter option, the prior year's comparatives are restated.

In applying the predecessor method, the purchase consideration for the acquisition is eliminated against the book value of net assets acquired (adjusted for inconsistencies in accounting policies) with any resulting difference being dealt with as an adjustment to equity. There is no goodwill created, nor is there any negative goodwill recognised.

The Group has elected to treat all such acquisitions as if the acquisition had taken place in previous years.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. The accounting policies of the subsidiary are consistent with those adopted by the Group.

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

---

## 2. Significant Accounting Policies (Continued)

### (c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

### (d) Foreign currency translation

#### *Functional and presentation currency*

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates. The financial statements are presented in Jamaican dollars, which is the company's functional and the Group's presentation currency.

#### *Translations and balances*

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in the profit and or loss account, and other changes in the carrying amount are recognised in shareholders' equity.

Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in shareholders' equity.

### (e) Financial instruments

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

#### **Financial assets**

The Group classifies its financial assets in the following categories: loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recorded at cost, which is the cash given to originate the debt including any transaction costs and subsequently measured at amortised cost using the effective interest method. Loans and receivables on the balance sheet include securities purchased under resale agreements, receivables, loans receivable, due from related companies and marketable securities.

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

---

## 2. Significant Accounting Policies (Continued)

### (e) Financial instruments (continued)

#### *Loans and receivables (continued)*

Financial assets classified as loans and receivables either meet the definition of loans and receivables at the date of acquisition, or at the date of reclassification from another category (fair value through profit or loss or available-for-sale), under the provisions of IAS 39 (Amendment). Financial assets which have been reclassified to this category, meet the definition of loans and receivables as a result of the market for these securities having become inactive.

The Group has elected to reclassify all financial assets reclassified to loans and receivables, to available-for-sale, once the markets for these securities become active again.

#### *Available-for-sale*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any other categories.

Purchases and sales of investments are recognised on the settlement date – the date on which an asset is delivered to or by the Group. Amounts recognised, inclusive of transaction costs, are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of investments classified as available-for-sale are recognized in the fair value reserve.

Financial assets are assessed at each balance sheet date for objective evidence of impairment. A financial asset is considered impaired if its carrying amount exceeds its estimated recoverable amount. The amount of the impairment loss for assets carried at amortised cost is calculated as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the original effective interest rate. The recoverable amount for debt instruments carried at fair value is the present value of expected future cash flows discounted at the current market interest rate for a similar financial asset. If in a subsequent period, the impairment loss for debt securities carried at amortised cost or fair value decreases and that decrease can be related objectively to an event occurring after the impairment, the reversal of the impairment is recorded in the profit and loss account.

In the case of equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value below cost is considered an indicator of impairment. Significant or prolonged are assessed based on market conditions and other indicators. If any such evidence exists for equity instruments, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment losses previously recognised in the profit and loss account, is removed from equity and recognised in the profit and loss account. Impairment losses recognised on the equity instruments are not reversed through the profit and loss account.

#### **Financial liabilities**

The Group's financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest method.

### (f) Interest income and expense

Interest income and expense are recognised in the profit and loss account for all interest bearing instruments on an accrual basis using the effective interest method. Interest income includes coupons earned on fixed income investments and accrued discounts or premiums on treasury bills and other discounted instruments.

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

---

## 2. Significant Accounting Policies (Continued)

### (g) Fees and commission income

Fees and commission income are recognised on an accrual basis when the service has been provided. Commission and fees arising from negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction.

### (h) Dividend income

Dividends are recognised when the right to receive payments is established.

### (i) Gain or loss on sale of investment

Gain or loss on the disposal or maturity of investments, is determined by comparing sale proceeds with the carrying amount of the investment. The amount is recognised in the profit and loss account.

When the securities are disposed of, the related accumulated unrealised gains or losses included in shareholders' equity are transferred to the profit and loss account.

### (j) Income taxes

Taxation expense in the profit and loss account comprises current and deferred income taxes.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible.

Deferred income tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred income 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.

Deferred income tax is charged or credited in the profit and loss account, except where it relates to items charged or credited to equity, in which case, deferred tax is also dealt with in equity.

### (k) Property, plant and equipment

All property, plant and equipment are initially recorded at cost. Land and buildings are subsequently shown at market valuation based on triennial valuations by external independent valuers, less subsequent depreciation of buildings. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment.

Depreciation is calculated on the straight-line basis at annual rates to write off the carrying value of each asset over the period of its useful life. Land is not depreciated. The expected useful lives of the other property, plant and equipment are as follows:

Buildings	40 years
Office furniture, machines and equipment	10 years
Computer equipment	3 years
Motor vehicles	5 years

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

---

## 2. Significant Accounting Policies (Continued)

### (k) Property, plant and equipment (continued)

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 to its recoverable amount.

Revaluation gains on land and buildings are recorded net of tax in the capital reserve account in equity. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

Repairs and maintenance expenses are charged to the profit and loss account when the expenditure is incurred.

### (l) Receivables

Receivables are carried at anticipated realisable value less provision for impairment of these receivables. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the market rate of interest for similar borrowings.

### (m) 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 collateralised financing transactions. The difference between the sale/purchase and repurchase/resale price is treated as interest and accrued over the life of the repurchase agreements using the effective yield method.

Securities purchased under agreements to resell and sold under agreements to repurchase are carried on the balance sheet at amortised cost.

### (n) Payables

Payables are stated at cost.

### (o) Fiduciary activities

The Group commonly acts as a trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

### (p) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, if 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.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.



# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

---

## 2. Significant Accounting Policies (Continued)

### (q) Employee benefits

The Group maintains a pension plan for its eligible employees and agents. The pension plan is a defined contribution plan, the assets of which are held in a separate trustee-administered fund. The plan is generally funded by a basic employee contribution of 5% of pensionable salary and a voluntary contribution up to a maximum of an additional 5%. This is matched by the Group. Once the Group contributions have been paid the Group has no further payment obligations. The Group's contributions to the plan are charged to the profit and loss account in the year to which they relate.

### (r) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise balances which mature within 90 days of the date of acquisition, including cash, short term investments and bank overdrafts.

### (s) Related party balances and transactions

Parties are considered to be related if directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with the entity (this includes parents, subsidiaries and fellow subsidiaries), has significant influence over the entity or has joint control over the entity. Related party balances and transactions are recognised and disclosed for the following:

- (i) Enterprises and individuals owning directly or indirectly an interest in the voting power of the Group, significant influence over the Group's affairs and close members of the family of these individuals.
- (ii) Key management personnel, that is those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including directors and officers and close members of the families of these individuals

### (t) Comparative information

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

# Barita Investments Limited

Notes to the Financial Statements

**30 September 2009**

(expressed in Jamaican dollars unless otherwise indicated)

---

## 3. Financial Risk Management

The Group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The Board, through the Treasury Department, Audit Committee and Risk Manager, manages and monitors risks, as follows:

(i) Treasury Department

This department is responsible for managing the Group's financial assets and liabilities. It is also primarily responsible for managing the funding and liquidity risks of the Group. It manages these risks by monitoring the balance sheet and ensuring that business strategies are consistent with liquidity requirements; measuring the capital adequacy for regulatory and business requirements; and monitoring the composition of the assets and liabilities of the Group.

(ii) Audit Committee

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit, which is outsourced. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(iii) Risk Manager

The Risk Manager inspects the Group's operations by reviewing new ventures and projects, new lines of business, and new and existing products for risk exposure. The Risk Manager also ensures compliance with regulations and policies. Periodic reports are prepared by the Risk Manager and presented to senior management and the Board of Directors.

The most important types of financial risk faced by the Group are credit risk, liquidity risk and market risk. Market risk includes currency risk and interest rate.

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

---

## 3. Financial Risk Management (Continued)

### (a) Credit risk

The Group takes on exposure to credit risk, which is the risk that its clients or counterparties will cause a financial loss for the Group by failing to discharge their contractual obligations. Credit risk is a significant risk for the Group's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in lending and investment activities. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to any one borrower.

#### ***Credit review process***

The Group has established a process involving regular analysis of the ability of borrowers and other counterparties to meet repayment obligations.

#### (i) Loans

In addition to assessments of earnings and cash flows, management assesses the existence of free and clear assets which are to be used as collateral in the event of default.

#### (ii) Investments and cash

The Group limits its exposure to credit risk by investing mainly in liquid securities, with counterparties that have high credit quality, and Government of Jamaica and Bank of Jamaica securities. Accordingly, management does not expect any counterparty to fail to meet its obligations.

#### ***Collateral and other credit enhancements***

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of different types of collateral.

The main types of collateral obtained are as follows:

#### (i) For loans receivable - charges over financial instruments such as debt securities and equities, and hypothecation.

#### (ii) For securities sold under repurchase agreements – cash or securities.

Management monitors the market value of collateral held and requests additional collateral in accordance with the underlying agreement when additional collateral is required.

#### ***Impairment***

The main considerations for the loan impairment assessment include whether any payments of principal or interest are overdue by more than 90 days or there are any known difficulties in the cash flows of counterparties or infringement of the original terms of the contract. At 30 September 2009 and 2008, there was no loan impairment.

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (a) Credit risk (continued)

#### Maximum exposure to credit risk

The following table shows the maximum exposure to credit risk:

	The Group		The Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	62,486	74,700	55,523	43,041
Securities purchased under resale agreements	3,420,663	3,512,450	3,420,289	3,512,373
Marketable securities	7,650,488	6,586,292	7,632,403	6,570,122
Receivables	317,588	345,476	306,295	331,081
Loans receivable	39,495	174,719	39,495	174,719
Due from related parties	4,382	13,788	952	10,277
	<u>11,495,102</u>	<u>10,707,425</u>	<u>11,454,957</u>	<u>10,641,613</u>

#### Debt securities

The following table summaries the Group's and company's credit exposure for debt securities at their carrying amounts, as categorised by issuer:

	The Group		The Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Government of Jamaica	7,168,036	6,201,808	7,192,258	6,185,926
Bank of Jamaica	2,105,581	2,917,670	2,105,581	2,917,670
Financial institutions	1,050,621	416,617	1,050,621	416,617
Corporate	220,799	197,095	178,898	197,095
	<u>10,545,037</u>	<u>9,733,190</u>	<u>10,527,358</u>	<u>9,717,308</u>
Accrued interest	526,114	365,552	525,334	365,187
	<u>11,071,151</u>	<u>10,098,742</u>	<u>11,052,692</u>	<u>10,082,495</u>

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

---

## 3. Financial Risk Management (Continued)

### (b) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay investors and fulfil commitments to lend.

#### Liquidity risk management process

The Group's liquidity management process, as carried out within the Group and monitored by the Treasury Department, includes:

- (i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of collateral which could be used to secure funding if required.
- (ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow.
- (iii) Maintaining committed lines of credit.
- (iv) Optimising cash returns on investment.
- (v) Monitoring balance sheet liquidity ratios against internal and regulatory requirements. The most important of these is to maintain limits on the ratio of net liquid assets to customer liabilities.
- (vi) Managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for companies 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 also 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 Group and its exposure to changes in interest rates and exchange rates.

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (b) Liquidity risk (continued)

#### Financial assets and liabilities cash flows

The tables below present the undiscounted cash flows (both interest and principal cash flows) of the Group's and company's financial assets and liabilities based on contractual rights and obligations. The Group and company expect that many customers will not request repayment on the earliest date the Group and company could be required to pay.

