This prospectus (the "Prospectus") is issued by Eppley Limited (the "Company") and is dated Wednesday, 7 November 2018. A copy of this Prospectus was delivered to the Registrar of Companies for registration pursuant to section 40(2) of the Companies Act, 2004 and was so registered on Wednesday, 7 November 2018. The Registrar of Companies accepts no responsibility whatsoever for the contents of this Prospectus. A copy of this Prospectus was also delivered to the Financial Services Commission for the purposes of the registration of the Company as an issuer pursuant to section 26 of the Securities Act and the Company was so registered on Wednesday, 7 November 2018. The Financial Services Commission has not approved the Preference Shares (as defined below) for which subscription is invited nor has the Financial Services Commission passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence.

EPPLEY
LIMITED

CUMULATIVE REDEEMABLE 7.50% FIXED RATE PREFERENCE SHARES DUE 2024
66,500,000 PREFERENCE SHARES PRICED AT J$6.00 EACH

Invitation: The Company invites Applications for subscription for 66,500,000 new fixed rate Cumulative Redeemable 7.50% Preference Shares due 2024 in the capital of the Company (the "2024 Preference Shares") in the Invitation. JMMB Securities Limited is acting as sole lead broker and listing agent to the Company in the Invitation.
Overallotment Option: The Company reserves the right to make available further 2024 Preference Shares prior to the Closing Date in the event of excess demand of the 2024 Preference Shares in the Invitation. See paragraph 11 of the Terms and Conditions at Section 6.4.
Application and Timetable: An Application Form for use by all Applicants is provided Appendix 1 together with notes on how to complete it. The Invitation will open at 9:00 a.m. on the Opening Date, Wednesday, 14 November 2018. Application Forms submitted prior to 9:00 a.m. on the Opening Date will be received, but not processed until 9:00 a.m. on the Opening Date. The Invitation will close at 4:00 p.m. on the Closing Date, Wednesday, 21 November 2018 subject to the right of the Company to: (a) close the Invitation at any time after it opens on 9:00 a.m. on the Opening Date once Applications for all of the 2024 Preference Shares in the Invitation are received; and (b) extend the Closing Date for any reason, provided that it does not extend beyond the expiration of 40 days after the publication of this Prospectus for the purposes of section 48 of the Companies Act. In the case of an early closing of the Invitation, or an extension to the Closing Date, notice will be posted on the website of the JSE at (www.jamstockex.com).
Listing: It is the intention of the Company to apply to the Jamaica Stock Exchange to list the 2024 Preference Shares on the Junior Market of the Jamaica Stock Exchange, however please note that this statement of the Company's intention is not a guarantee that the 2024 Preference Shares will be listed. The making of the application by the Company, and its success, is dependent on (i) the subscription of not less than 25 million 2024 Preference Shares by Applicants by the Closing Date (or any extension thereof); and (ii) the discretion of the JSE and the criteria for admission set out in the JSE Rules. Notwithstanding the foregoing if the Invitation is successful in raising at least $150,000,000 but the 2024 Preference Shares are not listed on the Junior Market the Company may elect to allot the 2024 Preference Shares in any event. See the Terms and Conditions for details.

SHARE CAPITAL

Authorised share capital	195,000,000 Ordinary Shares
	350,160,000 Preference Shares
Issued share capital	192,468,300 Ordinary Shares
	350,160,000 Preference Shares
	60,325,600 - 2018 Preference Shares
	60,264,000 – 2021 Preference Share
	41,666,667 – 2023 Preference Share
	4,758,600 – 2021 Preference Share

Maximum Number of Preference Shares to be issued	Maximum Consideration
66,500,000 - 7.50% Preference Shares due 2024 at J$6*	J$ 399,000,000.00

*In the Overallotment Option, the Company reserves the right to issue up to 33,500,000 additional 2024 Preference Shares due 2024 at J$6 in the Invitation in the event of excess demand. In such a case the maximum consideration for the full subscription of these shares would be greater than J$399m but would not exceed J$600m.

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SECTION 1: DEFINITIONS USED IN THIS PROSPECTUS

TERM	MEANING
2024 Preference Shares	means a new class of cumulative redeemable preference shares in the capital of the Company subject to the Terms of Issue for which Applications are invited in the Invitation
Act	means the Companies Act, 2004
Affiliates	has the meaning given to such term by the Act
Allotment	means the allotment of the 2024 Preference Shares in the Invitation to successful Applicants by the Company
Applicant(s)	means a person (being an individual or a body corporate resident in Jamaica) who submits an Application
Application(s)	means the Application Form(s) completed by the Applicant(s) for the subscription of 2024 Preference Shares, duly delivered to any of the branches listed at Appendix 3 of this Prospectus together with payment in full of the Invitation Price for the amount subscribed, by an Approved Payment Method
Application Form	means the prescribed form set out in Appendix 1 which shall also be available for download at www.jmmb.com and www.jamstockex.com.
Approved Payment Method	means any of the methods described at paragraph 7 - 8 of Section 6.4
Articles of Incorporation	means the Articles of Incorporation of the Company adopted by the shareholders of the Company on 30 June 2013, together with any amendments thereto
Audited Financial Information	means the figures set out in Section 10 that are extracted from the financial statements of the Company as audited by the Auditors, for each of the 5 annual reporting periods ended 31 December in the years 2013 to 2017 inclusive
Auditors	means PricewaterhouseCoopers the independent external auditor of the Company
Auditor's Report	means the independent report of the Auditor set out in Section 10, in relation to (1) the financial statements of the Company as at, and for the year ended, 31 December 2017; and/or (2) the Audited Financial Information
Authorised Preference Shares	means the 350,160,000 authorised cumulative redeemable preference shares in the capital of the Company each series of which is subject to its particular terms of issue

Board	means the Board of Directors of the Company
Company	means Eppley Limited, a company incorporated in Jamaica (number 11444) with its registered and principal office at 58 Half-way Tree Road, Kingston
Closing Date	means the date on which the Invitation closes, being Wednesday, 21 November 2018 at 4:00 p.m., subject to the right of the Company to shorten or extend the Closing Date in the circumstances described in this Prospectus
Director(s)	means a director of the Board of the Company whose name and details are set out in Section 8 of this Prospectus
Existing Preference Shares	means the cumulative redeemable preference shares in the capital of the Company that are in issue as of the date of this Prospectus as described in Section 7.5, not being the Preference Shares in the Invitation
Forward Looking Statement(s)	means the forward looking statements referred to in Section 3 of this Prospectus which are disclaimed by the Company on the terms and for the reasons set out therein
FSC	means the Financial Services Commission of Jamaica of 39-40 Barbados Avenue, Kingston 5, Jamaica
Financial Information	means the Audited Financial Information and the Unaudited Financial Information
GCT	means General Consumption Tax charged in accordance with the General Consumption Tax Act of Jamaica
Invitation	means the invitation to subscribe for the 2024 Preference Shares made by the Company to prospective investors, on the terms and conditions set out in this Prospectus
Invitation Price	means J$6.00 per 2024 Preference Share
JCSD	means the Jamaica Central Securities Depository, a company incorporated in Jamaica (number 58658) with its registered and principal office at 40 Harbour Street, Kingston, Jamaica
JMMB	means Jamaica Money Market Brokers Limited, a company duly registered under the laws of Jamaica and having its registered office located at 6 Haughton Terrace, Kingston 10, Jamaica
JMMBSL	means JMMB Securities Limited, a company duly registered under the laws of Jamaica and having its registered office located at 6 Haughton Terrace, Kingston 10, Jamaica

JSE	means the Jamaica Stock Exchange, a company incorporated in Jamaica (number 6351) with its registered and principal office at 40 Harbour Street, Kingston, Jamaica
Junior Market	means the Junior Market trading platform of the JSE established April 2009
Main Market	means the Main Market trading platform of the JSE
Maturity Date	means a date 6 years (72nd months) following the issue date of the 2024 Preference Shares
Nominated Director	a director nominated to the Board of the Company in the circumstances described in section 7.4
Opening Date	means the date on which the Invitation opens, being 9:00 a.m. on Wednesday, 14 November 2018
Ordinary Shares	means the authorized and issued ordinary shares in the capital of the Company as the context may require
Ordinary Shareholder	means a holder of the Ordinary Shares
Overallotment Option	means the right of the Company to issue up to 33,500,000 further 2024 Preference Shares as are specified in the Terms and Conditions, in the event of excess demand in the Invitation
Preference Shares	means any of the authorised and issued cumulative redeemable preference shares in the capital of the Company including: (i) the 7.50% Preference Shares due 2024; and/or (ii) the Existing Preference Shares, as the context shall require
Preference Shareholder	means a holder of the Preference Shares
Preference Stock Units	means all or any of the Preference Shares that are fully paid and converted on issue to preference stock units in accordance with the Articles of Incorporation
PricewaterhouseCoopers	means PricewaterhouseCoopers, chartered accountants, of Scotiabank Centre, corner of Duke and Port Royal Streets, Kingston
Primary Applicant(s)	means, in the case of joint Applicants or multiple Applicants, the Applicant whose name appears first on the Application Form and who is the Applicant who serves as the primary recipient of notices from the Company

Prospectus	means this document dated Wednesday 7 November 2018 which constitutes a prospectus for the purposes of the Companies Act, 2004 and the Securities Act
Registrar	means JCSD or such other persons as may be appointed by the Company from time to time to provide the services of Registrar for the Company
Related Party Loans	Means a loan owed by the Company to a related party of the Company including any associate of the Company within the meaning set out in the Act
Shareholder(s)	means holders of the Ordinary or Preference Shares as the context shall require
Staff	means senior managers and employees of the Company
Terms and Conditions	means the terms and conditions of the Invitation set out in Section 6.4 of this Prospectus
Terms of Issue	means the terms of the issue of the 2024 Preference Shares in the invitation approved by the board of the Company asset out in Appendix 2 to this Prospectus
Unaudited Financial Information	means the financial information set out in Section 10 of this Prospectus that has not been audited by PricewaterhouseCoopers, namely the financial information in respect of the quarter ended 30 September 2018 that is taken from the management accounts of the Company
$	means the Jamaican dollar unless otherwise indicated

SECTION 2: IMPORTANT INFORMATION ABOUT THE PROSPECTUS

RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This Prospectus has been reviewed and approved by the Board of Directors of the Company. The Directors of the Company whose names appear in Section 8 of this Prospectus are the persons responsible (both individually and collectively) for the information contained in it. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and no information has been omitted which is likely to materially affect the import of information contained herein.