	The Group						
	2009						Total \$'000
	Within 1 Month \$'000	Within 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	No specific maturity \$'000	
<b>Financial Assets</b>							
Cash and bank balances	62,486	-	-	-	-	-	62,486
Securities repurchased under resale agreements	614,191	1,063,899	1,801,830	-	-	-	3,479,920
Marketable securities	294,354	239,380	1,676,951	4,518,018	6,023,720	164,702	12,917,125
Receivables	49,731	-	-	-	-	271,643	321,374
Loans receivable	743	1,484	45,926	-	-	-	48,153
Due from related parties	-	-	4,382	-	-	-	4,382
<b>Total financial assets</b>	<b>1,021,505</b>	<b>1,304,763</b>	<b>3,529,089</b>	<b>4,518,018</b>	<b>6,023,720</b>	<b>436,345</b>	<b>16,833,440</b>
<b>Financial Liabilities</b>							
Bank overdraft	6,056	-	-	-	-	-	6,056
Securities sold under repurchase agreements	4,424,994	3,820,419	2,759,755	4,888	-	-	11,010,056
Payables	34,759	-	-	-	-	29,141	63,900
Due to related parties	-	-	1,842	-	-	-	1,842
<b>Total financial liabilities</b>	<b>4,465,809</b>	<b>3,820,419</b>	<b>2,761,597</b>	<b>4,888</b>	<b>-</b>	<b>29,141</b>	<b>11,081,854</b>
<b>Net liquidity gap</b>	<b>(3,444,304)</b>	<b>(2,515,656)</b>	<b>767,492</b>	<b>4,513,130</b>	<b>6,023,720</b>	<b>407,204</b>	<b>5,751,586</b>
<b>Cumulative gap</b>	<b>(3,444,304)</b>	<b>(5,959,960)</b>	<b>(5,192,468)</b>	<b>(679,338)</b>	<b>5,344,382</b>	<b>5,751,586</b>	

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (b) Liquidity risk (continued)

	The Group						Total \$'000
	2008						
	Within 1 Month \$'000	Within 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	No specific maturity \$'000	
<b>Financial Assets</b>							
Cash and bank balances	74,700	-	-	-	-	-	74,700
Securities repurchased under resale agreements	444,228	74,712	3,263,687	-	-	-	3,782,627
Marketable securities	195,832	289,148	2,122,102	3,656,683	4,442,089	203,095	10,908,949
Receivables	74,681	-	-	-	-	272,585	347,266
Loans receivable	2,567	5,135	197,892	-	-	-	205,594
Due from related parties	-	-	13,788	-	-	-	13,788
<b>Total financial assets</b>	<b>792,008</b>	<b>368,995</b>	<b>5,597,469</b>	<b>3,656,683</b>	<b>4,442,089</b>	<b>475,680</b>	<b>15,332,924</b>
<b>Financial Liabilities</b>							
Bank overdraft	18,079	-	-	-	-	-	18,079
Securities sold under repurchase agreements	4,101,272	2,104,721	4,219,887	110,138	208,987	-	10,745,005
Payables	59,287	-	-	-	-	22,383	81,670
Due to related parties	-	-	1,380	-	-	-	1,380
<b>Total financial liabilities</b>	<b>4,178,638</b>	<b>2,104,721</b>	<b>4,221,267</b>	<b>110,138</b>	<b>208,987</b>	<b>22,383</b>	<b>10,846,134</b>
<b>Net liquidity gap</b>	<b>(3,386,630)</b>	<b>(1,735,726)</b>	<b>1,376,202</b>	<b>3,546,545</b>	<b>4,233,102</b>	<b>453,297</b>	<b>4,486,790</b>
<b>Cumulative gap</b>	<b>(3,386,630)</b>	<b>(5,122,356)</b>	<b>(3,746,154)</b>	<b>(199,609)</b>	<b>4,033,493</b>	<b>4,486,790</b>	

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (b) Liquidity risk (continued)

	The Company						Total \$'000
	2009						
	Within 1 Month \$'000	Within 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	No specific maturity \$'000	
<b>Financial Assets</b>							
Cash and bank balances	55,523	-	-	-	-	-	55,523
Securities repurchased under resale agreements	598,981	1,058,467	1,821,530	-	-	-	3,478,978
Marketable securities	250,093	233,438	1,669,951	4,513,136	6,065,457	122,965	12,855,040
Receivables	38,593	-	-	-	-	270,534	309,127
Loans receivable	743	1,486	45,926	-	-	-	48,155
Due from related parties	-	-	952	-	-	-	952
<b>Total financial assets</b>	<b>943,933</b>	<b>1,293,391</b>	<b>3,538,359</b>	<b>4,513,136</b>	<b>6,065,457</b>	<b>393,499</b>	<b>16,747,775</b>
<b>Financial Liabilities</b>							
Bank overdraft	6,056	-	-	-	-	-	6,056
Securities sold under repurchase agreements	4,424,994	3,820,419	2,782,292	4,888	-	-	11,032,593
Payables	29,422	-	-	-	-	23,452	52,874
Due to related parties	-	-	632	-	-	-	632
<b>Total financial liabilities</b>	<b>4,460,472</b>	<b>3,820,419</b>	<b>2,782,924</b>	<b>4,888</b>	<b>-</b>	<b>23,452</b>	<b>11,092,155</b>
<b>Net liquidity gap</b>	<b>(3,516,539)</b>	<b>(2,527,028)</b>	<b>755,435</b>	<b>4,508,248</b>	<b>6,065,457</b>	<b>370,047</b>	<b>5,655,620</b>
<b>Cumulative gap</b>	<b>(3,516,539)</b>	<b>(6,043,567)</b>	<b>(5,288,132)</b>	<b>(779,884)</b>	<b>5,285,573</b>	<b>5,655,620</b>	



# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (b) Liquidity risk (continued)

	The Company						Total \$'000
	2008						
	Within 1 Month \$'000	Within 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	No specific maturity \$'000	
<b>Financial Assets</b>							
Cash and bank balances	43,041	-	-	-	-	-	43,041
Securities repurchased under resale agreements	434,692	72,287	3,275,575	-	-	-	3,782,555
Marketable securities	183,779	284,966	2,122,102	3,656,683	4,455,973	189,211	10,892,714
Receivables	61,128	-	-	-	-	271,114	332,242
Loans receivable Due from related parties	2,567	5,315	197,892	-	-	-	205,774
	-	-	10,277	-	-	-	10,277
<b>Total financial assets</b>	<b>725,207</b>	<b>362,568</b>	<b>5,605,846</b>	<b>3,656,683</b>	<b>4,455,973</b>	<b>460,325</b>	<b>15,266,602</b>
<b>Financial Liabilities</b>							
Bank overdraft	18,079	-	-	-	-	-	18,079
Securities sold under repurchase agreements	4,101,272	2,104,721	4,231,775	110,138	208,987	-	10,756,893
Payables	58,604	-	-	-	-	20,404	79,008
Due to related parties	-	-	565	-	-	-	565
<b>Total financial liabilities</b>	<b>4,177,955</b>	<b>2,104,721</b>	<b>4,232,340</b>	<b>110,138</b>	<b>208,987</b>	<b>20,404</b>	<b>10,854,545</b>
<b>Total liquidity gap</b>	<b>(3,452,748)</b>	<b>(1,742,153)</b>	<b>1,373,506</b>	<b>3,546,545</b>	<b>4,246,986</b>	<b>439,921</b>	<b>4,412,057</b>
<b>Cumulative gap</b>	<b>(3,452,748)</b>	<b>(5,194,901)</b>	<b>(3,821,395)</b>	<b>(274,850)</b>	<b>3,972,136</b>	<b>4,412,057</b>	

Assets available to meet all of the liabilities include cash, securities purchased under resale agreements and marketable securities. In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. The Group and company are also able to meet unexpected net cash outflows by selling securities.

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (c) Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the Risk Manager in conjunction with the Treasury Manager, who carries out extensive research and monitors the price movement of financial assets on the local and international markets. Generally, the Group has a low to medium risk profile and invests primarily in Government of Jamaica securities. Market risk exposures are measured using sensitivity analysis.

### (i) Currency risk

The Group incurs foreign currency risk on transactions that are denominated in a currency other than the Jamaican dollar.

The Group also has transactional currency exposure. Such exposure arises from having financial assets in currencies other than those in which financial liabilities are expected to settle. The Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign assets to address short term imbalances.

The main currencies giving rise to this risk are the Euro, United States dollar, British pound and Canadian dollar. The Group sets limits on the level of exposure by currency and in total for both overnight and intra-day positions which are monitored daily.

	The Group					
	Euro J\$'000	US\$ J\$'000	GBP J\$'000	CAN\$ J\$'000	Jamaican\$ J\$'000	Total J\$'000
	<b>2009</b>					
<b>Financial Assets</b>						
Cash and bank balances	-	4,709	922	874	55,981	62,486
Securities purchased under resale agreements	-	134,592	47,381	-	3,238,690	3,420,663
Marketable securities	187,534	3,030,559	-	-	4,597,097	7,815,190
Receivables	-	-	-	-	321,374	321,374
Loans receivable	-	-	-	-	39,495	39,495
Due from related parties	-	-	-	-	4,382	4,382
<b>Total financial assets</b>	<b>187,534</b>	<b>3,169,860</b>	<b>48,303</b>	<b>874</b>	<b>8,257,019</b>	<b>11,663,590</b>
<b>Financial Liabilities</b>						
Bank overdraft	-	2,237	-	-	3,819	6,056
Securities sold under repurchase agreements	-	2,556,482	532,722	-	7,740,237	10,829,441
Payables	-	-	-	-	63,900	63,900
Due to related parties	-	-	-	-	1,842	1,842
<b>Total financial liabilities</b>	<b>-</b>	<b>2,558,719</b>	<b>532,722</b>	<b>-</b>	<b>7,809,798</b>	<b>10,901,239</b>
<b>Net financial position</b>	<b>187,534</b>	<b>611,141</b>	<b>(484,419)</b>	<b>874</b>	<b>447,221</b>	<b>762,351</b>

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (c) Market risk (continued)

#### (i) Currency risk (continued)

	The Group					
	Euro J\$'000	US\$ J\$'000	GBP J\$'000	CAN\$ J\$'000	Jamaican\$ J\$'000	Total J\$'000
	<b>2008</b>					
<b>Financial Assets</b>						
Cash and bank balances	-	15,655	51	186	58,808	74,700
Securities purchased under resale agreements	-	50,422	10,886	-	3,451,142	3,512,450
Marketable securities	171,929	2,219,876	-	-	4,397,582	6,789,387
Receivables	-	-	-	-	347,266	347,266
Loans receivable	-	-	-	-	174,719	174,719
Due from related parties	-	-	-	-	13,788	13,788
<b>Total financial assets</b>	<b>171,929</b>	<b>2,285,953</b>	<b>10,937</b>	<b>186</b>	<b>8,443,305</b>	<b>10,912,310</b>
<b>Financial Liabilities</b>						
Bank overdraft	-	-	-	-	18,079	18,079
Securities sold under repurchase agreements	-	1,914,302	70,518	-	8,262,967	10,247,787
Payables	-	-	-	-	81,670	81,670
Due to related parties	-	-	-	-	1,380	1,380
<b>Total financial liabilities</b>	<b>-</b>	<b>1,914,302</b>	<b>70,518</b>	<b>-</b>	<b>8,364,096</b>	<b>10,348,916</b>
<b>Net financial position</b>	<b>171,929</b>	<b>371,651</b>	<b>(59,581)</b>	<b>186</b>	<b>79,209</b>	<b>563,394</b>

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (c) Market risk (continued)

#### (i) Currency risk (continued)

	The Company					
	Euro J\$'000	US\$ J\$'000	GBP J\$'000	CAN\$ J\$'000	Jamaican\$ J\$'000	Total J\$'000
	<b>2009</b>					
<b>Financial Assets</b>						
Cash and bank balances	-	4,709	922	874	49,018	55,523
Securities purchased under resale agreements	-	134,592	47,381	-	3,238,316	3,420,289
Marketable securities	187,534	3,030,559	-	-	4,537,275	7,755,368
Receivables	-	-	-	-	309,127	309,127
Loans receivable	-	-	-	-	39,495	39,495
Due from related parties	-	-	-	-	952	952
<b>Total financial assets</b>	<b>187,534</b>	<b>3,169,860</b>	<b>48,303</b>	<b>874</b>	<b>8,174,183</b>	<b>11,580,754</b>
<b>Financial Liabilities</b>						
Bank overdraft	-	2,237	-	-	3,819	6,056
Securities sold under repurchase agreements	-	2,556,482	532,722	-	7,762,774	10,851,978
Payables	-	-	-	-	52,874	52,874
Due to related parties	-	-	-	-	632	632
<b>Total financial liabilities</b>	<b>-</b>	<b>2,558,719</b>	<b>532,722</b>	<b>-</b>	<b>7,820,099</b>	<b>10,911,540</b>
<b>Net financial position</b>	<b>187,534</b>	<b>611,141</b>	<b>(484,419)</b>	<b>874</b>	<b>354,084</b>	<b>669,214</b>