Each of the Directors of the Company has signed this Prospectus for the purposes of their responsibilities as described herein. Such responsibilities are joint and several as contemplated by the Companies Act. See the signatures in Section 15 of this Prospectus.

CONTENTS OF THIS PROSPECTUS

This Prospectus contains important information for prospective investors in the Company. All prospective investors should read this Prospectus carefully in its entirety before submitting an Application.

This Prospectus also contains summaries of certain documents, which the Board of Directors of the Company believe are accurate. Prospective investors may wish to inspect the actual documents that are summarised, copies of which will be available for inspection as described in Section 14. Any summaries of such documents appearing in this Prospectus are qualified in their entirety by reference to the complete document. The publication of this Prospectus shall not imply that there has been no change in the business, results of operations, financial condition or prospects of the Company since the date of this Prospectus.

UNAUTHORISED REPRESENTATIONS

No person is authorised to provide information or to make any representation whatsoever in connection with this Prospectus which is not contained in this Prospectus. Neither the FSC nor any Government agency or regulatory authority in Jamaica has made any determination as to the accuracy or adequacy of the matters contained in this Prospectus.

INVITATION MADE IN JAMAICA ONLY

This Prospectus is intended for use in Jamaica only and is not to be construed as making an invitation to persons outside of Jamaica to subscribe for any 2024 Preference Shares. The distribution or publication of this Prospectus and the making of the invitation in certain jurisdictions outside of Jamaica is prohibited by law.

APPLICATION TO SUBSCRIBE FOR 2024 PREFERENCE SHARES

This Prospectus is not a recommendation by the Company that prospective investors should submit Applications to subscribe for 2024 Preference Shares in the Company. Prospective investors are expected to make their own assessment of the Company, and the merits and risks of subscribing for 2024 Preference Shares. Prospective investors are also expected to seek appropriate advice on the financial and legal implications of subscribing for 2024 Preference Shares, including but not limited to any tax implications. Each Applicant who submits an Application acknowledges and agrees that: (1) they have been afforded a meaningful opportunity to review this Prospectus (including the terms and conditions in section 6.4), and to gather and review all additional information considered by them to be necessary to verify the accuracy of the information contained in this Prospectus; (2) no person connected with the Company has made any representation concerning the Company not contained in this Prospectus, on which the Applicant has relied in submitting their Application.

SECTION 3: DISCLAIMER – FORWARD LOOKING STATEMENTS

Save for the historical Financial Information contained in this Prospectus, certain matters discussed in this Prospectus contain forward-looking statements including but not limited to statements of expectations, future plans or future prospects, and pro forma financial information and/or financial projections.

Forward-looking statements are statements that are not about historical facts and speak only as of the date they are made, taking into account any assumptions set out in this Prospectus for that purpose. Although the Directors believe that in making any such statements its expectations are based on reasonable assumptions, such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. Prospective investors in the Company are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they have been made. Future events or circumstances could cause actual results to differ materially from historical or anticipated results.

When used in this Prospectus, the words "anticipates", "believes", "expects", "intends", “considers”, “pro forma”, “forecast”, “projection” and similar expressions, as they relate to the Company, are intended to identify those forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties. Once this Prospectus has been signed by or on behalf of the Company, and prior to the admission of the 2024 Preference Shares to listing on the JSE, the Company undertakes no obligation to update publicly or revise any of the forward-looking statements in light of new information or future events, including changes in the Company's financial or regulatory position, or to reflect the occurrence of unanticipated events (subject to any legal or regulatory requirements for such disclosure to be made).

There are important factors that could cause actual results to differ materially from those in forward-looking statements, certain of which are beyond the Company's control. These factors include, without limitation, the following:

- economic, social and other conditions prevailing both within and outside of Jamaica, including actual rates of growth of the Jamaican and CARICOM regional economies, instability and volatility in domestic interest rates and regional and international exchange rates
- adverse climatic events and natural disasters
- unfavourable market receptiveness to renewals of current products, or any new products
- changes in any legislation or policy adversely affecting the Company
- any other factor negatively impacting on the realisation of the assumptions on which the Company's internal projections are based
- other factors identified in this Prospectus
- factors as yet unknown to the Company

Neither the FSC nor any Government agency or regulatory authority in Jamaica has made any determination on the accuracy or adequacy of the matters contained in this Prospectus.

SECTION 4: SUMMARY OF KEY INFORMATION

The following summary information is derived from, and should be read in conjunction with, and is qualified by, the full text of this Prospectus. You are advised to read the entire Prospectus carefully before making an investment decision about this transaction. Your specific attention is drawn to the Risk Factors in Section 11 of this Prospectus. If you have any questions arising out of this Prospectus you should consult your stockbroker, licensed investment advisor, accountant, attorney-at-law or other professional advisor.

ISSUER: Eppley Limited

SECURITIES: 66,500,000 new fixed rate cumulative redeemable 2024 Preference Shares subject to the Overallotment Option described in section 6.4.

INVITATION PRICE: $6.00 per 2024 Preference Share subject to the Terms of Issue and the Overallotment Option.

PAYMENT INFORMATION: All Applications must be accompanied by payment in full for the desired number of Preference Shares, made by Approved Payment Method (see paragraph 7 of Section 6.4 for details). Please note that the JCSD processing fee of $163.10 per Application (inclusive of GCT) must be included in each payment.

KEY TERMS OF ISSUE: A brief summary of the Terms of Issue of the Preference Shares appears below for convenience. Prospective Applicants are encouraged to read the full Terms of Issue in Appendix 2 of the Prospectus.

1. Payment of Dividends:

   Each 2024 Preference Share will carry the right to receive a cumulative preferential dividend at a fixed rate of 7.50% per annum calculated on the Invitation Price of each 2024 Preference Share. Dividends shall be payable monthly, on the last business day of each month, without premium or penalty. The first dividend will be paid on the 31 December 2018. See the Terms of Issue for full details.

2. Redemption by the Company:

(1) Mandatory Redemption: The 2024 Preference Shares are redeemable by the Company on the Maturity Date. Redemption shall be effected at a price equivalent to the Invitation Price, and otherwise on terms that are specified by the Board of the Company for that purpose.

(2) Optional Redemption: The Company reserves the right to redeem the Preference Shares (in full or part) on any dividend payment date that is not less than 4 years from the issue date without payment of any premium or penalty, with notice of at least thirty (30) days to holders of the 2024 Preference Shares.

On redemption (whether mandatory or optional) any accrued and unpaid dividends will also be paid to Preference Shareholders.

3. Rights to capital:

   On a winding up each 2024 Preference Shareholder will have a right to repayment of capital ranking *pari passu* to any previously issued preference shares but in priority to the Ordinary Shareholders). The Preference Shareholders will however rank behind those of any statutory creditors (inclusive of employees), and secured creditors of the Company.

4. Rights to Vote:

The 2024 Preference Shares will not carry a right to vote except when the dividend has not been paid for more than 12 months; or on a winding up of the Company; or on a proposed variation of the rights attaching to the 2024 Preference Shares.

5. Further Issue of Preference Shares:

   The Company also reserves the right to issue additional preference shares in accordance with the Articles of Incorporation and the Terms of Issue of the 2024 Preference Shares and the Existing Preference Shares.

6. Financial Covenants:

   The Company has covenanted that, so long as any Preference Shares remain in issue, the Company shall:

(1) not incur any secured or unsecured indebtedness by way of loan capital or other borrowings, that is in excess of 5 times its shareholders' equity; and

(2) Subordinate all Related Party Loans.

7. Conversion to Stock Units:

   All 2024 Preference Shares will be issued fully paid and converted to 2024 Preference Stock Units on issue.

APPLICATION: See Appendix 1 of this Prospectus.

TERMS AND CONDITIONS: See Section 6.4 of this Prospectus.

TIMETABLE OF KEY DATES: Registration and Publication of Prospectus: **Wednesday 7 November 2018**

Opening Date: **Wednesday 14 November 2018**

Closing Date: **Wednesday 21 November 2018**

Confirmation of basis of 2024 Preference Share Allotments: All Applicants may refer to the notice that will be posted on the website of the JSE (www.jamstockex.com) after the Closing Date.

Refund Cheques: Available for collection from JMMB or JMMBSL within 10 working days of the Closing Date.

Final Allotment and Listing: Within 3 to 4 weeks of the Closing Date.

EARLY APPLICATIONS: APPLICATION FORMS MAY BE SUBMITTED IN ADVANCE OF THE OPENING DATE. Early Applications will be received, but not processed until the Opening Date. All early Applications will be treated as having been received at the same time, being 9:00 a.m. on the Opening Date. All other Applications will be received and processed on a first come, first served basis.

INTENTION TO LIST ON JSE: It is the intention of the Company to apply to the JSE to list the 2024 Preference Shares on the JSE, however, please note that this statement is not a guarantee that the 2024 Preference Shares will be listed. The making of the application by the Company, and its success, is dependent on:

(1) the subscription of 2024 Preference Shares valued at not less than $25m by the Closing Date (or any extension thereof); and

(2) the discretion of the JSE, and other criteria for admission set out in the JSE Rules.

If the 2024 Preference Shares are not listed the Company may elect to allot them and on that basis any successful transfers will be subject to transfer tax and stamp duty at the combined rate of 6%.