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (c) Market risk (continued)

#### (i) Currency risk (continued)

	The Company					
	Euro J\$'000	US\$ J\$'000	GBP J\$'000	CAN\$ J\$'000	Jamaican J\$'000	Total J\$'000
	<b>2008</b>					
<b>Financial Assets</b>						
Cash and bank balances	-	15,655	51	186	27,149	43,041
Securities purchased under resale agreements	-	50,422	10,886	-	3,451,065	3,512,373
Marketable securities	171,929	2,219,876	-	-	4,367,528	6,759,333
Receivables	-	-	-	-	332,242	332,242
Loans receivable	-	-	-	-	174,719	174,719
Due from related parties	-	-	-	-	10,277	10,277
<b>Total financial assets</b>	<b>171,929</b>	<b>2,285,953</b>	<b>10,937</b>	<b>186</b>	<b>8,362,980</b>	<b>10,831,985</b>
<b>Financial Liabilities</b>						
Bank overdraft	-	-	-	-	18,079	18,079
Securities sold under repurchase agreements	-	1,914,302	70,518	-	8,274,855	10,259,675
Payables	-	-	-	-	79,008	79,008
Due to related parties	-	-	-	-	565	565
<b>Total financial liabilities</b>	<b>-</b>	<b>1,914,302</b>	<b>70,518</b>	<b>-</b>	<b>8,372,507</b>	<b>10,357,327</b>
<b>Net financial position</b>	<b>171,929</b>	<b>371,651</b>	<b>(59,581)</b>	<b>186</b>	<b>(9,527)</b>	<b>474,658</b>

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (c) Market risk (continued)

#### (i) Currency risk (continued)

##### *Foreign currency sensitivity*

The following tables indicate the currencies to which the Group and company had significant exposure on their monetary assets and liabilities and their forecast cash flows. The change in currency rate below represents management's assessment of a reasonably possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 4% appreciation and a 10% depreciation in the value of the Jamaican dollar (2008 - 4%). The sensitivity analysis includes cash and bank balances, securities purchased under resale agreements, marketable securities and securities sold under repurchase agreements.

	<b>The Group</b>					
	% Change in Currency Rate	Effect on Net Profit	Effect on Equity	% Change in Currency Rate	Effect on Net Profit	Effect on Equity
		2009	2009		2008	2008
	2009	\$'000	\$'000	2008	\$'000	\$'000
<b>Currency:</b>						
EURO	4	5,001	5,001	4	4,584	4,584
EURO	-10	(12,502)	(12,502)	-4	(4,584)	(4,584)
USD	4	16,297	16,297	4	9,910	9,910
USD	-10	(40,743)	(40,743)	-4	(9,910)	(9,910)
GBP	4	(12,918)	(12,918)	4	(1,589)	(1,589)
GBP	-10	32,295	32,295	-4	1,589	1,589
CAN	4	23	23	4	5	5
CAN	-10	(58)	(58)	-4	(5)	(5)

	<b>The Company</b>					
	% Change in Currency Rate	Effect on Net Profit	Effect on Equity	% Change in Currency Rate	Effect on Net Profit	Effect on Equity
		2009	2009		2008	2008
	2009	\$'000	\$'000	2008	\$'000	\$'000
<b>Currency:</b>						
EURO	4	5,001	5,001	4	4,608	4,608
EURO	-10	(12,502)	(12,502)	-4	(4,608)	(4,608)
USD	4	16,357	16,357	4	14,678	14,678
USD	-10	(40,892)	(40,892)	-4	(14,678)	(14,678)
GBP	4	(12,918)	(12,918)	4	(1,297)	(1,297)
GBP	-10	32,295	32,295	-4	1,297	1,297
CAN	4	23	23	4	13	13
CAN	-10	(58)	(58)	-4	(13)	(13)

# Barita Investments Limited

## Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

### 3. Financial Risk Management (Continued)

#### (c) Market risk (continued)

##### (ii) Interest rate risk (continued)

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The Group's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires the Group to manage the maturities of interest bearing financial assets and interest bearing financial liabilities. The Board sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored daily by the Finance department.

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

	The Group						
	2009						
	Immediately rate sensitive \$'000	Within 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non- rate sensitive \$'000	Total \$'000
<b>Financial Assets</b>							
Cash and bank balances	62,486	-	-	-	-	-	62,486
Securities repurchased under resale agreements	944,865	959,740	1,516,058	-	-	-	3,420,663
Marketable securities	581,866	1,553,506	1,051,680	1,775,475	2,687,961	164,702	7,815,190
Receivables	-	-	-	-	-	321,374	321,374
Loans receivable	39,233	-	262	-	-	-	39,495
Due from related parties	-	-	-	-	-	4,382	4,382
<b>Total financial assets</b>	<b>1,628,450</b>	<b>2,513,246</b>	<b>2,568,000</b>	<b>1,775,475</b>	<b>2,687,961</b>	<b>490,458</b>	<b>11,663,590</b>
<b>Financial Liabilities</b>							
Bank overdraft	6,056	-	-	-	-	-	6,056
Securities sold under repurchase agreements	4,700,684	3,467,066	2,532,021	23,795	105,875	-	10,829,441
Payables	-	-	-	-	-	63,900	63,900
Due to related parties	-	-	-	-	-	1,842	1,842
<b>Total financial liabilities</b>	<b>4,706,740</b>	<b>3,467,066</b>	<b>2,532,021</b>	<b>23,795</b>	<b>105,875</b>	<b>65,742</b>	<b>10,901,239</b>
<b>Total interest repricing gap</b>	<b>(3,078,290)</b>	<b>(953,820)</b>	<b>35,979</b>	<b>1,751,680</b>	<b>2,582,086</b>	<b>424,716</b>	<b>762,351</b>
<b>Cumulative gap</b>	<b>(3,078,290)</b>	<b>(4,032,110)</b>	<b>(3,996,131)</b>	<b>(2,244,451)</b>	<b>337,635</b>	<b>762,351</b>	

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (c) Market risk (continued)

#### (ii) Interest rate risk (continued)

	The Group						Total \$'000
	2008						
	Immediately rate sensitive \$'000	Within 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non- rate sensitive \$'000	
<b>Financial Assets</b>							
Cash and bank balances	74,685	-	-	-	-	15	74,700
Securities repurchased under resale agreements	598,476	772,121	2,141,853	-	-	-	3,512,450
Marketable securities	892,719	1,477,321	818,683	1,359,881	2,037,688	203,095	6,789,387
Receivables	-	-	-	-	-	347,266	347,266
Loans receivable	101,107	73,612	-	-	-	-	174,719
Due from related parties	-	-	-	-	-	13,788	13,788
<b>Total financial assets</b>	<b>1,666,987</b>	<b>2,323,054</b>	<b>2,960,536</b>	<b>1,359,881</b>	<b>2,037,688</b>	<b>564,164</b>	<b>10,912,310</b>
<b>Financial Liabilities</b>							
Bank overdraft	18,079	-	-	-	-	-	18,079
Securities sold under repurchase agreements	4,428,168	2,048,037	3,666,279	18,980	86,323	-	10,247,787
Payables	-	-	-	-	-	81,670	81,670
Due to related parties	-	-	-	-	-	1,380	1,380
<b>Total financial liabilities</b>	<b>4,446,247</b>	<b>2,048,037</b>	<b>3,666,279</b>	<b>18,980</b>	<b>86,323</b>	<b>83,050</b>	<b>10,348,916</b>
<b>Total interest reprcing gap</b>	<b>(2,779,260)</b>	<b>275,017</b>	<b>(705,743)</b>	<b>1,340,901</b>	<b>1,951,365</b>	<b>481,114</b>	<b>563,394</b>
<b>Cumulative gap</b>	<b>(2,779,260)</b>	<b>(2,504,243)</b>	<b>(3,209,986)</b>	<b>(1,869,085)</b>	<b>82,280</b>	<b>563,394</b>	



# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (c) Market risk (continued)

#### (ii) Interest rate risk (continued)

	The Company						Total \$'000
	2009						
	Immediately rate sensitive \$'000	Within 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non- rate sensitive \$'000	
<b>Financial Assets</b>							
Cash and bank balances	55,523	-	-	-	-	-	55,523
Securities repurchased under resale agreements	944,865	946,415	1,529,009	-	-	-	3,420,289
Marketable securities	581,862	1,543,884	1,047,221	1,771,475	2,687,961	122,965	7,755,368
Receivables	-	-	-	-	-	309,127	309,127
Loans receivable	39,233	-	262	-	-	-	39,495
Due from related parties	-	-	-	-	-	952	952
<b>Total financial assets</b>	<b>1,621,483</b>	<b>2,490,299</b>	<b>2,576,492</b>	<b>1,771,475</b>	<b>2,687,961</b>	<b>433,044</b>	<b>11,580,754</b>
<b>Financial Liabilities</b>							
Bank overdraft	6,056	-	-	-	-	-	6,056
Securities sold under repurchase agreements	4,700,684	3,467,066	2,554,558	23,795	105,875	-	10,851,978
Payables	-	-	-	-	-	52,874	52,874
Due to related parties	-	-	-	-	-	632	632
<b>Total financial liabilities</b>	<b>4,706,740</b>	<b>3,467,066</b>	<b>2,554,558</b>	<b>23,795</b>	<b>105,875</b>	<b>53,506</b>	<b>10,911,540</b>
<b>Total interest reprcing gap</b>	<b>(3,085,257)</b>	<b>(976,767)</b>	<b>21,934</b>	<b>1,747,680</b>	<b>2,582,086</b>	<b>379,538</b>	<b>669,214</b>
<b>Cumulative gap</b>	<b>(3,085,257)</b>	<b>(4,062,024)</b>	<b>(4,040,090)</b>	<b>(2,292,410)</b>	<b>289,676</b>	<b>669,214</b>	

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (c) Market risk (continued)

#### (ii) Interest rate risk (continued)

	The Company						
	2008						
	Immediately rate sensitive \$'000	Within 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non- rate sensitive \$'000	Total \$'000
<b>Financial Assets</b>							
Cash and bank balances	43,041	-	-	-	-	-	43,041
Securities repurchased under resale agreements	598,476	763,156	2,150,741	-	-	-	3,512,373
Marketable securities	892,719	1,476,526	809,808	1,359,381	2,031,688	189,211	6,759,333
Receivables	-	-	-	-	-	332,242	332,242
Loans receivable Due from related parties	101,107	73,612	-	-	-	-	174,719
	-	-	-	-	-	10,277	10,277
<b>Total financial assets</b>	<b>1,635,343</b>	<b>2,313,294</b>	<b>2,960,549</b>	<b>1,359,381</b>	<b>2,031,688</b>	<b>531,730</b>	<b>10,831,985</b>
<b>Financial Liabilities</b>							
Bank overdraft	18,079	-	-	-	-	-	18,079
Securities sold under repurchase agreements	4,428,168	2,048,037	3,678,167	18,980	86,323	-	10,259,675
Payables	-	-	-	-	-	79,008	79,008
Due to related parties	-	-	-	-	-	565	565
<b>Total financial liabilities</b>	<b>4,446,247</b>	<b>2,048,037</b>	<b>3,678,167</b>	<b>18,980</b>	<b>86,323</b>	<b>79,573</b>	<b>10,357,327</b>
<b>Total interest reprcing gap</b>	<b>(2,810,904)</b>	<b>265,257</b>	<b>(717,618)</b>	<b>1,340,401</b>	<b>1,945,365</b>	<b>452,157</b>	<b>474,658</b>
<b>Cumulative gap</b>	<b>(2,810,904)</b>	<b>(2,545,647)</b>	<b>(3,263,265)</b>	<b>(1,922,864)</b>	<b>2,205</b>	<b>474,658</b>	

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (c) Market risk (continued)

#### (ii) Interest rate risk (continued)

Average effective yields by the earlier of the contractual repricing or maturity dates:

	The Group and Company					
	2009					
	Immediately rate sensitive	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Average
	%	%	%	%	%	%
Marketable securities denominated in Ja\$	21.08	15.88	20.83	18.52	19.39	19.29
Marketable securities denominated in US\$	-	10.13	8.66	7.83	9.37	8.75
Marketable securities denominated in EURO	-	-	-	10.58	-	10.58
Securities purchased under resale agreements-denominated in Ja\$	15.01	21.64	21.41	-	-	20.23
Securities purchased under resale agreements-denominated in US\$	6.25	-	6.35	-	-	6.35
Securities purchased under resale agreements-denominated in GBP	3.88	4.90	5.19	-	-	5.01
Bank overdraft	22.25	-	-	-	-	22.25
Securities sold under repurchase agreements- denominated in Ja\$	15.42	17.61	18.30	17.31	13.25	16.85
Securities sold under repurchase agreements- denominated in US\$	5.42	5.72	6.32	5.38	9.75	5.76
Securities sold under repurchase agreements- denominated in GBP	3.66	3.91	4.76	-	-	4.35

Yields are based on book value and contractual interest rate adjusted for amortisation of premium and discounts.

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (c) Market risk (continued)

#### (ii) Interest rate risk (continued)

Average effective yields by the earlier of the contractual repricing or maturity dates:

	The Group and Company					
	2008					
	Immediately rate sensitive	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Average
	%	%	%	%	%	%
Marketable securities denominated in Ja\$	13.84%	14.37%	15.11%	15.00%	15.00%	14.76%
Marketable securities denominated in US\$	11.75%	8.25%	9.82%	8.65%	9.54%	9.60%
Marketable securities denominated in EURO	-	-	-	10.93%	10.50%	10.58%
Securities purchased under resale agreements-denominated in Ja\$	12.84%	13.92%	14.99%	-	-	14.72%
Securities purchased under resale agreements-denominated in US\$	5.46%	6.25%	-	-	-	5.86%
Securities purchased under resale agreements-denominated in GBP	4.44%	4.60%	-	-	-	4.53%
Bank overdraft	22.25%	-	-	-	-	22.25%
Securities sold under repurchase agreements- denominated in Ja\$	13.57%	13.75%	14.31%	-	-	13.90%
Securities sold under repurchase agreements- denominated in US\$	5.32%	5.48%	5.85%	8.39%	9.41%	5.69%
Securities sold under repurchase agreements- denominated in GBP	4.13%	4.31%	4.33%	-	-	4.26%

Yields are based on book value and contractual interest rate adjusted for amortisation of premium and discounts.

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (c) Market risk (continued)

#### (ii) Interest rate risk (continued)

##### *Interest rate sensitivity*

The following table indicates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Group's and company's profit and loss account and stockholders' equity.

The sensitivity of the profit or loss is the effect of the assumed changes in interest rates on net profit based on the floating rate non-trading financial assets and financial liabilities. The sensitivity of shareholders' equity is calculated by revaluing fixed rate available-for-sale financial assets for the effects of the assumed changes in interest rates. The change in the interest rates will impact the financial assets and liabilities differently. Consequently, individual analyses were performed. The effect on net profit and equity below is the total of the individual sensitivities done for each of the assets and liabilities.

	<b>The Group</b>			
	<b>Effect on Net Profit</b>	<b>Effect on Equity</b>	<b>Effect on Net Profit</b>	<b>Effect on Equity</b>
	<b>2009 \$'000</b>	<b>2009 \$'000</b>	<b>2008 \$'000</b>	<b>2008 \$'000</b>
	<b>The Group</b>			
<b>Change in basis points:</b>				
-200 (2008 : -100)	(106,826)	26,843	(66,101)	69,602
+200 (2008 : +100)	108,826	(174,646)	66,101	(66,199)
	<b>The Company</b>			
<b>Change in basis points:</b>				
-200 (2008: -100)	(105,626)	26,797	(66,661)	69,620
+200 (2008: +100)	105,626	(175,174)	66,661	(66,217)

### (d) Capital management

The Group's objectives when managing capital, which is a broader concept than the 'equity' on the face of balance sheets, are:

- (i) To comply with the capital requirements set by the regulators of the banking markets where the Group operates.
- (ii) To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for stockholders and benefits for other stakeholders.
- (iii) To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored regularly by the Group's management, employing techniques based on the guidelines developed by the FSC. The required information is filed with the FSC on a monthly basis.

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (d) Capital management (continued)

The FSC requires each bank or banking group to:

- (i) Hold the minimum level of the regulatory capital.
- (ii) Maintain a ratio of total regulatory capital to the risk-weighted assets.

The Group's regulatory capital is managed by its Treasury Department and Risk Manager and is divided into two tiers:

- (i) Tier 1 capital: share capital, retained earnings and reserves created by appropriations of retained earnings. The book value of goodwill is deducted in arriving at Tier 1 capital; and
- (ii) Tier 2 capital: qualifying subordinated loan capital, collective impairment allowances and unrealised gains arising on the fair valuation of equity instruments held as available for sale.

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of and reflecting an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees.

The company and its subsidiary, BUTM, are both regulated by the FSC.

The tables below summarise the composition of regulatory capital and the ratios of the company and BUTM for the years ended 30 September. During those two years, the Group complied with all of the externally imposed capital requirements to which they are subject.

Barita Investments Limited	2009		2008	
	Actual	Required	Actual	Required
Regulatory Capital/Risk-weighted assets	54%	>10%	41%	> 10%
Tier 1 Capital/Capital base	95%	>50%	87%	> 50%
<b>BUTM</b>	<b>2009</b>		<b>2008</b>	
	<b>Actual</b>	<b>Required</b>	<b>Actual</b>	<b>Required</b>
Regulatory Capital/Risk-weighted assets	142%	>10%	219%	> 10%
Tier 1 Capital/Capital base	100%	>50%	100%	> 50%

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

---

## 3. Financial Risk Management

### (e) Fair values of financial instruments

The fair value of financial instruments that are traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The following methods and assumptions have been used:

- (i) Investments securities classified as available-for-sale are measured at fair value by reference to quoted market prices when available. If quoted prices are not available, then fair values estimated on the basis of pricing models or other recognized valuation techniques.
- (ii) The fair value of liquid assets and other assets maturing within three months is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short term elements of all other financial instruments.
- (iii) The fair value of variable rate financial instruments is assumed to approximate their carrying value
- (iv) The fair value of fixed rate borrowings is assumed to approximate to their carrying amounts, due to the short term maturity on these instruments.
- (v) Equity securities for which fair values cannot be measured reliably are recognised at cost less impairment.

## 4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

### (a) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has not made any judgements that would cause a significant impact on the amounts recognised in the financial statements.

### (b) Key sources of estimation uncertainty

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

#### Income taxes

Estimates are required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for possible tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 5. Segment Reporting

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The Group is organised and managed in two main business segments based on its business activities. The designated segments are as follows:

- (a) Fixed income – this includes money market activities and securities broking
- (b) Funds management – this includes the administration of two unit trusts.
- (c) Other operations – this includes the operation of foreign exchange cambio, stock broking and any other income.

The Board of Directors assesses the performance of the operating segments based on a measure of adjusted profit before tax. The segment information provided to the Board of Directors for the reportable segments for the year ended 30 September 2009 is as follows:

	<b>The Group</b>				
	<b>30 September 2009</b>				
	<b>Fixed Income \$'000</b>	<b>Funds Management \$'000</b>	<b>Other \$'000</b>	<b>Eliminations \$'000</b>	<b>Group \$'000</b>
Gross external revenue	1,739,420	36,366	214,611	-	1,990,397
Revenue from other segment	-	2,117	-	(2,117)	-
Total gross revenue	1,739,420	38,483	214,611	(2,117)	1,990,397
Total expenses	(1,556,813)	(32,493)	-	2,117	1,587,189
Segment results	182,607	5,990	214,611	-	403,208
Unallocated expenses					(276,188)
Profit before tax					127,020
Taxation					(28,395)
Net profit					98,625
Segment assets	11,215,152	109,819	-	(22,537)	11,302,434
Unallocated assets					495,460
Total assets					11,797,894
Segment liabilities	10,851,978	14,539	-	(22,537)	10,843,980
Unallocated liabilities					105,175
Total liabilities					10,949,155



# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 5. Segment Reporting (Continued)

	The Group				
	30 September 2008				
	Fixed Income \$'000	Funds Management \$'000	Other \$'000	Eliminations \$'000	Group \$'000
Gross external revenue	1,271,353	42,424	107,593	-	1,421,370
Revenue from other segment	-	2,415	-	(2,415)	-
Total gross revenue	1,271,353	44,839	107,593	(2,415)	1,421,370
Total expenses	(1,007,919)	(31,801)	-	2,415	(1,037,305)
Segment results	263,434	13,038	107,593	-	384,065
Unallocated expenses					(273,778)
Profit before tax					110,287
Taxation					(21,857)
Net profit					88,430
Segment assets	10,301,760	96,599	-	(11,888)	10,386,471
Unallocated assets					678,478
Total assets					11,064,949
Segment liabilities	10,259,675	5,803	-	(11,888)	10,253,590
Unallocated liabilities					97,523
Total liabilities					10,351,113

The Group's operations are located in Jamaica.

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 6. Expenses by Nature

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Advertising and promotion	27,111	26,888	22,763	24,003
Auditors' remuneration -				
Current	5,733	5,245	4,500	3,800
Prior	(100)	(170)	-	-
Bank charges and interest	4,612	6,342	4,612	6,342
Depreciation	15,022	13,319	14,027	12,715
Directors' fees	550	397	500	360
Insurance	5,035	5,425	5,035	5,425
Fund expenses	1,274	1,491	-	-
Office expenses	7,697	6,703	6,465	5,776
Professional fees	6,140	6,007	6,140	6,007
Registration and license fees	3,423	4,863	3,423	4,863
Rent	1,080	1,066	1,484	1,470
Repairs and maintenance	4,535	3,860	4,419	3,727
Security costs	4,593	4,056	4,593	4,056
Software maintenance	3,327	3,235	3,327	3,235
Staff costs (Note 7)	175,809	158,457	158,129	141,718
Utilities	13,271	14,509	11,958	12,962
Other expenses	27,891	41,991	24,813	37,319
	<u>307,003</u>	<u>303,684</u>	<u>276,188</u>	<u>273,778</u>

## 7. Staff Costs

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Wages and salaries	136,767	122,796	124,613	111,383
Commissions	13,113	10,486	13,113	10,486
Statutory contributions	10,611	8,511	9,430	7,763
Pension costs	5,198	3,854	4,792	3,520
Other staff benefits	10,120	12,810	6,181	8,566
	<u>175,809</u>	<u>158,457</u>	<u>158,129</u>	<u>141,718</u>

# Barita Investments Limited

## Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

### 8. Taxation Expense

- (a) Income tax is computed on the profit for the year, as adjusted for taxation purposes, and comprises income tax at 33 ⅓%:

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Current year tax charge	2,100	4,347	-	-
Adjustment for under provision of prior year tax charge	340	47	-	-
Deferred income tax (Note 18)	25,955	17,463	26,466	17,627
	<u>28,395</u>	<u>21,857</u>	<u>26,466</u>	<u>17,627</u>

- (b) Reconciliation of applicable tax expense to effective tax charge: The Group's taxation expense differs from the theoretical amount that would arise from the profit before tax using the applicable tax rate of the Group as follows:

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Profit before taxation	<u>127,020</u>	<u>110,287</u>	<u>121,030</u>	<u>97,249</u>
Tax calculated at 33 ⅓%	42,340	36,762	40,343	32,416
Adjusted for the effects of:				
Income not subject to tax	(15,956)	(19,034)	(15,938)	(19,034)
Adjustment for prior year under-provision	340	47	-	-
Expenses not allowable for tax purposes	1,719	180	1,637	180
Other charges and allowances	(48)	3,902	424	4,065
Income tax expense	<u>28,395</u>	<u>21,857</u>	<u>26,466</u>	<u>17,627</u>

### 9. Cash and Cash Equivalents

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Cash	104	104	104	104
Bank	62,382	74,596	55,419	42,937
	62,486	74,700	55,523	43,041
Bank overdrafts	(6,056)	(18,079)	(6,056)	(18,079)
	<u>56,430</u>	<u>56,621</u>	<u>49,467</u>	<u>24,962</u>

Cash comprises mainly amounts held in current accounts, which attract interest at 1% – 3%.