SECTION 5: CHAIRMAN'S LETTER TO PROSPECTIVE INVESTORS

EPPLEY
LIMITED

6 November 2018

DEAR PROSPECTIVE INVESTORS,

The Board of Eppley Limited is pleased to invite you to apply for a new issue of 2024 Preference Shares in the capital of the Company on the terms set out in this Prospectus.

ABOUT THE COMPANY

The Company is a publicly-traded investment company whose objective is to generate stable and attractive returns by capitalising on inefficiencies in Caribbean financial markets. This has historically been achieved by employing an investment strategy focused on originating and investing in loans, leases and other forms of credit for our own account.

In so doing, the Company provides funding to a wide cross-section of consumers, professionals and firms. While the Company's credit investments are varied, they are generally focused in areas that are underserved by traditional providers of credit. As a result, the Directors believe that the Company's investment activities have the effect of generally increasing access to capital in Jamaica.

More recently, the Company has applied its investment philosophy, strategy and process to mezzanine and real estate opportunities deploying funds from its own balance sheet and those from the investment funds we manage.

In its lease and commercial loan portfolios, the Company is a financier of medium and large businesses, including some of what the Directors consider to be the most prominent firms in Jamaica. While these clients generally enjoy access to traditional credit, they value the enhanced solutions and service that the Company provides.In its insurance premium financing portfolio, Eppley provides credit to thousands of clients annually, allowing policyholders to insure property and motor vehicles.

The Company employs an investing discipline and philosophy that is based on fundamental credit analysis. The Directors believe that the number of investments that it makes each year allows its management to scrutinise key credit opportunities and therefore manage credit risk. The Directors also bring to the Company financial and investing expertise across various asset classes in Jamaica and internationally accumulated over many years.

Eppley makes investments on its own account and on behalf of investors. Since 2013, Eppley's own portfolio has grown significantly and now stands at just over $3.1 billion. The Company has also expanded its asset management business by launching the Caribbean Mezzanine Fund, the first mezzanine credit fund focused on the Caribbean alongside our joint venture partners NCB Capital Markets. Earlier this year, the Company also acquired management and control of the Fortress Caribbean Property Fund, a closed-end real estate mutual fund listed on the Barbados and Trinidad and Tobago stock exchanges. The fund has a portfolio of high-quality assets and has since been renamed the Eppley Caribbean Property Fund.

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58 Half Way Tree Road, Kingston 10, Saint Andrew. Tel: 876-929-8451 | Fax: 876-920-1458
M. Subratie, N. Scott, S. Donaldson, B. Thompson, M. Rochester, K. Collister, A. Melville, J. Scott, P.B. Scott.

The asset management business provides additional stability to the Company's income while facilitating growth in scale and scope by allowing the Company to earn management fees and participate in the appreciation of the assets under management. The Company will continue to focus on the private credit and real estate markets where inefficiencies are most pronounced and where our strengths of persistently originating, negotiating and structuring investments are most highly rewarded.

Please read section 7 of this Prospectus for more information on the Company and its operations.

USE OF PROCEEDS

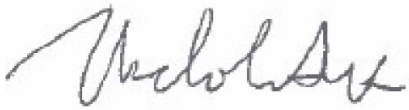
Since the Company's initial public offering of ordinary shares in July 2013, the Company has invested over $3.1 billion in the expansion of its proprietary credit business. The Company has also raised and deployed over $2.2 billion in capital via its its successful offerings of securities inclusive of the Ordinary Shares, the Existing Preference Shares and more recently, unsecured notes placed with Accredited Investors.

The Company is now inviting Applications for 66,500,000 - 7.50% Preference Shares due 2024 in the Invitation, subject to an Overallotment Option. The Board intends to use the proceeds of the Invitation to fund credit facilities and to pay the expenses of the Invitation, which the Directors believe will not exceed $15 million (inclusive of brokerage fees, legal fees, accountant's fees, Registrar's fees, filing fees, initial listing fees and marketing expenses, but exclusive of GCT).

HOW TO MAKE AN APPLICATION FOR 2024 PREFERENCE SHARES

Those investors who are interested in subscribing for 2024 Preference Shares should read this Prospectus in its entirety inclusive of the full Terms and Conditions of the Invitation set out in Section 6.4, the Risk Factors in section 11 and the full Terms of Issue of the 2024 Preference Shares at Appendix 2, and then complete the Application set out in Appendix 1.

ON BEHALF OF THE BOARD OF EPPLEY LIMITED



PAUL B. SCOTT, CHAIRMAN

NICHOLAS SCOTT, MANAGING DIRECTOR

SECTION 6: TERMS AND CONDITIONS OF THE INVITATION

6.1 GENERAL INFORMATION

Prospective investors should read this Prospectus carefully. Those prospective investors who wish to subscribe for 2024 Preference Shares should review the Terms of Issue before completing the Application set out in Appendix 1.

The Company invites Applications for 66,500,000 new 2024 Preference Shares in the Invitation. The Company reserves the right to make more Preference Shares available in the event of excess demand, further to an Overallotment Option that is described in paragraph 11 of the Terms and Conditions at Section 6.4. All 2024 Preference Shares are priced at $6 per 2024 Preference Share.

The Invitation will open at 9:00 a.m. on the Opening Date, Wednesday 14 November 2018 and will close at 4:00 p.m. on the Closing Date, Wednesday 21 November 2018 subject to the right of the Company to: (a) close the subscription list at any time after 9:00 a.m. on the Opening Date once Applications for all of the 2024 Preference Shares in the Invitation are received, and (b) extend the Closing Date for any reason. In either case an informational notice will be posted on the website of the JSE - www.jamstockex.com

6.2 MINIMUM FUNDRAISING

For the purposes of the requirement for disclosure set out in section 48 of the Act, the minimum amount which, in the opinion of the Directors, must be received by the Company in order to provide for the matters set out in paragraph two of the Third Schedule to the Act is $150,000,000.

6.3 USE OF PROCEEDS

The Board intends to use the proceeds of the Invitation in order to expand the capacity of the Company to provide credit facilities, and to pay the expenses of the Invitation, which the Directors believe will not exceed $15 Million (inclusive of brokerage fees, legal fees, accountant's fees, Registrar's fees, filing fees, initial listing fees, marketing expenses, but exclusive GCT) after payment of related expenses. See section 13 for further details.

6.4 TERMS AND CONDITION OF THE INVITATION

1. Status and Minimum Age of Applicants

   Primary Applicants must be at least 18 years old.

2. Application Form

   All Applicants must submit the Application Form provided at Appendix 1 to this Prospectus. Additionally, each duly completed and signed Application Form must be accompanied by:

   - Copy of Applicant's valid identification (Driver's License, Passport or National ID)
   - Copy of Applicant's TRN card
   - Payment for the number of 2024 Preference Shares applied for TOGETHER WITH the JCSD processing fee of J$163.10 (inclusive of GCT).
   - Payment must be made by an Approved Payment Method and must be taken to the locations specified at Appendix 3 of this Prospectus on or before 4:00 p.m. (Jamaica time) on the Closing Date.

3. Acceptance of Terms and Conditions by Applicants

   All Applicants that have completed Application Form(s) will be deemed to have accepted the terms and conditions of the Invitation and any other terms and conditions set out in this Prospectus, including any terms and conditions set out in this Section 6 and the Application in Appendix 1 and in the Terms of Issue at Appendix 2.

4. Further Acknowledgments by Applicants

Each Applicant further acknowledges and agrees that:

(1) they have been afforded a meaningful opportunity to review this Prospectus (including the terms and conditions in this Section 6 and in the Terms of Issue), and to gather and review all additional information considered by him/her to be necessary to verify the accuracy of the information contained in this Prospectus;

(2) they have not relied on any person other than the Company and the Directors, each of whom have individual and collective responsibility for the contents of this Prospectus, in connection with their investigation of the accuracy of such information or their investment decision;

(3) no person connected with the Company has made any representation concerning the Company or this Prospectus not contained herein, on which the Applicant has relied in submitting his/her Application; and

(4) they have made their own assessment of the Company, and the merits and risks of subscribing for 2024 Preference Shares, inclusive of taking advice (or waiving the need for such advice) in relation on the financial and legal implications of subscribing for Shares and the tax implications thereof.

5. Minimum Application

Each Application must be for a minimum of 10,000 - 2024 Preference Shares and be made in multiples of 1,000. Applications in other denominations will not be processed or accepted.

6. Share Price Information

All 2024 Preference Shares are priced at the Invitation Price of J$6 each.

7. How to Make Payments – Approved Payment Methods

All Applications must be accompanied by the appropriate payment for the 2024 Preference Shares applied for, in the form of:

(1) a manager's cheque made payable to "Eppley 2024 Preference Share Offer", or

(2) authorisation from the Applicant, instructing JMMB to make payment from cleared funds held in an investment account in the Applicant's name at JMMB, to an account held at JMMB in the name of Eppley 2024 Preference Share Offer; or

(3) transfer in the Real Time Gross Settlement ("RTGS") system to an account held at JMMB in the name of 2024 Eppley Preference Share Offer, in the case of payments of $1 million or more; or

(4) transfer via the Automated Clearing House (ACH) to an account held at JMMB in the name of 2024 Eppley Preference Share Offer; or

(5) transfer via NCB E-Link to an account held at JMMB in the name of 2024 Eppley Preference Share Offer.

All completed Applications must be delivered to the locations specified at Appendix 3 of this Prospectus on or before 4:00 p.m. (Jamaica time) on the Closing Date.

8. Early Applications and Order of Processing of Applications

Applications submitted to JMMB at locations specified at Appendix 3 of this Prospectus in advance of the Opening Date will be received and checked for completeness, but not processed. All such advance Applications will be treated as having been received at 9:00 a.m. on the Opening Date, Wednesday 14 November 2018. All Applications received from 9:00 a.m. onwards on the Opening Date will be time stamped for processing in the order in which they were received and dealt with in that same order (e.g. on a first come first served basis).

9. Company's Discretions as to Acceptance of Applications and Allotment of 2024 Preference Shares

The Company may:

(1) accept or reject any Application in whole or part without giving reasons, and neither the Company nor its Directors or agents shall be required to provide reasons for decisions or be liable to any Applicant or any other person for doing so;

(2) notwithstanding that the intention of the Company is to allot the 2024 Preference Shares on a first come, first served basis, the Company reserves the right to allot the 2024 Preference Shares to Applicants on a basis to be determined by it in its sole discretion in the event the Invitation is oversubscribed, including on a *pro rata* basis; and

(3) treat multiple Applications by any person (whether in individual or joint names) as a single Application.

10. When Binding Contract is Formed

Neither the submission of an Application Form by an Applicant nor its receipt by the Company will result in a binding contract between the Applicant and the Company. Only the allotment of 2024 Preference Shares by the Company to an Applicant which, in the case of a successful application for admission to the JSE shall be the date of the date of initial listing of the 2024 Preference Shares or, in the case that the said application is not granted and the Company elects to allot the 2024 Preference Shares in accordance with paragraph 12 below, shall be a date not later than 21 days after the Closing Date (whether such 2024 Preference Shares represent all or part of those specified by the Applicant in his/her Application) will result in a binding contract under which the Applicant will be deemed to have agreed to subscribe for the number of allotted 2024 Preference Shares, subject to the Articles of Incorporation of the Company and the terms and conditions set out in this Section 6.4 and the Prospectus generally.

11. Overallotment Option

(1) The Company may elect, by resolution of a simple majority of the Board of the Directors passed at any time prior to 4:00 p.m. on the Closing Date, to make available further 2024 Preference Shares for subscription by Applicants in the Invitation subject to these Terms and Condition, up to a maximum of an additional 33,500,000 units of the 2024 Preference Shares. If the company were to issue the additional 33,500,000 units of the 2024 Preference shares the total consideration in the Invitation would be greater than $399m but will not exceed $600m. In the event that the Company exercises its discretion under this paragraph 11 it shall:

(a) make reference thereto in any announcement it issues for the purposes of the closing of the Invitation and the publication of the basis of Allotment; and

(b) apply to the JSE to list such additional 2024 Preference Shares on the Jamaica Stock Exchange.

This is not a guarantee that any further 2024 Preference Shares will be issued in the Invitation by the Board of the Company, or that any of the 2024 Preference Shares will successfully be listed on the JSE.

(2) All Preference Shares issued subject to the Overallotment Option are subject to these Terms and Conditions. In the event that the Company exercises its discretion under this paragraph 12 it shall:

(a) make reference thereto in any announcement it issues for the purposes of the closing of the Invitation and the publication of the basis of allotment; and

(b) apply to the JSE to list such additional Preference Shares on the Jamaica Stock Exchange.

(3) All Preference Shares issued subject to the Overallotment Option are subject to these Terms and Conditions. In the event that the Company exercises its discretion under this paragraph 12 it shall:

(a) make reference thereto in any announcement it issues for the purposes of the closing of the Invitation and the publication of the basis of allotment; and

(b) apply to the JSE to list such additional Preference Shares on the Jamaica Stock Exchange.

This is not a guarantee that any additional Preference Shares will be issued in the Invitation under the Overallotment Option, or that any of the Preference Shares will successfully be listed on the JSE.

12. When Invitation is Successful

If the Invitation is successful and Preference Shares valued at $150 million or more are fully subscribed the Company will make application to the JSE to list the Preference Shares.

If the Invitation is not successful and the Preference Shares as not subscribed as aforesaid the Company may return all funds to Applicants.

If the Preference Shares are admitted to the JSE, Applicants will be allotted the Preference Shares for credit to their account in the Jamaica Central Securities Depository specified in their Applications. Applicants may refer to the notice that will be posted on the website of the JSE (**www.jamstockex.com**) after the Closing Date (or the shortened or extended Closing Date, as the case may be).

In the event that the Preference Shares are fully subscribed as aforesaid, but not admitted to trading on the on the JSE, the Company reserves the right in its sole discretion to allot the Preference Shares. This may result in an illiquid market for transfers of Preference Shares and any such transfers shall be subject to stamp duty and transfer tax at the combined rate of 6%.

13. Refunds

The Company will endeavour to return cheques or make refunds to Applicants whose Applications are not accepted, or whose Applications are only accepted in part, to JMMB or JMMBSL within 10 working days after the Closing Date (or the shortened or extended Closing Date, as the case may be) or as soon as practicable thereafter. Each Applicant's returned cheque or refund cheque will be dealt with according to the refund instructions stated in the Application. Please note that the $163.10 JCSD processing fee (inclusive of GCT) will not be refunded to an Applicant in the event that the Company refunds payments received for 2024 Preference Shares.

SECTION 7: INFORMATION ABOUT THE COMPANY

7.1 Investment Strategy

The Company is a publicly-traded investment company listed on the Junior Market of the Jamaica Stock Exchange which is focused on credit, mezzanine, and real estate opportunities. The Company has deployed in excess of $3.1 billion dollars to various credit and real estate investments, to date.

The Company invests on its own account and on behalf of investors in its funds. The objective of the Company is to produce stable and attractive returns relative to the risk of loss by exploiting inefficiencies in Caribbean financial markets across credit, mezzanine and real estate asset classes. While the Directors still believe that there are opportunities in commercial credit, its attractiveness as an asset class has diminished as economic conditions have improved and more players have entered the market. The Directors currently believe that the Company is able to earn more favourable risk adjusted returns for its shareholders by employing its existing investment philosophy across the mezzanine and commercial real estate asset classes and by expanding its asset management business.

The Company's management seeks out credit and real estate opportunities that have the highest possible return relative to the risk of default. The Directors consider that these opportunities generally exist either in areas in which the Company has a competitive advantage, and/or areas that are underserved by traditional players.

Examples of areas in which the Company has recently invested are summarized below.

(1) Commercial loans

Commercial lending involves the provision of a variety of loans to businesses. The Directors consider that in most instances, the Company's business loans differ in structure from loans that are more widely available in the marketplace. The Directors consider the Company's corporate lending activities to be opportunistic. In many instances the loan products offered by the Company are tailor-made specifically to suit the needs of borrowers and involve structures that are not widely offered by traditional lenders. It may also take security over assets outside of Jamaica.

The Company's ability to lend is generally constrained solely by its risk appetite and credit assessment rather than by externally imposed considerations. The Directors believe this flexibility is an important competitive advantage for the Company.

(3) Leasing

Leasing involves the provision of finance lease arrangements to commercial clients. Equipment that is leased by the Company includes industrial equipment and motor vehicles. The Directors consider that the Company's ability to design particular business leasing solutions provides its customers with several advantages over loan financing, including the ability to maximize cash flows and increase corporate income tax efficiency. In particular, for owners of large fleets of motor vehicles, the Directors believe that the Company's customized fleet management solutions provide additional advantages that are not widely offered. The Directors note that in the case of its leases the Company retains the ownership of assets it leases and can attempt to monetize them in the event of a customer's default. The Directors consider that this structure lowers the ultimate risk of loss to the Company.

(4) Insurance premium financing

The Company's traditional insurance premium financing business involves the provision of credit to both individuals and businesses who need to finance their insurance premiums, generally for personal lines motor and homeowners insurance contracts. The typical credit period is less than

a year. Under the Company's agreements with customers, its risk is principally secured by collateral in the form of the unearned premium of the underlying insurance contract. If the Company's customer, who is also the policyholder under the contract of insurances, should default in paying over any amounts due or commit another breach, the insurer will void the contract of insurance and in those circumstances, the Company will receive from the insurer any unearned, remaining premium under the insurance policy. As a result, while the Company's borrower is a policyholder, the Directors consider that the ultimate credit risk to the Company is actually that of a general insurance company.

(5) Real Estate Joint Venture

In financial year 2016 the Company took an opportunity to diversify its scope by making a large commercial real estate investment with joint venture partners. This provided the Company with a stream of tenanted cash flow at a higher yield than many investments in the credit portfolio. Furthermore, the Company expects to see modest increases in the value of the property over time.

(6) Asset Management

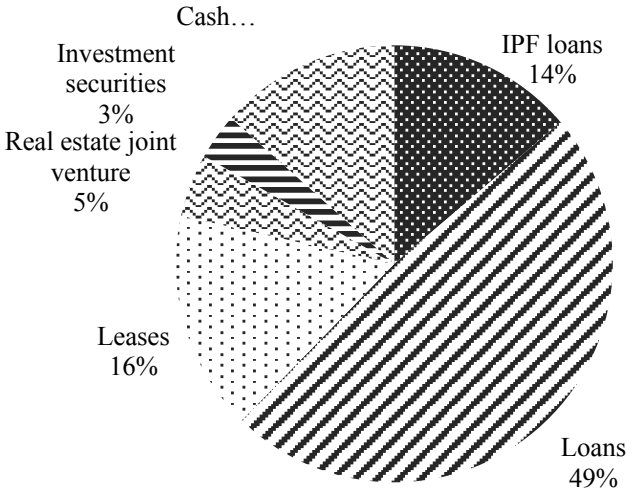
The Company also formed the Caribbean Mezzanine Fund (the "Fund"), an investment vehicle that Eppley co-manages with NCB Capital Markets. The Directors consider that the Fund allows the Company to take advantage of a much broader set of investment opportunities, and to invest larger amounts of capital, in deals across the entire Caribbean. The Company is pleased to a report that the Fund's portfolio is performing as expected, the pace of deployment is ahead of plan and that its investment activities are improving and it has access to capital in key sectors of the economy since its launch in the first quarter of 2017.