The Group's overdraft facilities of \$25,000,000 with FirstCaribbean International Bank Limited are secured by Government of Jamaica Local Registered Stock totaling \$35,000,000 (2008 - \$35,000,000). The weighted average effective interest rate on the overdraft facilities is 22.25% (2008 – 22.25%).

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 10. Securities Purchased under Resale Agreements

The Group entered into repurchase agreements collateralised by Government of Jamaica (GOJ) securities. These agreements may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligations. Included in securities purchased under resale agreements is accrued interest for the Group and company of \$264,461,000 and \$264,086,000, respectively (2008 - \$178,374,000 and \$178,086,000).

## 11. Marketable Securities

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Available-for-sale -				
Quoted equities	123,991	191,324	122,965	189,211
Government of Jamaica (GOJ)	4,921,955	4,674,954	4,904,276	4,635,368
Corporate bonds	220,799	197,095	220,799	220,799
Unit Trust Funds	40,711	11,771	-	-
	<u>5,307,456</u>	<u>5,075,144</u>	<u>5,248,040</u>	<u>5,045,378</u>
Accrued interest	200,740	174,644	200,334	174,356
	<u>5,508,196</u>	<u>5,249,788</u>	<u>5,448,374</u>	<u>5,219,734</u>
Loans and receivables -				
GOJ Global Bonds	2,246,081	1,526,854	2,246,081	1,526,854
Accrued interest	60,913	12,745	60,913	12,745
	<u>2,306,994</u>	<u>1,539,599</u>	<u>2,306,994</u>	<u>1,539,599</u>
	<u>7,815,190</u>	<u>6,789,387</u>	<u>7,755,368</u>	<u>6,759,333</u>

Marketable securities are held as collateral by the Bank of Jamaica to secure against overdraft in the trading account. At 30 September 2009, these securities totalled \$150,000,000 (2008 - \$65,500,000). Marketable securities totaling \$35,000,000 (2008 - \$35,000,000) are also held by FirstCaribbean International Bank Limited to secure bank overdraft facilities (Note 9).

Marketable securities are pledged under repurchase agreements with customers. At 30 September 2009, these securities totalled \$8,496,052,000 (2008 - \$6,265,716,000).

# Barita Investments Limited

## Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

### 11. Marketable Securities (Continued)

In 2008, the Group and company reclassified certain financial assets out of the available-for-sale category into the loans and receivables category. The Group had the intension and ability to hold these reclassified loans and receivables for the foreseeable future or until maturity at the date of reclassification, which was 30 September 2008.

As at 30 September 2009, the fair value and the carrying value of financial assets reclassified were \$1,482,116,000 and \$1,543,878,000, respectively (30 September 2008 - \$1,539,599,000). Had the securities not been reclassified from available-for-sale to loans and receivable, the Group and company would have recorded a loss in equity of \$61,762,000,000 (2008 – Nil).

The fair value of the GOJ Global Bonds was determined by reference to a discounted cash flow model, using market yields obtained from the Bloomberg yield curve.

The Group and company recognised in the fair value reserve in equity a fair value loss in the amount of \$68,968,000 (2008 - \$73,247,000) on financial assets reclassified out of the available-for-sale category into loans and receivable category.

The effective interest rates on financial assets reclassified into loans and receivables as at year end ranged between 8.00% and 13.00% (2008 - 8.00% and 11.75%).

Presented below are the estimated amounts of undiscounted cash flows the Group and company expect to recover from these financial assets as at the end of the year:

	2009					Total
	Within 1 Month \$'000	Within 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Year \$'000	Over 5 Years \$'000	
Global Bonds	11,946	42,158	90,141	666,732	2,290,543	3,101,520

	2008					Total
	Within 1 Month \$'000	Within 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Year \$'000	Over 5 Years \$'000	
Global Bonds	11,946	42,158	90,141	688,795	2,412,725	3,245,765

### 12. Receivables

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Receivable from clients	35,055	61,159	24,871	48,865
Prepaid expenses	3,786	1,790	2,832	1,161
Withholding tax	271,643	272,585	270,534	271,114
Other	10,890	11,732	10,890	11,102
	<u>321,374</u>	<u>347,266</u>	<u>309,127</u>	<u>332,242</u>

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 13. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

	<b>2009</b> <b>\$'000</b>	<b>2008</b> <b>\$'000</b>
Net profit attributable to ordinary shareholders	98,625	88,430
Weighted average number of ordinary shares in issue	405,733	406,721
Basic earnings per share	<u>\$0.24</u>	<u>\$0.22</u>

## 14. Related Party Transactions and Balances

Related parties are identified below, as companies with which there are common directors and/or common shareholders, and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including directors and officers and close members of the families of these individuals.

a) The following transactions were carried out with related parties during the year:

	<u>The Group</u>		<u>The Company</u>	
	<b>2009</b> <b>\$'000</b>	<b>2008</b> <b>\$'000</b>	<b>2009</b> <b>\$'000</b>	<b>2008</b> <b>\$'000</b>
BPM Finance Limited -				
Interest paid on investments	20,582	19,812	20,582	19,812
Interest received on investments	<u>1,491</u>	<u>1,330</u>	<u>1,491</u>	<u>1,330</u>
Barita Unit Trusts Management Limited -				
Interest paid on investments	-	-	(2,117)	(2,415)
Rental income received	<u>-</u>	<u>-</u>	<u>404</u>	<u>404</u>
Barita Unit Trust Funds-				
Management fees	32,672	35,667	-	-
Interest paid on investments	<u>(11,725)</u>	<u>(11,731)</u>	<u>(11,725)</u>	<u>(11,731)</u>
Barita Leasing Limited -				
Interest paid on investments	<u>4,032</u>	<u>687</u>	<u>4,032</u>	<u>687</u>
Key management personnel -				
Interest paid on investments	<u>1,073</u>	<u>-</u>	<u>1,073</u>	<u>-</u>

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 14. Related Party Transactions and Balances (Continued)

b) The balances at year end were as follows:

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Receivables -				
Barita Finance House Limited	69	69	69	69
BPM Finance Limited	197	9,697	-	9,500
Barita Unit Trusts Management Company Limited	-	-	129	129
Barita Unit Trust Money Market Fund	3,076	3,102	-	-
Barita Education Fund	937	847	651	506
Key management personnel	103	73	103	73
	<u>4,382</u>	<u>13,788</u>	<u>952</u>	<u>10,277</u>
Payables -				
Barita Leasing Limited	(1,587)	(1,295)	(576)	(565)
Barita Education Fund	(56)	-	(56)	-
Barita Unit Trust Capital Growth Fund	(199)	(85)	-	-
	<u>(1,842)</u>	<u>(1,380)</u>	<u>(632)</u>	<u>(565)</u>
Securities purchased under resale agreement -				
BPM Finance Limited	9,700	9,700	9,700	9,700
Marketable securities -				
Barita Unit Trust Money Market Fund	31,026	-	-	-
Barita Unit Trust Capital Growth Fund	9,685	11,771	-	-
	<u>40,711</u>	<u>11,771</u>	<u>-</u>	<u>-</u>
Securities sold under repurchase agreement -				
BPM Finance Limited	(159,730)	(145,588)	(159,730)	(145,588)
Barita Unit Trust Management Company Limited	-	-	(22,537)	(11,888)
Barita Unit Trust Money Market Fund	(59,492)	(38,432)	(59,492)	(38,432)
Barita Unit Trust Capital Growth Fund	(44,755)	(55,722)	(44,755)	(55,722)
Key management personnel	(2,173)	-	(2,173)	-
	<u>(266,150)</u>	<u>(239,742)</u>	<u>(288,687)</u>	<u>(251,630)</u>

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 14. Related Party Transactions and Balances (Continued)

### c) Key management compensation

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Salaries	56,180	47,960	46,924	43,364
Statutory deductions	3,036	3,869	2,900	1,899
Pension	2,160	1,497	2,053	1,479
Commission	2,006	5,943	2,006	5,943
	<u>63,382</u>	<u>59,269</u>	<u>53,883</u>	<u>52,685</u>
Directors' emoluments –				
Management remuneration (included in staff costs)	14,527	13,885	7,462	6,896
Directors' fees	550	397	500	360
	<u>15,077</u>	<u>14,282</u>	<u>7,962</u>	<u>7,256</u>

## 15. Property, Plant and Equipment

	The Group				
	Land & Buildings	Office Furniture, Machines & Equipment	Computer Equipment	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2009</b>					
<b>At Cost or Valuation -</b>					
1 October 2008	111,078	25,782	23,935	14,934	175,729
Additions	-	3,292	4,511	2,628	10,431
Disposals	-	-	-	(2,650)	(2,650)
At 30 September 2009	<u>111,078</u>	<u>29,074</u>	<u>28,446</u>	<u>14,912</u>	<u>183,510</u>
<b>Depreciation -</b>					
1 October 2008	861	10,245	18,334	6,478	35,918
Charge for the year	2,358	2,432	5,994	4,238	15,022
Disposals	-	-	-	(1,291)	(1,291)
At 30 September 2009	<u>3,219</u>	<u>12,677</u>	<u>24,328</u>	<u>9,425</u>	<u>49,649</u>
<b>Net Book Value -</b>					
30 September 2009	<u>107,859</u>	<u>16,397</u>	<u>4,118</u>	<u>5,487</u>	<u>133,861</u>



# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 15. Property, Plant and Equipment (Continued)

	The Group				
	Land & Buildings	Office Furniture, Machines & Equipment	Computer Equipment	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
	<b>2008</b>				
<b>At Cost or Valuation -</b>					
1 October 2007	90,341	16,578	22,391	11,648	140,958
Additions	-	9,204	3,546	9,270	22,020
Revaluation adjustment	20,737	-	-	-	20,737
Disposals	-		(2,002)	(5,984)	(7,986)
At 30 September 2008	111,078	25,782	23,935	14,934	175,729
<b>Depreciation -</b>					
1 October 2007	4,383	8,383	12,821	10,358	35,945
Charge for the year	1,838	1,862	7,515	2,104	13,319
Revaluation adjustment	(5,360)	-	-	-	(5,360)
Disposals	-	-	(2,002)	(5,984)	(7,986)
At 30 September 2008	861	10,245	18,334	6,478	35,918
<b>Net Book Value -</b>					
30 September 2008	110,217	15,537	5,601	8,456	139,811

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 15. Property, Plant and Equipment (Continued)

	The Company				
	Land & Buildings \$'000	Office Furniture, Machines and Equipment \$'000	Computer Equipment \$'000	Motor Vehicles \$'000	Total \$'000
	2009				
<b>At Cost or Valuation -</b>					
At 1 October 2008	110,000	21,197	21,190	13,513	165,900
Additions	-	3,188	3,898	2,627	9,713
Disposals	-	-	-	(2,650)	(2,650)
At 30 September 2009	110,000	24,385	25,088	13,490	172,963
<b>Depreciation -</b>					
At 1 October 2008	-	9,834	15,678	4,730	30,242
Charge for the year	2,312	2,409	5,854	3,452	14,027
Relieved on disposals	-	-	-	(1,291)	(1,291)
At 30 September 2009	2,312	12,243	21,532	6,891	42,978
<b>Net Book Value -</b>					
At 30 September 2009	107,688	12,142	3,556	6,599	129,985
	2008				
<b>At Cost or Valuation -</b>					
At 1 October 2007	89,263	15,919	19,658	9,000	133,840
Additions	-	5,278	3,534	9,270	18,082
Revaluation surplus	20,737	-	-	-	20,737
Disposals	-	-	(2,002)	(4,757)	(6,759)
At 30 September 2008	110,000	21,197	21,190	13,513	165,900
<b>Depreciation -</b>					
At 1 October 2007	3,566	7,988	10,382	7,710	29,646
Charge for the year	1,794	1,846	7,298	1,777	12,715
Revaluation Adjustment	(5,360)	-	-	-	(5,360)
Relieved on disposals	-	-	(2,002)	(4,757)	(6,759)
At 30 September 2008	-	9,834	15,678	4,730	30,242
<b>Net Book Value -</b>					
At 30 September 2008	110,000	11,363	5,512	8,783	135,658

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 16. Investment

	2009 \$'000	2008 \$'000
Seat on the Jamaica Stock Exchange	<u>2</u>	<u>2</u>

This investment is carried at cost as the fair value of the stock exchange seat cannot be reliably determined.

## 17. Investment in subsidiary/Acquisition of shares in BUTM

This represents the company's equity investment in BUTM, which the company acquired in the current year.

The company's equity investment in BUTM was effected through a share exchange transaction as described in Note 20 (a). At the time of the transaction, both entities, the company and BUTM were under common control. Therefore, purchase accounting was not utilised to account for this acquisition. Instead, the Group used the predecessor method of accounting as described in accounting policy note 2(b)(ii).

The 2008 consolidated profit and loss account and balance sheet amounts were derived as follows:

### Profit and Loss Account

	2008 Net Profit \$'000
Barita Investments Limited	79,622
Barita Unit Trusts Management Company Limited	<u>8,808</u>
Consolidated Net Profit	<u>88,430</u>

### Balance Sheet

	2008 Net Assets/ Equity \$'000
Barita Investments Limited	623,040
Barita Unit Trusts Management Company Limited	<u>90,796</u>
Consolidated Net Assets/Equity	<u>713,836</u>

Consolidation journal entries have been posted to eliminate intercompany balances for securities sold under repurchase agreements, securities purchased under resale agreements, interest income and interest expense.

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 18. Deferred Taxation

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 33 $\frac{1}{3}$ %.

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that realisation of the related tax benefit through the future taxable profits is probable.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	The Group		The Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Deferred tax assets	441	12,826	-	12,722
Deferred tax liabilities	(45,742)	-	(45,742)	-
	<u>(45,301)</u>	<u>12,826</u>	<u>(45,742)</u>	<u>12,722</u>

The movement in deferred tax assets and liabilities during the period is as follows:

	The Group		The Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Net assets/(liabilities) at beginning of year	12,826	(110,297)	12,722	(110,188)
Profit and loss account charge (Note 8)	(25,955)	(17,463)	(26,466)	(17,627)
Tax (charged)/credited to shareholders' equity	(32,172)	140,586	(31,998)	140,537
Net (liabilities)/asset at end of year	<u>(45,301)</u>	<u>12,826</u>	<u>(45,742)</u>	<u>12,722</u>

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 18. Deferred Taxation (Continued)

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the period is as follows:

Deferred tax liabilities	The Group				
	Fair value gains	Accelerated depreciation	Interest receivable	Exchange gain	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 October 2007	93,945	19,516	80,399	-	193,860
(Credited)/charged to the profit and loss account	-	(4,290)	38,545	9,519	43,774
(Credited)/charged to equity	(93,872)	8,699	-	-	(85,173)
At 1 October 2008	73	23,925	118,944	9,519	152,461
(Credited)/charged to the profit and loss account	-	(1,745)	52,527	33,522	84,304
Charged to equity	174	-	-	-	174
At 30 September 2009	247	22,180	171,471	43,041	236,939
Deferred tax assets	Fair value losses	Taxes losses	Interest payable	Exchange loss	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 October 2007	-	6,577	63,805	13,181	83,563
(Charged)/credited to the profit and loss account	-	13,125	26,367	(13,181)	26,311
Credited to equity	55,413	-	-	-	55,413
At 1 October 2008	55,413	19,702	90,172	-	165,287
Credited to the profit and loss account	-	16,746	41,603	-	58,349
Charged to equity	(31,998)	-	-	-	(31,998)
At 30 September 2009	23,415	36,448	131,775	-	191,638

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 18. Deferred Taxation (Continued)

Deferred tax liabilities	The Company				
	Fair value gains	Accelerated depreciation	Interest receivable	Exchange gain	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 October 2007	93,823	19,663	80,265	-	193,751
(Credited)/charged to the profit and loss account	-	(4,138)	38,557	9,519	43,938
(Credited)/charged to equity	(93,823)	8,699	-	-	(85,124)
At 1 October 2008	-	24,224	118,822	9,519	152,565
(Credited)/charged to the profit and loss account	-	(1,096)	52,389	33,522	84,815
At 30 September 2009	-	23,128	171,211	43,041	237,380

Deferred tax assets	Fair value losses	Taxes losses	Interest payable	Exchange loss	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
	At 1 October 2007	-	6,577	63,805	13,181
(Charged)/credited to the profit and loss account	-	13,125	26,367	(13,181)	26,311
Credited to equity	55,413	-	-	-	55,413
At 1 October 2008	55,413	19,702	90,172	-	165,287
Credited to the profit and loss account	-	16,746	41,603	-	58,349
Charged to equity	(31,998)	-	-	-	(31,998)
At 30 September 2009	23,415	36,448	131,775	-	191,638

The amounts shown in the balance sheet include the following:

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Deferred tax liabilities to be settled after more than 12 months	(22,427)	(23,925)	(23,128)	(24,224)
Deferred tax assets to be recovered after more than 12 months	59,863	75,115	59,863	75,115

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 19. Payables

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Client funds	26,284	56,186	26,284	56,186
Statutory liabilities	8,475	3,101	3,138	2,418
Other	29,141	22,383	23,452	20,404
	<u>63,900</u>	<u>81,670</u>	<u>52,874</u>	<u>79,008</u>

## 20. Stated Capital and Treasury Shares

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Authorised ordinary shares 600,000,000 (2008 – 100,000,000)				
(a) Issued and fully paid ordinary shares of no par value 405,733,824 (2008 - 62,850,000)	<u>667,550</u>	<u>62,850</u>	<u>667,550</u>	<u>62,850</u>
(b) Treasury shares 987,526	<u>(9,500)</u>	<u>-</u>	<u>(9,500)</u>	<u>-</u>

- (i) During the year, the company acquired BUTM by way of a share exchange between the shareholders of Barita and the shareholders of BUTM. Under the terms of the agreement each shareholder of BUTM would exchange 4.14 of their current shareholdings in exchange for one share in Barita. At the date of the exchange, each share in BUTM was valued at \$3.59 resulting in a purchase consideration of \$85,700,000. This purchase consideration was settled by way of a share issue of 5,759,830 shares which were allocated to the shareholders of BUTM.
- (ii) Prior to the acquisition of BUTM, the company purchased 987,526 of its own shares from a former director. The agreed consideration for the acquisition of the shares was \$9,500,000.
- (iii) On 5 August 2009, the Board of Directors of Barita authorised the issue of bonus shares of 338,111,520 which was financed from the capitalisation of \$519,000,000 from retained earnings.

# Barita Investments Limited

Notes to the Financial Statements

30 September 2009

(expressed in Jamaican dollars unless otherwise indicated)

## 21. Capital Reserve

This represents the unrealised surplus on revaluation of property, plant and equipment. The movement on the capital reserve is as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
At 1 October	86,803	69,405	62,958	45,560
Revaluation surplus on property, plant and equipment	-	26,097	-	26,097
Deferred tax charged to equity	-	(8,699)	-	(8,699)
Adjustment on elimination of investment in subsidiary	(85,700)	-	-	-
30 September	<u>1,103</u>	<u>86,803</u>	<u>62,958</u>	<u>62,958</u>

## 22. Fair Value Reserve

This represents the unrealised surplus or deficit on the revaluation of available-for-sale investment securities.

## 23. Subsequent Event

Subsequent to the year end, the Group announced plans to list on the Jamaica Stock Exchange. Through the listing, the Group is offering ordinary shares, mandatorily redeemable preference shares and preference shares that are convertible to ordinary shares. At the date of these financial statements, the offer was not yet open to the public.



## APPENDIX XII

### APPLICATION PROCEDURES & CONDITIONS

Applicants are reminded that their decision to complete an Application Form is confirmation that they have read and understood the terms and conditions of this Prospectus.

Applicants may apply for one or more of the Securities being offered, but each Security has its own application form, and applying for two or more instruments means that the like number of Application Forms must be completed.

**Form 1 Series 'A' Redeemable Cumulative Variable Rate Preference Shares**  
**Form 2 Series 'B' Convertible Cumulative Variable Rate Preference Shares**  
**Form 3 Ordinary Shares**

1. Each duly completed Application Form must be taken to the offices of Barita in Kingston, Mandeville or Montego Bay, or to any other stockbroker listed on Page 48.
2.
  - a) Application for Preference Shares must be for a minimum of 10,000 shares and multiples of 10,000 shares.
  - b) Application for Ordinary Shares must be a minimum of 1,000 and multiples of 1,000.
3. The amount payable must be made in full, and payment is preferred by Managers Cheques, save for existing clients and staff of the Company, as well as the selling agents.
4. The Company reserves the right to reject, in whole or in part, any application, and to allocate less than the amount applied for if the Offer is oversubscribed.
5. If the offer is oversubscribed, allotments will be made on a pro-rated basis.
6. The Application Form must be completed in every respect, must be on an original Form included in the Prospectus, and may be downloaded from the Web Site of the Jamaica Stock Exchange or the Company.
7. Prospectuses will be available from all Branches of the Company or any of the offices of the Selling Agents, the web site of the Company or Jamaica Stock Exchange. Prospectuses are no longer required to be published in the newspaper, as per new regulations passed by the Jamaica Stock Exchange on October 21, 2009. The Stock Exchange requires that notice of the Public Offering be published in a newspaper.
8. If an Application is not accepted, the amount paid on application will be refunded in full to the broker or selling agent through which the applicant applied. In the event of oversubscription, refunds will be made to those selling agents through whom the applications originated and will be in one cheque for all the clients of that selling agent who will disburse individual cheques to applicants. For refunds through the Company, clients may collect their refunds within ten (10) days of the close of the Offer. Interest does not accrue on refunds.

9. The Company reserves the right to close the offer early, if fully subscribed, as well as to extend the closing date of the offer, if mitigating circumstances arise.
10. The Jamaica Central Securities Depository will be Registrar and Issuing Agent to this Offer. Its offices are located at 40 Harbour Street, Kingston.
11. Application has been made to the Jamaica Stock Exchange for listing of the whole of the three issues of shares of the Company together with the whole of the already issued Ordinary share capital of the Company, but this is not to be construed as a guarantee that the shares will be listed.

**APPLICANTS SHOULD BE REMINDED THAT A TRN NUMBER IS REQUIRED FOR ALL TRANSACTIONS.**

## **10. BANKERS AND CONSULTANTS**

### **Attorneys-at-Law to the Issue**

Nunes, Scholefield, DeLeon & Co.  
6A Holborn Road  
Kingston 10

### **Auditors**

PricewaterhouseCoopers  
Scotia Centre  
Duke Street  
Kingston

Ernst & Young  
8 Olivier Road  
Kingston 8

### **Bankers**

FirstCaribbean International Bank (Jamaica) Limited  
23 Knutsford Boulevard  
Kingston 5

RBTT Bank Jamaica Limited  
17a Duke Street  
Kingston

### **Registrar and Transfer Agent**

Jamaica Central Securities Depository Limited  
40 Harbour Street  
Kingston.

### **Receiving Agent and Issuing Office**

Jamaica Central Securities Depository Limited  
40 Harbour Street  
Kingston.