In addition to the Caribbean Mezzanine Fund, the Eppley Caribbean Property Fund allows the Company to focus on new asset classes and generate management fees which provide greater stability of the Company's income stream. The Directors believe that real estate is an asset class that can be significantly scaled and it also facilitates diversification away from credit in Jamaica as lending standards loosen and spreads tighten.

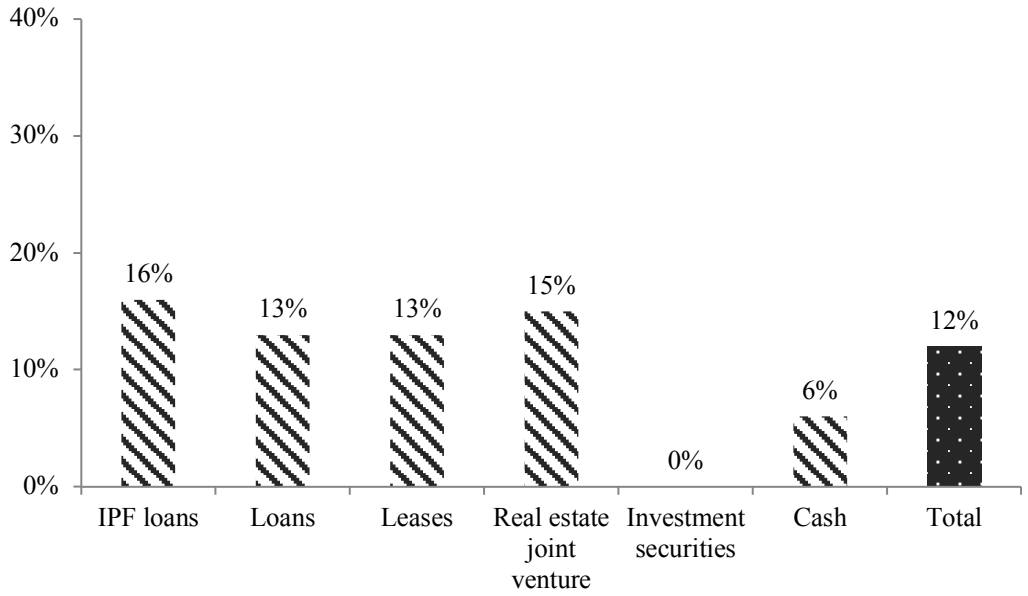
Investment Portfolio

At the end of the financial year 2017, the Company's portfolio of assets amounted to $2.3 billion (audited) consisting mainly of various types of credit investments.

Investment Assets by Type



Yield by Type of Investment



Credit Risk Management

The Directors are ultimately responsible for managing the Company's credit risk. The Directors believe that the largest risk the Company faces is credit risk or the risk of loan losses due to default. The Company's primary means of mitigating this risk involves thorough due diligence investigation of each investment opportunity. Among other things, credit analysis considers the ability of a customer to honour its commitments to the Company, the fair value of the underlying collateral to be given to the Company for security purposes, any credit enhancements arising out of the investment and the contractual and other rights that would be available to the Company in the event of a default by the customer. The number of investments the Company makes annually allows its management to dedicate time to evaluating key customer information for the purposes of assessing credit risk. In addition, all of the Company's investments are made in accordance with a credit policy ratified by the Board and approved by the Company's Investment Committee, whose members have a long track record of investing in public and private markets as well as managing and governing large public companies, including regulated financial institutions. Provisions for the Company's credit investments are made by management and ratified by the Audit Committee in accordance with International Financial Reporting Standards.

7.2 APPLICABLE REGULATORY REGIME

The Ordinary Shares and the Existing Preference Shares of the Company are each listed on the JSE. The Ordinary Shares of the Company are listed on the Junior Market, and the Company is subject to the Junior Market Rules which, amongst other things, require it to issue unaudited quarterly financial information and also, audited annual financial information as well as timely announcements, and to maintain certain standards of good corporate governance.

The Company is also registered with the FSC as an issuer of securities for the purposes of the Securities Act, such securities being the Ordinary Shares and the Existing Preference Shares and the unsecured notes issued by the Company to Accredited Investors in 2018.

If the minimum subscription for the Preference Shares in the Invitation (being $150m) is achieved the Company will make application for the Preference Shares to be admitted to listing. If the application is successful the Company will be subject to the requirements of the JSE Rules and will also be registered with the FSC as an issuer of the Preference Shares in the Invitation.

The Company is subject to the Moneylending Act and has not sought any exemption to date, as it has not charged interest rates in excess of those contemplated by the Act for the purposes of such a waiver.

The business of the Company is not currently subject to financial regulation. However, proposed legislation to register and supervise private lenders, in the form of the Micro Credit bill has been proposed. If the legislation is passed and the activities of the Company are deemed to be subject to it, the Company may be required to comply with additional regulation which could constrain its investment activities.

7.3 TAXATION

As at the date of the Prospectus:

(1) PREFERENCE SHARES

Transfers of the Preference Shares on the JSE are exempt from transfer tax and stamp duty. However, in the event that the 2024 Preference Shares were not listed, transfers of the Preference Shares would attract transfer tax (currently 5%) and stamp duty (currently 1%).

Preference Share dividends that qualify for treatment as a deductible expense of the chargeable income of the issuer and that are paid by the Company to Preference Shareholders who are resident in Jamaica, are not subject to withholding tax. On the other hand, Preference Share dividends paid by the Company to Preference Shareholders who are not resident in Jamaica are, however, subject to income withholding tax at the rate of $33^1/_3$ % if the payment is made to a person other than an individual, or 25% if the payment is made to an individual.

Foreign resident Preference Shareholders who reside in countries that have entered into a double taxation treaty with Jamaica may be subject to lower or higher rates of income withholding tax on any Preference Share dividends they may receive than that applicable to residents of Jamaica. Foreign resident Preference Shareholders will also have income tax on dividends withheld by the Company at source.

Each prospective 2024 Preference Shareholder should consult with an independent adviser as to the rate of withholding and other taxes that is applicable to them.

(2) JUNIOR MARKET COMPANIES GENERALLY

The Company has been admitted to listing on the Junior Market. This will enable it to take advantage of a special concessionary tax regime provided that the Company remains listed on the JSE's Junior Market and/or Main Market for 15 years. The Company met those conditions in its first 5 years on the Junior Market (which ends 29 July 2018) and the Company did not pay any corporate income tax during those years. In years 6 to 10 (which ends 29 July 2023 on the Junior Market, the Company will only be liable to pay corporate income tax at half the usual rate.

7.4 DETAILS OF THE CAPITAL STRUCTURE OF THE COMPANY

(1) Capital Structure of the Company

As at the date of this Prospectus, the authorised and issued capital of the Company was as follows:

CLASS	AUTHORISED	ISSUED
Ordinary	195,000,000	192,468,300 listed on the JSE Junior Market
Preference	350,160,000 (of which 60,325,600 units will be cancelled following the	Existing Preference Shares: 60,325,600 - 2018 Cumulative Redeemable Preference Stock Units listed on the JSE to be

	redemption of the 2018 Cumulative Redeemable Variable Preference Stock Units on 30 November 2018)	redeemed 30 November 2018 in accordance with their terms of issue. 60,264,000 – 2021 Cumulative Redeemable 8.25% Preference Stock Units listed on the JSE. 41,666,667 – 2023 Cumulative Redeemable 8.75% Preference Stock Units listed on the JSE. 4,758,600 - 2021 Cumulative Redeemable 8.75% Preference Stock Units listed on the JSE. Preference Shares in the Invitation 66,500,000 2024 Preference Shares (plus Overallotment Option for 33,500,000 additional 2024 Preference Shares).

(2) Dividend History

See section 13.1 for the dividend history of the Ordinary and Preference Shares.

(3) Recent Capital Reorganisations

At a meeting held on 5 November 2018 the Directors approved the Terms of Issue of the Preference Shares in the Invitation set out in Appendix 1, and (ii) the Terms and Conditions set out in this prospectus inclusive of the Overallotment Option.

(4) Rights to Appoint Nominated Directors to the Board of the Company

Nominated Directors may be appointed to the Board of the Company pursuant to the provisions of the Article 79 of the Articles of Incorporation of the Company adopted by the Ordinary Shareholders on 30 May 2013 .

7.5 SHAREHOLDINGS IN THE COMPANY

As at 30 September 2018, being the date of the most recent unaudited accounts of the Company, the ten largest shareholders of Ordinary Shares in the capital of the Company (including legal and, where known to the Company, beneficial holdings) were as follows:

NAME OF ORDINARY SHAREHOLDER	**NUMBER OF ORDINARY SHARES**	**% OF ISSUED ORDINARY SHARES**
Stony Hill Capital Limited	48,097,800	24.99%
ATL Group Pension Fund Trustees Nominee Limited	48,052,050	24.97%
Caribprop Limited	27,500,000	14.29%
Coldharbour Partners Inc.	15,244,350	7.92%
Perseverance Limited	14,155,350	7.35%
Curmudgeon Limited	8,283,000	4.30%
Michael Subratie	8,040,450	4.18%
Ravers Limited	5,348,700	2.78%

Caona Investments Limited	3,000,000	1.56%
Justin Nam	1,351,420	0.70%
All Other Shareholders	13,395,180	6.96%
Total	**192,468,300**	**100%**

7.6 APPLICABLE CERTIFICATIONS

As at the date of this Prospectus, the Company has the following applicable certifications:

TYPE OF CERTIFICATE	BRIEF DETAILS
Tax Compliance Certificate	Certifies that the Company has satisfied applicable statutory requirements in respect of Income Tax (including P.A.Y.E.), General Consumption Tax, Special Consumption Tax, Education Tax, and also in respect of N.I.S., N.H.T. and H.E.A.R.T. Trust contributions for the period up to and ending 28 March 2017.
Companies Office Letter of Good Standing	Letter dated 08 May 2018 confirming that the Company was incorporated under the Act on 29 May 1973 and that it filed all outstanding documents required to be filed.

7.7 REAL AND INTELLECTUAL PROPERTY

As at the date of this Prospectus, the Company has no interests in real and intellectual property save for the lease of its premises described in section 7.9 (Related Party arrangements) below.

7.8 MATERIAL CONTRACTS

The following material contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and its group with the following persons ("Counterparties" and each of them a "Counterparty") in the 2 years preceding the date of this Prospectus:

DATE	COUNTERPARTY	AMOUNT	BRIEF DETAILS
October 2018	JMMB Securities Limited	See section 13.1 for details	Agreement appointing JMMBSL as Sole Lead Broker to the Company in the Invitation. See section 13.1 for details.
July 2018	Sagicor Investments Jamaica Limited as Trustee for the Noteholders	Unsecured notes carrying interest at 8.0% and valued at $260m (aggregate principal amount); and Unsecured notes carrying interest at 4.50% and valued at US$1.5m (aggregate principal amount)	Trust Deed governing the issue of the unsecured notes which were placed in a private placement, containing terms and conditions and covenants that are reasonably standard for a transaction of this nature save that the Company has given the following specific financial covenants: The Maximum Debt to Equity Ratio shall not exceed 5.0x. The financial covenants will be tested on a trailing 12 - month basis and measured quarterly. Technical definitions of Debt, Equity, and Interest Expense for the above financial covenants are set out in section 2.7 of the Trust Deed. Please note that Total Interest Expense excludes payments to the holders of Preference Shares. Further the Company has covenanted not to pay dividends to the holders of ordinary shares at any time that the financial covenants are not met.
June 2017	Sagicor Investments Jamaica Limited as Trustee for the Noteholders	Unsecured notes carrying interest at 4.0% and valued at US$4m (aggregate principal amount)	Trust Deed governing the issue of the unsecured notes which were placed in a private placement. Contains terms and conditions and covenants that are reasonably standard for a transaction of this nature save that the Company has given specific financial covenants: (1) The Minimum Interest Coverage ratio shall not be less than 1.33x and shall be calculated as follows: (Profit Before Tax + Total Interest Expense) / Total Interest Expense (2) The Maximum Debt to Equity Ratio shall not exceed 5.0x. Please note that Total Interest Expense excludes payments to the holders of Preference Shares. Further the Company has covenanted not to pay dividends to the holders of ordinary shares at any time that the financial covenants are not met.
October 2017	Sagicor Investments Jamaica Limited	See section 13.1(8) for details	Agreement appointing Sagicor Investments as the Sole Lead Broker to the Company in the Invitation of the 8.75% Preference Shares due 2023 and the 5.00% Preference Shares due 2021.

The material contracts also include the related party arrangements described below. The material contracts (together with certain other documents) will be available for inspection as described in Section 14.

7.9 RELATED PARTY ARRANGEMENTS

DATE	COUNTERPARTY	AMOUNT	BRIEF DETAILS
As of 1 June 2013 (Amended January 1, 2016)	General Accident	J$2 million per year.	Agreement for the provision of investment administration and management (non – discretionary basis) services and certain other administrative and I.T. services by General Accident. Under the Agreement, General Accident also provides the Company with a lease of its premises.

7.10 LITIGATION

As at the date of this Prospectus, there were no material litigation, arbitration, or similar proceedings pending or threatened against the Company as defendant, nor do the Directors believe that there are circumstances which may give rise to such proceedings.

7.11 CHARGES REGISTERED AGAINST THE ASSETS OF THE COMPANY

As at the latest date of this Prospectus, there were no charges (within the meaning of section 93 of the Companies Act) registered against the public file of the Company maintained by the Companies Office of Jamaica.

7.12 DIVIDEND POLICY

(1) Ordinary Stock Units

The Company's dividend policy in respect of its ordinary stock units is to distribute the vast majority of the Company's profits to Ordinary Shareholders, subject to the discretion of the Board of Directors to change this dividend policy from time-to-time as a result of changes in the return-on-equity of the Company, its liquidity needs or material changes in tax policy affecting the business among other things.

(2) 2024 Preference Shares

It is the Company's intention to pay dividends on the 2024 Preference Shares in accordance with the Terms of Issue which provide for a fixed rate of interest of 7.50% per annum calculated on the Invitation Price of each 2024 Preference Share. Dividends shall be payable monthly, on the last business day of each month, without premium or penalty. The first dividend will be paid 30 days after the issue date of the Preference Shares. See the Terms of Issue for full details.

7.13 SUBSIDIARIES

As at the date of this Prospectus, the Company has control of the following subsidiaries:

SUBSIDIARY	PRINCIPAL ACTIVITIES	% OWNERSHIP (COMPANY)	% OWNERSHIP (GROUP)
Paynter (Jamaica) Limited (Resident in Jamaica)	Investing in credit products including insurance premium, loan and lease financing	100%	100%
Caribbean Mezzanine Fund I Limited	Asset and investment management	50%	50%

(Resident in Jamaica)			
Retirement Road Holdings Limited (Resident in Jamaica)	Property rental	50%	50%
Eppley Fund Managers Limited (Resident outside of Jamaica)	Asset and investment management	100%	100%

SECTION 8: BOARD OF DIRECTORS

8.1 DETAILS OF THE DIRECTORS

Brief biographical details of the Directors and Managers of the Company appear below. The Directors' residential addresses are set out in Section 13.1 and all of them may be contacted for business purposes at the registered office of the Company.

P.B. SCOTT, CHAIRMAN

P.B. Scott is the Chairman of the Company. He is also the principal shareholder, Chairman and CEO of the Musson Group of Companies and is the Chairman of all the subsidiaries in the Musson Group including Facey Commodity Company Limited, General Accident Insurance Company Limited, Productive Business Solutions Limited, and T Geddes Grant Distributors among others. He is also the Chairman of Seprod Limited, an affiliate of Musson.

Mr. Scott is the Chairman of the Development Bank of Jamaica. He also serves as a director of several companies and organisations, including the American International School of Kingston and he is the Honourary Consul in Jamaica for the Republic of Guatemala. He is a former President of the Private Sector Organization of Jamaica and is a former director of the Electricity Sector Enterprise Team and the Jamaica Chamber of Commerce.

MELANIE SUBRATIE, VICE CHAIRMAN

Melanie Subratie is the Vice Chairman of the Company and a Nominated Director of Musson Investments on the Board and the Chairman of the Investment Committee.

Mrs. Subratie is Chairman of Stanley Motta Limited and Transaction Epins Limited. She also serves as the Chairman of the audit committee of Seprod, an affiliate of Musson. Mrs. Subratie is the Chairman of the Musson Foundation and the Seprod Foundation, she serves as a director of all of Musson's principal subsidiaries and affiliates inclusive of General Accident Insurance Company Limited, Facey Group Limited and Seprod Limited.

Mrs. Subratie holds a B.Sc. (Hons) from the London School of Economics. She began her career in the United Kingdom in the Financial Services Division of Deloitte & Touche and also worked for startup political newswire service DeHavilland prior to returning to Jamaica in 2002 and joining the Musson board at that time with responsibility for Business Development.

NICHOLAS A. SCOTT, MANAGING DIRECTOR

Nicholas Scott is the Managing Director of the Company and a Nominated Director of Musson Investments on the Board and the member of the Investment Committee of the Board. Mr. Scott is also the Chief Investment Officer of the Musson group of companies. In this capacity he allocates capital and manages investment assets and executes a variety of financial transactions on behalf of Musson and certain of its subsidiaries. Mr. Scott is also a director of General Accident Insurance Company Limited and Seprod Limited and most of the Musson's subsidiaries and affiliates.

Mr. Scott returned to Jamaica in 2009 after working as a private equity investor and investment banker at the Blackstone Group and Morgan Stanley in New York and Brazil.

He is a former Vice-President of the Private Sector Organization of Jamaica and also a former director of the H.E.A.R.T. Trust and the National Education Trust.

Mr. Scott holds a B.Sc. in Economics (Magna Cum Laude) from the Wharton School at the University of Pennsylvania, an M.B.A (Beta Gamma Sigma) from Columbia Business School and an M.P.A. from the Harvard Kennedy School of Government.

SHARON DONALDSON, INDEPENDENT NON-EXECUTIVE DIRECTOR

Sharon Donaldson is an Independent Non-Executive Director of the Company, and a Nominated Director of General Accident on the Board and the Audit Committee and Investment Committee. She is currently the Managing Director of General Accident and was formerly Managing Director of the Company. In addition, Ms. Donaldson is a director of Musson and a director of the Board of Paramount Trading Limited, a company that listed on the Junior Market of the JSE at the end of 2012.

Ms. Donaldson holds an LL.B from the University of London, England, an M.B.A from University of Wales. She is a Chartered Accountant, a fellow member of the Institute of Chartered Accounts of Jamaica and an attorney – at – law. She is also a past president of the Jamaica Netball Association.

JENNIFER SCOTT, NON-EXECUTIVE DIRECTOR

Jennifer Scott is a Non-Executive Director of the Company and the Nominated Director of SHLC on the Board and the Chairman of the Remuneration Committee. She is also a director of General Accident.

Mrs. Scott is an attorney at Clinton Hart & Co. She holds a B.Sc.(Hons) in Psychology from Newcastle University, United Kingdom and later gained a Graduate Diploma in Legal Studies from Keele University, a Certificate of Legal Practice from the College of Law, London and was admitted as a Solicitor of Supreme Court of England and Wales. She attended Norman Manley Law School, and was admitted as an Attorney-at-Law of the Supreme Court of Jamaica.