## **11. BROKERS**

### **Lead Broker**

Barita Investments Limited  
15 St. Lucia Way  
Kingston 5  
Telephone: (876) 926-2681

### **Branch Offices**

Shop 2a  
Manchester Shopping Centre  
Mandeville, Manchester  
Telephone: (876) 625-0031

Shop S301  
Baywest Shopping Centre  
Montego Bay, St. James  
Telephone: (876) 940-7201

### **Other Stockbrokers**

**Mayberry Investments Limited**  
1½ Oxford Road  
Kingston 5  
Telephone: (876) 929-1908-9

**Pan Caribbean Financial Services Limited**  
60 Knutsford Boulevard  
Kingston 5  
Telephone: (876) 968 7022

**Capital & Credit Securities Limited**  
10-16 Grenada Way  
Kingston 5  
Telephone: (876) 946-1770

**M/ML Stockbrokers Limited**  
2-6 Grenada Crescent  
Kingston 5  
Telephone: (876) 960-1570-1/926 4319

**Scotia DBG Investments Limited**  
7 Holborn Road  
Kingston 10  
Telephone: 1 888 225 5324

**NCB Capital Markets Limited**  
"The Atrium"  
32 Trafalgar Road  
Kingston 10  
Telephone: (876) 935-2747

**First Global Financial Services Ltd**  
2 St. Lucia Way  
Kingston 5  
Telephone: (876) 926-1275

**Stocks & Securities Ltd.**  
24 Grenada Crescent  
Kingston 5  
Telephone : (876) 929 326-4/929-3400


**JMMB Securities Limited**  
6 Haughton Terrace  
Kingston 5  
Telephone: (876) 920-5050/20-4720


**Victoria Mutual Wealth Management Limited**  
52 Grenada Crescent  
Kingston 5  
Telephone: (876) 960-5000-3

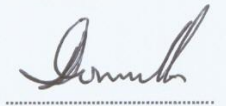
**12. DATE AND SIGNATURES OF DIRECTORS**


Dated this 26<sup>th</sup> day of November, 2009.

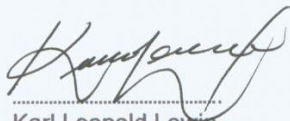
SIGNED on behalf of BARITA INVESTMENTS LIMITED by each of its Directors as follows:-

  
Rita Humphries-Lewin  
Chairman

  
John O. Minott, Sr.  
Deputy Chairman

  
Carl Delroy Domville

  
Robert Anthony Jenkinson  
by George William (Paul) Cooper  
his duly authorized agent

  
Karl Leopold Lewin

  
George William (Paul) Cooper

# 13. APPLICATION FORM

PLEASE READ INSTRUCTIONS ON REVERSE SIDE BEFORE COMPLETING THIS FORM

# FORM 1

## SHARE ISSUE OF 100,000,000 SERIES "A" 2012 REDEEMABLE CUMULATIVE VARIABLE RATE PREFERENCE SHARES. AN INITIAL RATE OF 16.5% FIXED FOR THE FIRST YEAR.

TO: **BARITA INVESTMENTS LIMITED**

I/WE OFFER TO PURCHASE \_\_\_\_\_ SERIES "A" 2012 REDEEMABLE CUMULATIVE VARIABLE RATE PREFERENCE SHARES IN BARITA INVESTMENTS LIMITED ON AND SUBJECT TO THE TERMS AND CONDITIONS OF THE PROSPECTUS AT THE PRICE OF \$3.00 PER SHARE AND I/WE ATTACH MY/OUR CHEQUE FOR TOTAL PAYMENT OF \$\_\_\_\_\_.

I/We confirm that we have read and understood the terms and conditions of the Prospectus. I/We agree to accept the same or any smaller number of Shares in respect of which this Application may be accepted, subject to the terms and conditions of the said Prospectus and the Articles of Incorporation of the Company. I/We hereby agree to accept the shares that may be allotted to me/us and hereby authorize you to credit to my/our JCSD account stated below, the Shares allocated to me/us upon this Application.

**INSTRUCTIONS FOR COMPLETING APPLICATION FORM:** All fields other than the Barita Customer Account Number are relevant and must be completed. If you already have an account with the JCSD, please fill in your JCSD number. Your broker will assist you with this, and also to complete the application correctly.

### SECTION A: To be completed by applicant

**PRIMARY HOLDER** (Either Company or Individual).  
For Individuals, please enter name in the format.

SURNAME

FIRST NAME

MIDDLE  
INITIAL

TITLE

TRN#

CITIZENSHIP

JCSD ACCOUNT#

BROKER NO.

CLIENT TYPE

ADDRESS LINE 1

ADDRESS LINE 2

CITY

POSTAL CODE

COUNTRY

OCCUPATION

TELEPHONE #

E-MAIL

Signature Companies:

Director

Director/Secretary

Individual:

Applicant

Date signatures(s) affixed

### SECTION B: Joint Holder Information

**FIRST NAMED JOINT HOLDER**  
(please enter name in the format)

SURNAME

FIRST NAME

MIDDLE  
INITIAL

OCCUPATION

T.R.N. #

SIGNATURE

**SECOND NAMED JOINT HOLDER**  
(please enter name in the format)

SURNAME

FIRST NAME

MIDDLE  
INITIAL

OCCUPATION

T.R.N. #

SIGNATURE

ALL APPLICANTS WILL BE REQUIRED TO PAY \$100.00 PER APPLICATION FOR JCSD REGISTRATION FEE.

THIS OFFER IS NOT MADE TO PERSONS RESIDENT OUTSIDE JAMAICA  
ALL APPLICANTS MUST INPUT THEIR TRN NUMBERS

**BROKER'S  
STAMP**

# NOTES ON HOW TO COMPLETE THE APPLICATION FORM

1. Applications must be for a minimum of 10,000 shares with increments in multiples of 10,000.
2. This Application Form can be used by all Barita customers and the general public.
3. You must attach your payment by cheque for the total amount due based on the number of Shares applied for. **Except where your application is processed by another broker, your cheque should be made payable to “Barita Investments Limited”** and should be delivered along with this Application Form duly completed, to the office of Barita 15 St. Lucia Way, Kingston 5.
4. If you are applying through any stockbroker or through a Selling Agent your cheque should be made payable to such stockbroker or the Selling Agent (as the case may be) and you should hand this Application Form to that stockbroker or the Selling Agent.
5. If you are applying jointly with any other person, you must complete the Joint Holder Information in Section B and each joint holder must sign the Application Form at the place indicated and affix their TRN.
6. An Individual applicant must be at least 18 years old and must affix their TRN.
7. Share Certificates will not be issued unless specifically requested. Instead the Shares allotted to a successful applicant will be credited to his account at the Jamaica Central Securities Depository. If the applicant does not have a JCSD account, one will be created and the allotted shares deposited to that account.
8. PLEASE PROVIDE YOUR E-MAIL ADDRESS AND TELEPHONE NUMBER.

---

## FOR USE BY BROKER ONLY

Processing Date \_\_\_\_\_ Cheque Number \_\_\_\_\_

Time Received \_\_\_\_\_ Cheque Value \_\_\_\_\_

Payment Method \_\_\_\_\_

Broker Stamp and Signature

Share Category:

Public  Clients  Staff & Directors

# 13. APPLICATION FORM

# FORM 2

PLEASE READ INSTRUCTIONS ON REVERSE SIDE BEFORE COMPLETING THIS FORM

## SHARE ISSUE OF 100,000,000 SERIES "B" 2012 CONVERTIBLE CUMULATIVE VARIABLE RATE PREFERENCE SHARES. AN INITIAL RATE OF 12% FIXED FOR THE FIRST YEAR (ZERO-RATED TAX).

TO: **BARITA INVESTMENTS LIMITED**

I/WE OFFER TO PURCHASE \_\_\_\_\_ SERIES "B" 2012 CONVERTIBLE CUMULATIVE VARIABLE RATE PREFERENCE SHARES IN BARITA INVESTMENTS LIMITED ON AND SUBJECT TO THE TERMS AND CONDITIONS OF THE PROSPECTUS AT THE PRICE OF \$3.00 PER SHARE AND I/WE ATTACH MY/OUR CHEQUE FOR TOTAL PAYMENT OF \$ \_\_\_\_\_.

I/We confirm that we have read and understood the terms and conditions of the Prospectus. I/We agree to accept the same or any smaller number of Shares in respect of which this Application may be accepted, subject to the terms and conditions of the said Prospectus and the Articles of Incorporation of the Company. I/We hereby agree to accept the shares that may be allotted to me/us and hereby authorize you to credit to my/our JCSD account stated below, the Shares allocated to me/us on this Application.

**INSTRUCTIONS FOR COMPLETING APPLICATION FORM:** All fields other than the Barita Customer Account Number are relevant and must be completed. If you already have an account with the JCSD, please fill in your JCSD number. Your broker will assist you with this, and also to complete the application correctly.

### SECTION A: To be completed by applicant

**PRIMARY HOLDER** (Either Company or Individual).  
For Individuals, please enter name in the format.

SURNAME FIRST NAME MIDDLE INITIAL  
TITLE TRN# CITIZENSHIP JCSD ACCOUNT# BROKER NO.

CLIENT TYPE ADDRESS LINE 1

ADDRESS LINE 2

CITY POSTAL CODE COUNTRY

OCCUPATION TELEPHONE # E-MAIL

Signature Companies: Director Director/Secretary

Individual: Applicant Date signatures(s) affixed

### SECTION B: Joint Holder Information

**FIRST NAMED JOINT HOLDER**  
(please enter name in the format)

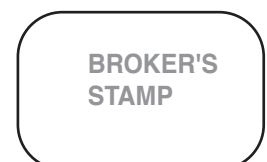
SURNAME FIRST NAME MIDDLE INITIAL  
OCCUPATION T.R.N. # SIGNATURE

**SECOND NAMED JOINT HOLDER**  
(please enter name in the format)

SURNAME FIRST NAME MIDDLE INITIAL  
OCCUPATION T.R.N. # SIGNATURE

ALL APPLICANTS WILL BE REQUIRED TO PAY \$100.00 PER APPLICATION FOR JCSD REGISTRATION FEE.

THIS OFFER IS NOT MADE TO PERSONS RESIDENT OUTSIDE JAMAICA  
ALL APPLICANTS MUST INPUT THEIR TRN NUMBERS





## NOTES ON HOW TO COMPLETE THE APPLICATION FORM

1. Applications must be for a minimum of 10,000 shares with increments in multiples of 10,000.
2. This Application Form can be used by all Barita customers and the general public.
3. You must attach your payment by cheque for the total amount due based on the number of Shares applied for. **Except where your application is processed by another broker, your cheque should be made payable to “Barita Investments Limited”** and should be delivered along with this Application Form duly completed, to the office of Barita 15 St. Lucia Way, Kingston 5.
4. If you are applying through any stockbroker or through a Selling Agent your cheque should be made payable to such stockbroker or the Selling Agent (as the case may be) and you should hand this Application Form to that stockbroker or the Selling Agent.
5. If you are applying jointly with any other person, you must complete the Joint Holder Information in Section B and each joint holder must sign the Application Form at the place indicated and affix their TRN.
6. An Individual applicant must be at least 18 years old and must affix their TRN.
7. Share Certificates will not be issued unless specifically requested. Instead the Shares allotted to a successful applicant will be credited to his account at the Jamaica Central Securities Depository. If the applicant does not have a JCSD account, one will be created and the allotted shares deposited to that account.
8. PLEASE PROVIDE YOUR E-MAIL ADDRESS AND TELEPHONE NUMBER.

---

### FOR USE BY BROKER ONLY

Processing Date \_\_\_\_\_ Cheque Number \_\_\_\_\_

Time Received \_\_\_\_\_ Cheque Value \_\_\_\_\_

Payment Method \_\_\_\_\_

Broker Stamp and Signature

Share Category:

Public  Clients  Staff & Directors

# 13. APPLICATION FORM

# FORM 3

PLEASE READ INSTRUCTIONS ON REVERSE SIDE BEFORE COMPLETING THIS FORM

## SHARE ISSUE OF 160,000,000 ORDINARY SHARES

**TO: BARITA INVESTMENTS LIMITED**

I/WE OFFER TO PURCHASE \_\_\_\_\_ ORDINARY SHARES IN BARITA INVESTMENTS LIMITED ON AND SUBJECT TO THE TERMS AND CONDITIONS OF THE PROSPECTUS AT THE PRICE OF \$2.50 PER SHARE AND I/WE ATTACH MY/OUR CHEQUE FOR TOTAL PAYMENT OF \$\_\_\_\_\_.

I/We confirm that we have read and understood the terms and conditions of the Prospectus. I/We agree to accept the same or any smaller number of Shares in respect of which this Application may be accepted, subject to the terms and conditions of the said Prospectus and the Articles of Incorporation of the Company. I/We hereby agree to accept the shares that may be allotted to me/us and hereby authorize you to credit to my/our JCSD account stated below, the Shares allocated to me/us upon this Application.