KEITH COLLISTER, NON-EXECUTIVE DIRECTOR

Keith Collister is a Non-Executive Director of the Company and the Nominated Director of ATL Pension on the Board and certain committees. Mr. Collister is the Executive Chairman of the Appliance Traders Limited Pension Fund. Mr. Collister holds an M.A. in Economics from Cambridge University, a Diploma in Accounting and Finance from the London School of Economics and an M.B.A. in International Banking and Finance from Birmingham Business School. He is a Director of the Jamaica Chamber of Commerce and a Member of the Private Sector Organization of Jamaica's Economic Policy Committee. He is also a Financial Columnist for the Daily Observer and a non-executive director of the board of Key Insurance Limited, a company that listed on the Junior Market earlier this year in March 2016.

BYRON THOMPSON, INDEPENDENT NON-EXECUTIVE DIRECTOR

Byron Thompson is an Independent Non - Executive Director of the Company and a Nominated Director of Musson on the Board.

Mr. Thompson is the former Chief Executive Officer and Managing Director of Seprod Limited and continues to serve on the Board of Seprod Limited and the Seprod Foundation.

He holds a Bachelor's Degree in Chemistry and Geology from the University of the West Indies and an MBA from Barry University.

MAXIM ROCHESTER, MENTOR AND INDEPENDENT NON – EXECUTIVE DIRECTOR

Maxim Rochester is a Mentor to the Board of the Company for the purposes of the Junior Market Rules. In that capacity, he is responsible for ensuring that the Company has adequate procedures, systems and controls for financial reporting, compliance with Junior Market Rules, and corporate governance generally. Mr. Rochester is also an Independent Non – Executive Director of the Company and Chairman of the Audit Committee of the Board.

Mr. Rochester is the former Territory Partner at PricewaterhouseCoopers, Jamaica responsible for quality and delivery of the audit of the financial statements of several major companies. Mr. Rochester worked extensively in the banking and insurance sectors and in the role of manager and engagement leader for the purposes of regulated entities' audits. Mr. Rochester holds a B.Sc. (Accounting) as well as the FCA, FCCA designations. He is also a member of the Chartered Association of Certified Accountants (UK) and the Institute of Chartered Accountants of Jamaica. He served as a member of the Accounting Standards Committee of the Institute of Chartered Accountants of Jamaica and played a significant role in the adoption of the International Financial Reporting Standards in Jamaica. Mr. Rochester serves as a Director of Guardian Holdings Limited.

ALEXANDER MELVILLE, INDEPENDENT NON – EXECUTIVE DIRECTOR

Alexander Melville is an independent non – executive Director of the Company and a member of both the Audit Committee and the Remuneration Committee of the Board. Mr. Melville is the Managing Director of Diverze Assets Inc. and the Managing Director of Tropical Battery Company Limited. He is also a director of the Chukka Caribbean Adventures group of companies, an adventure and nature adventure excursion operator, which provides services in Jamaica, Belize, the Turks and Caicos Islands.

Mr. Melville attended Georgia State University to study actuarial science and finance, and Palm Beach Community College where he studied mathematics and business.

8.2 DIRECTORS' INTERESTS IN ORDINARY SHARES

The Directors' interests in the Ordinary Shares of the Company (including legal and beneficial holdings) as at 30 September 2018, being the date of its most recent unaudited accounts, are set out below:

NAME OF DIRECTOR	**HOLDINGS OF ORDINARY SHARES**	
	Direct	**Connected**
Melanie Subratie	NIL	4,287,134
Nicholas Scott	NIL	23,527,350
Sharon Donaldson	798,450	NIL
Jennifer Scott	NIL	14,155,350
Keith Collister	NIL	NIL
Byron Thompson	483,750	NIL
Maxim Rochester	956,850	NIL
Paul B. Scott	NIL	28,787,134
Alexander Melville	NIL	NIL

The Senior Managers' interests in Ordinary Shares are as follows:

Justin Nam	1,351,420	NIL
Jacquelin Watson	1,024,650	NIL

Save as set out above, no Director or senior Manager receives Ordinary Shares, Preference Shares, or options in respect of any such shares, in consideration of the services rendered by him or her to the Company.

8.3 CORPORATE GOVERNANCE AND ACCOUNTABILITY

The Board has 3 committees. The members of each committee of the Board and are as follows:

AUDIT COMMITTEE	REMUNERATION COMMITTEE
Maxim Rochester (Independent Chairman)	Jennifer Scott (Chairman)
Melanie Subratie (Member)	Maxim Rochester (Independent Member)
Alexander Melville (Independent Member)	Alexander Melville (Independent Member)
Sharon Donaldson (Independent Member)	
Nicholas Scott (Member)	

INVESTMENT COMMITTEE
Melanie Subratie (Chairman)
Nicholas Scott (Member)
Sharon Donaldson (Independent Member)
Keith Collister (Member)
Jennifer Scott (Member)
Paul B. Scott (Member)

8.3 DIRECTORS' FEES

Certain of the Directors receive fees in the amount of $20,000.00 exclusive of General Consumption Tax for attending each meeting of the Board. These arrangements are also subject to the review and approval of the Compensation Committee.

SECTION 9: MANAGEMENT DISCUSSION AND ANALYSIS

9.1 REVIEW OF AUDITED FINANCIAL INFORMATION

The Audited Financial Information of the Company for the year ended December 31, 2017 illustrates that its average operating assets increased by 29% relative to the previous year. Average operating assets grew at a compounded annual rate of 37% during the 5 - year period from 2013 – 2017. Operating assets consist primarily of loans and leases, but also include investment in joint venture, investment securities and cash. The Directors consider that such growth has resulted from the steady expansion of Eppley's origination and investments in corporate credit and more recently real estate.

The Directors also consider an important driver of the Company's profitability to be the difference between the rates at which it is able to deploy capital (referred to in the table below as the Average return on operating assets), less the rates at which it finances the business (referred to in the table below as the Average cost of operating liabilities), historically from the issuance of listed preference shares and loans. The Directors refer to this metric as the "average net income spread" of the Company.

The Company's average return on operating assets, which provides an indicator of the rates at which it is able to lend, increased from 11% in 2013 to 13% in 2017. The Company has periodically had large balances of low yielding cash and short-term securities following preference share issuances in 2013, 2014, 2016 and the rights issue of Ordinary Shares in 2015. The Company's most recent preference share issue in December 2017 resulted in a fairly large cash balance which was required to fund prospective opportunities in line with our target returns. The development of the Company's average return on operating assets has been primarily a function the general level of interest rates in the Jamaican economy and the mix of the various types of credit and other investments that comprise the Company's portfolio. Over the review period, there was a reversal in the foreign exchange gains of the Company and interest rates have generally declined.

The average cost of the Company's operating liabilities, an indicator of the rates at which it is able to borrow, has increased as a consequence of the growth of Company's preference share program. The Company's listed Existing Preference Shares now comprise the vast majority of its operating liabilities following 27% growth over the previous year. As a consequence, the Company's average net income spread has tightened from 7% in 2013 to 2%* at the end of 2017.

The commercial real estate investment acquired in 2016 with our joint venture partners is performing in line with expectations. This provided an opportunity to diversify our income stream and acquire cash flows at a higher yield than many investments in our credit portfolio. The performance in 2016 reflects a non-recurring $30.5 million unrealized gain which is mainly our share of the difference between the price we paid to acquire the property and its fair value as appraised by an independent valuator. The share of profit from joint venture in 2017 was $16.1 million.

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* The average net income spread has been rounded down to the nearest whole number

	Audited Dec 31 2017 $'000	Audited Dec 31 2016 $'000	Audited Dec 31 2015 $'000	Audited Dec 31 2014 $'000	Audited Dec 31 2013 $'000
Average operating assets	2,174,484	1,685,510	1,368,184	1,058,594	609,120
Income	277,538	240,614	199,589	117,681	65,292
Average return on operating assets	*13%*	*14%*	*15%*	*15%*	*11%*
Average operating liabilities	1,512,923	1,190,862	1,043,714	756,547	410,046
Interest expense	158,394	115,918	117,438	48,701	16,554
Average cost of operating liabilities	*10%*	*10%*	*11%*	*6%*	*4%*

Since 2013, the Company's administrative expenses have increased from $33.9 million to $87.9 million as the size of its credit business has expanded. Included in the Company's expenses are provisions for doubtful debts. The Directors note that the Company has experienced only negligible provisions for doubtful debts in its loan and lease portfolios. The Directors consider that the provisions for such loans fluctuate with the credit cycle. In the last 5 financial years, the Company's provisions for doubtful debt have been de minimus as a percentage of average operating assets. In 2017, the Company's provisions for doubtful debt were less than 1% of its average operating assets.

	Audited Dec 31 2017 $'000	Audited Dec 31 2016 $'000	Audited Dec 31 2015 $'000	Audited Dec 31 2014 $'000	Audited Dec 31 2013 $'000
Administrative expenses	87,895	78,664	60,681	50,791	33,920
Net investment income	103,013	94,227	82,151	68,980	48,738
Administrative expenses, % of net investment income	*85%*	*83%*	*74%*	*73%*	*70%*
Provisions for doubtful debt	970	970	1,310	1,822	141
Provisions for doubtful debt, % of average operating assets	*0.04%*	*0.06%*	*0.10%*	*0.17%*	*0.02%*

We measure returns to Ordinary Shareholders by adding the growth in our shareholders' equity other than from capital raises and the payment of dividends. At the beginning of the 2013 financial year, shareholders equity amounted to $101 million. Since then, shareholders' equity has grown by $115 million excluding equity capital raises and the Company has paid $207 million in dividends. In 2017 the total return to shareholders was 10% of the shareholders equity at beginning of the year. In the 5 years ended 2017, the Company's cumulative average shareholder return was 28%.