**INSTRUCTIONS FOR COMPLETING APPLICATION FORM:** All fields other than the Barita Customer Account Number are relevant and must be completed. If you already have an account with the JCSD, please fill in your JCSD number. Your broker will assist you with this, and also to complete the application correctly.

### SECTION A: To be completed by applicant

**PRIMARY HOLDER** (Either Company or Individual).  
For Individuals, please enter name in the format.

SURNAME

FIRST NAME

MIDDLE  
INITIAL

TITLE

TRN#

CITIZENSHIP

JCSD ACCOUNT#

BROKER NO.

CLIENT TYPE

ADDRESS LINE 1

ADDRESS LINE 2

CITY

POSTAL CODE

COUNTRY

OCCUPATION

TELEPHONE #

E-MAIL

Signature Companies:

Director

Director/Secretary

Individual:

Applicant

Date signatures(s) affixed

### SECTION B: Joint Holder Information

**FIRST NAMED JOINT HOLDER**  
(please enter name in the format)

SURNAME

FIRST NAME

MIDDLE  
INITIAL

OCCUPATION

T.R.N. #

SIGNATURE

**SECOND NAMED JOINT HOLDER**  
(please enter name in the format)

SURNAME

FIRST NAME

MIDDLE  
INITIAL

OCCUPATION

T.R.N. #

SIGNATURE

**ALL APPLICANTS WILL BE REQUIRED TO PAY \$100.00 PER APPLICATION FOR JCSD REGISTRATION FEE.**

**THIS OFFER IS NOT MADE TO PERSONS RESIDENT OUTSIDE JAMAICA**

**ALL APPLICANTS MUST INPUT THEIR TRN NUMBERS**

**BROKER'S  
STAMP**

## NOTES ON HOW TO COMPLETE THE APPLICATION FORM

1. Applications must be for a minimum of 1,000 shares with increments in multiples of 1,000.
2. This Application Form can be used by all Barita customers and the general public.
3. You must attach your payment by cheque for the total amount due based on the number of Shares applied for. **Except where your application is processed by another broker, your cheque should be made payable to “Barita Investments Limited”** and should be delivered along with this Application Form duly completed, to the office of Barita 15 St. Lucia Way, Kingston 5.
4. If you are applying through any stockbroker or through a Selling Agent your cheque should be made payable to such stockbroker or the Selling Agent (as the case may be) and you should hand this Application Form to that stockbroker or the Selling Agent.
5. If you are applying jointly with any other person, you must complete the Joint Holder Information in Section B and each joint holder must sign the Application Form at the place indicated and affix their TRN.
6. An Individual applicant must be at least 18 years old and must affix their TRN.
7. Share Certificates will not be issued unless specifically requested. Instead the Shares allotted to a successful applicant will be credited to his account at the Jamaica Central Securities Depository. If the applicant does not have a JCSD account, one will be created and the allotted shares deposited to that account.
8. PLEASE PROVIDE YOUR E-MAIL ADDRESS AND TELEPHONE NUMBER.

---

### FOR USE BY BROKER ONLY

Processing Date \_\_\_\_\_ Cheque Number \_\_\_\_\_

Time Received \_\_\_\_\_ Cheque Value \_\_\_\_\_

Payment Method \_\_\_\_\_

Broker Stamp and Signature

Share Category:

Public

Clients

Staff & Directors

# 13. APPLICATION FORM

PLEASE READ INSTRUCTIONS ON REVERSE SIDE BEFORE COMPLETING THIS FORM

# FORM 4

## SHARE ISSUE OF 30,000,000 FOR EXISTING CLIENTS

TO: **BARITA INVESTMENTS LIMITED**

I/WE OFFER TO PURCHASE \_\_\_\_\_ ORDINARY SHARES IN BARITA INVESTMENTS LIMITED ON AND SUBJECT TO THE TERMS AND CONDITIONS OF THE PROSPECTUS AT THE PRICE OF \$2.30 PER SHARE AND I/WE ATTACH MY/OUR CHEQUE FOR TOTAL PAYMENT OF \$\_\_\_\_\_.

I/We confirm that we have read and understood the terms and conditions of the Prospectus. I/We agree to accept the same or any smaller number of Shares in respect of which this Application may be accepted, subject to the terms and conditions of the said Prospectus and the Articles of Incorporation of the Company. I/We hereby agree to accept the shares that may be allotted to me/us and hereby authorize you to credit to my/our JCSD account stated below, the Shares allocated to me/us upon this Application.

**INSTRUCTIONS FOR COMPLETING APPLICATION FORM:** All fields other than the Barita Customer Account Number are relevant and must be completed. If you already have an account with the JCSD, please fill in your JCSD number. Your broker will assist you with this, and also to complete the application correctly.

### SECTION A: To be completed by applicant

**PRIMARY HOLDER** (Either Company or Individual).  
For Individuals, please enter name in the format.

SURNAME		FIRST NAME		MIDDLE INITIAL
TITLE	TRN#	CITIZENSHIP	JCSD ACCOUNT#	BROKER NO.

CLIENT TYPE	ADDRESS LINE 1
ADDRESS LINE 2	

CITY	POSTAL CODE	COUNTRY
------	-------------	---------

OCCUPATION	TELEPHONE #	E-MAIL
------------	-------------	--------

Signature Companies: \_\_\_\_\_  
Director Director/Secretary

Individual: \_\_\_\_\_  
Applicant Date signatures(s) affixed

### SECTION B: Joint Holder Information

**FIRST NAMED JOINT HOLDER**  
(please enter name in the format)

SURNAME		FIRST NAME		MIDDLE INITIAL
OCCUPATION	T.R.N. #	SIGNATURE		

**SECOND NAMED JOINT HOLDER**  
(please enter name in the format)

SURNAME		FIRST NAME		MIDDLE INITIAL
OCCUPATION	T.R.N. #	SIGNATURE		

ALL APPLICANTS WILL BE REQUIRED TO PAY \$100.00 PER APPLICATION FOR JCSD REGISTRATION FEE.

THIS OFFER IS NOT MADE TO PERSONS RESIDENT OUTSIDE JAMAICA  
ALL APPLICANTS MUST INPUT THEIR TRN NUMBERS



## NOTES ON HOW TO COMPLETE THE APPLICATION FORM

1. Applications must be for a minimum of 1,000 shares with increments in multiples of 1,000.
2. This Application Form can be used by all Barita customers and the general public.
3. You must attach your payment by cheque for the total amount due based on the number of Shares applied for. **Except where your application is processed by another broker, your cheque should be made payable to “Barita Investments Limited”** and should be delivered along with this Application Form duly completed, to the office of Barita 15 St. Lucia Way, Kingston 5.
4. If you are applying through any stockbroker or through a Selling Agent your cheque should be made payable to such stockbroker or the Selling Agent (as the case may be) and you should hand this Application Form to that stockbroker or the Selling Agent.
5. If you are applying jointly with any other person, you must complete the Joint Holder Information in Section B and each joint holder must sign the Application Form at the place indicated and affix their TRN.
6. An Individual applicant must be at least 18 years old and must affix their TRN.
7. Share Certificates will not be issued unless specifically requested. Instead the Shares allotted to a successful applicant will be credited to his account at the Jamaica Central Securities Depository. If the applicant does not have a JCSD account, one will be created and the allotted shares deposited to that account.
8. PLEASE PROVIDE YOUR E-MAIL ADDRESS AND TELEPHONE NUMBER.

---

### FOR USE BY BROKER ONLY

Processing Date \_\_\_\_\_ Cheque Number \_\_\_\_\_

Time Received \_\_\_\_\_ Cheque Value \_\_\_\_\_

Payment Method \_\_\_\_\_

Broker Stamp and Signature

Share Category:

Public

Clients

Staff & Directors

# 13. APPLICATION FORM

# FORM 5

PLEASE READ INSTRUCTIONS ON REVERSE SIDE BEFORE COMPLETING THIS FORM

## SHARE ISSUE OF 10,000,000 FOR STAFF & DIRECTORS

TO: **BARITA INVESTMENTS LIMITED**

I/WE OFFER TO PURCHASE \_\_\_\_\_ ORDINARY SHARES IN BARITA INVESTMENTS LIMITED ON AND SUBJECT TO THE TERMS AND CONDITIONS OF THE PROSPECTUS AT THE PRICE OF \$2.25 PER SHARE AND I/WE ATTACH MY/OUR CHEQUE FOR TOTAL PAYMENT OF \$ \_\_\_\_\_.

I/We confirm that we have read and understood the terms and conditions of the Prospectus. I/We agree to accept the same or any smaller number of Shares in respect of which this Application may be accepted, subject to the terms and conditions of the said Prospectus and the Articles of Incorporation of the Company. I/We hereby agree to accept the shares that may be allotted to me/us and hereby authorize you to credit to my/our JCSD account stated below, the Shares allocated to me/us upon this Application.

**INSTRUCTIONS FOR COMPLETING APPLICATION FORM:** All fields other than the Barita Customer Account Number are relevant and must be completed. If you already have an account with the JCSD, please fill in your JCSD number. Your broker will assist you with this, and also to complete the application correctly.

### SECTION A: To be completed by applicant

**PRIMARY HOLDER** (Either Company or Individual).  
For Individuals, please enter name in the format.

SURNAME		FIRST NAME		MIDDLE INITIAL
TITLE	TRN#	CITIZENSHIP	JCSD ACCOUNT#	BROKER NO.

CLIENT TYPE	ADDRESS LINE 1			
	ADDRESS LINE 2			
CITY	POSTAL CODE	COUNTRY		
OCCUPATION	TELEPHONE #	E-MAIL		

Signature Companies: Director \_\_\_\_\_ Director/Secretary \_\_\_\_\_

Individual: Applicant \_\_\_\_\_ Date signatures(s) affixed \_\_\_\_\_

### SECTION B: Joint Holder Information

**FIRST NAMED JOINT HOLDER**  
(please enter name in the format)

SURNAME		FIRST NAME		MIDDLE INITIAL
OCCUPATION	T.R.N. #	SIGNATURE		

**SECOND NAMED JOINT HOLDER**  
(please enter name in the format)

SURNAME		FIRST NAME		MIDDLE INITIAL
OCCUPATION	T.R.N. #	SIGNATURE		

ALL APPLICANTS WILL BE REQUIRED TO PAY \$100.00 PER APPLICATION FOR JCSD REGISTRATION FEE.

THIS OFFER IS NOT MADE TO PERSONS RESIDENT OUTSIDE JAMAICA  
ALL APPLICANTS MUST INPUT THEIR TRN NUMBERS



## NOTES ON HOW TO COMPLETE THE APPLICATION FORM

1. Applications must be for a minimum of 1,000 shares with increments in multiples of 1,000.
2. This Application Form can be used by all Barita customers and the general public.
3. You must attach your payment by cheque for the total amount due based on the number of Shares applied for. **Except where your application is processed by another broker, your cheque should be made payable to “Barita Investments Limited”** and should be delivered along with this Application Form duly completed, to the office of Barita 15 St. Lucia Way, Kingston 5.
4. If you are applying through any stockbroker or through a Selling Agent your cheque should be made payable to such stockbroker or the Selling Agent (as the case may be) and you should hand this Application Form to that stockbroker or the Selling Agent.
5. If you are applying jointly with any other person, you must complete the Joint Holder Information in Section B and each joint holder must sign the Application Form at the place indicated and affix their TRN.
6. An Individual applicant must be at least 18 years old and must affix their TRN.
7. Share Certificates will not be issued unless specifically requested. Instead the Shares allotted to a successful applicant will be credited to his account at the Jamaica Central Securities Depository. If the applicant does not have a JCSD account, one will be created and the allotted shares deposited to that account.
8. PLEASE PROVIDE YOUR E-MAIL ADDRESS AND TELEPHONE NUMBER.

---

### FOR USE BY BROKER ONLY

Processing Date \_\_\_\_\_ Cheque Number \_\_\_\_\_

Time Received \_\_\_\_\_ Cheque Value \_\_\_\_\_

Payment Method \_\_\_\_\_

Broker Stamp and Signature

Share Category:

Public  Clients  Staff & Directors