	Audited Dec 31 2017 $'000	Audited Dec 31 2016 $'000	Audited Dec 31 2015 $'000	Audited Dec 31 2014 $'000	Audited Dec 31 2013 $'000
Dividends paid	71,521	56,069	51,111	28,665	-
Increase in retained earnings	-2,298	50,618	5,374	22,511	38,985
Total return to shareholders	69,223	106,687	56,485	51,176	38,985
Previous year total shareholders' equity	710,632	348,860	343,486	320,975	101,101
Total return to shareholders, % of total shareholders' equity	*10%*	*31%*	*16%*	*16%*	*39%*
Cumulative 5 year average	*28%*				

REVIEW OF UNAUDITED FINANCIAL INFORMATION

The Company produced earnings per ordinary share of $0.42 in the first nine months of 2018 generating a 13.1% return on the $3.21 per share price of its Ordinary Shares which the Directors consider to be the cost basis of the vast majority of its shareholders (assuming shareholders invested in our IPO and fully subscribed for the rights issue). At the end of the September 2018 quarter, the Company's net asset value was $3.85 per share.

Portfolio Update

As of September 30, 2018 the Company's investment portfolio was $3.1 billion. The average current yield on the portfolio was 13%.

Insurance Premium Financing

The Company's portfolio of insurance premium finance contracts stood at $386 million at the end of the quarter. The portfolio was made up of just over 1,300 contracts with an average gross yield of 17% and an average tenor of 7 months.

Loans

The Company's portfolio of loans receivables amounted to $1,148,600,000 at the end of the quarter ended September 30, 2018. No commercial loan is delinquent.

Leases

The Company's portfolio of leases stood at $599 million at the end of the quarter. The portfolio is made up of 90 contracts with an average gross yield of 14% and an average tenor of 38 months.

Real Estate Joint Venture

In late 2016, the Company invested $63 million for a 50% interest in a joint venture which made a commercial real estate investment. That opportunity provided us with a chance to acquire a stream of tenanted cash flow and diversify our portfolio. As at the end of the third quarter our investment was recorded at $113 million mostly reflecting our share of the fair value gains of the property since acquisition. For the first nine months of 2018 our share of the joint venture's profit was $3.5 million.

Asset Management

The Company has invested $363 million in the asset management business as at September 30, 2018.

Financial Performance

The Company's gross interest income for the first nine months of 2018 was $234 million versus $191 million in the comparable period in 2017. Interest expense for the period, which includes dividends on preference shares, increased to $127.6 million for the nine months ended September 30, 2018 relative to $116.5 million for the corresponding period of the previous year. As a consequence, net interest income for the first nine months of 2018 expanded by 44% to $106.8 million.

Other operating income increased by 73% to $68.5 million primarily due to the income generated from the management of the Eppley Caribbean Property Fund. As of September 2018, the Company recorded five months of management fees from the Eppley Caribbean Property Fund totaling $23 million. We continue to co-manage the Caribbean Mezzanine Fund with NCB Capital Markets and are entitled to half of the Fund's management fees or about 1% of the total commitments each year. Eppley also invested in the Caribbean Mezzanine Fund alongside its other investors. In the first three quarters of this year, our share of income from managing the Caribbean Mezzanine Fund amounted to $19 million.

Administrative expenses increased by 55% due largely to significant professional fees and other expenses attributable to the Company's acquisition of the management of the Eppley Caribbean Property Fund.

Eppley's profit after tax for the first nine months of 2018 was $81 million compared to $52 million in the first nine months of 2017. The Directors continue to focus on the profitable deployment of the cash on its proprietary balance sheet and for those of the funds it manages.

SECTION 10: FINANCIAL INFORMATION

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The Board of Directors
Eppley Limited
58 Half Way Tree Road
Kingston 10

6 November 2018

Attention: Mr. Nicholas Scott

Dear Sirs

Re: Consent letter for inclusion of 'Auditors' Reports' in Prospectus for the issue of Preference Shares of Eppley Limited

In accordance with Section 42 of the Companies Act 2004 (Expert's consent to issue of prospectus containing statement by him), PricewaterhouseCoopers hereby consents to:-

(1) The inclusion of our 'Auditors' Reports' as set out in Section 10 of this document and as required by Part II of the Third Schedule of the Companies Act 2004; and

(2) The subsequent issue of this prospectus containing our 'Auditors' Reports' as referred to in part (1).

We further confirm that this statement of consent has not been withdrawn prior to the submission of this prospectus for registration with the Registrar of Companies on 7 November 2018.

Yours very truly

PricewaterhouseCoopers

RSN:ab

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Report of the Independent Auditor on the Summary Financial Statements

To the Board of Directors of
Eppley Limited

The accompanying summary financial statements, which comprise the summary statements of financial position as at 31 December 2013, 31 December 2014, 31 December 2015, 31 December 2016 and 31 December 2017, and the summary statements of comprehensive income for the years then ended are derived from the audited financial statements of Eppley Limited for the years ended 31 December 2013, 31 December 2014, 31 December 2015, 31 December 2016 and 31 December 2017. We expressed unmodified audit opinions on those financial statements in our reports dated 31 March 2014, 30 March 2015, 30 March 2016, 31 March 2017 and 30 March 2018, respectively. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Eppley Limited.

Management's responsibility for the summary financial statements
Management is responsible for the preparation of a summary of the audited financial statements.

Auditor's responsibility
Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, 'Engagements to Report on Summary Financial Statements'.

Opinion
In our opinion, the summary financial statements derived from the audited financial statements of Eppley Limited for the years ended 31 December 2013, 31 December 2014, 31 December 2015, 31 December 2016 and 31 December 2017 are consistent, in all material respects, with those financial statements, from which they were derived.

PricewaterhouseCoopers

Chartered Accountants
Kingston, Jamaica
7 November 2018

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Eppley Limited
Statement of Financial Position
December 31, 2017
(expressed in Jamaican dollars)

	2017	2016	2015	2014	2013
	$'000	$'000	$'000	$'000	$'000
ASSETS					
Cash and deposits	315,300	297,279	348,196	519,791	161,531
Taxation recoverable	8,967	6,033	4,166	1,319	441
Other receivables	72,193	65,661	51,195	50,186	52,624
Insurance premium financing receivables	324,076	304,951	114,501	113,516	125,662
Loans receivable	1,142,384	906,979	580,009	473,501	301,102
Lease receivable	382,318	392,030	285,886	253,361	168,724
Investment securities	80,344	-	47,606	-	-
Investment in joint venture	109,725	93,582	-	-	-
Property, plant and equipment	10,485	16,406	7,499	3,248	4,407
Deferred taxation	-	-	79	-	-
Total assets	2,445,792	2,082,921	1,439,137	1,414,922	814,491
LIABILITIES					
Due to related parties	1,653	1,653	1,653	1,653	1,653
Taxation payable	0	1,082	1,082	1,082	1,082
Deferred taxation	146	146	-	328	273
Borrowings	1,692,727	1,333,119	1,048,604	1,038,823	474,271
Other liabilities	42,932	36,289	38,938	29,550	16,237
Total liabilities	1,737,458	1,372,289	1,090,277	1,071,436	493,516
SHAREHOLDERS' EQUITY					
Share capital	492,343	492,343	181,189	181,189	181,189
Retained earnings	215,991	218,289	167,671	162,297	139,786
Total shareholders' equity	708,334	710,632	348,860	343,486	320,975
TOTAL LIABILITIES AND EQUITY	2,445,792	2,082,921	1,439,137	1,414,922	814,491

Eppley Limited
Statement of Comprehensive Income
December 31, 2017
(expressed in Jamaican dollars)

	2017	2016	2015	2014	2013
	$'000	$'000	$'000	$'000	$'000
Interest income	261,407	210,145	199,589	117,681	65,292
Interest expense	(158,394)	(115,918)	(117,438)	(48,701)	(16,554)
Net interest income	103,013	94,227	82,151	68,980	48,738
Other operating income / (expenses)	36,892	60,880	34,608	33,042	24,233
Administrative expenses	(87,895)	(78,664)	(60,681)	(50,791)	(33,920)
Share of net profit from joint venture accounted for using the equity method	16,131	30,469	-	-	-
Profit before taxation	68,141	106,912	56,078	51,231	39,051
Taxation	1,082	(225)	407	(55)	(66)
Net profit, being total comprehensive income for the Year	69,223	106,687	56,485	51,176	38,985

Eppley Limited
Statement of Changes in Equity
December 31, 2017
(expressed in Jamaican dollars)

	Share Capital	Retained Earnings	Total
	$'000	$'000	$'000
Balance at January 1 2013	**300**	**100,801**	**101,101**
Total comprehensive income for the year	-	38,985	38,985
Issue of shares	180,889	-	180,889
Balance at 31 December 2013	**181,189**	**139,786**	**320,975**
Total comprehensive income for the year	-	51,176	51,176
Dividends	-	(28,665)	(28,665)
Balance at 31 December 2014	**181,189**	**162,297**	**343,486**
Total comprehensive income for the year	-	56,485	56,485
Dividends	-	(51,111)	(51,111)
Balance at 31 December 2015	**181,189**	**167,671**	**348,860**
Total comprehensive income for the year	-	106,687	106,687
Issue of shares	311,154	-	311,154
Dividends	-	(56,069)	(56,069)
Balance at 31 December 2016	**492,343**	**218,289**	**710,632**
Total comprehensive income for the year	-	69,223	69,223
Dividends	-	(71,521)	(71,521)
Balance at 31 December 2017	**492,343**	**215,991**	**708,334**

Eppley Limited

Statement of Cash Flows

December 31, 2017

(expressed in Jamaican dollars)

	2017	2016	2015	2014	2013
	$'000	$'000	$'000	$'000	$'000
Cash Flows from Operating Activities					
Net profit	69,223	106,687	56,485	51,176	38,985
Adjustments for:					
Depreciation	6,149	6,943	2,986	1,187	1,182
Amortisation of premium on Investments	-	126	67	-	-
Interest income	(261,373)	(210,145)	(199,589)	(117,681)	(65,292)
Interest expense	158,394	115,918	117,438	48,701	16,554
Unrealised gain on investment securities	(1,497)	(2,284)	(6,957)	-	-
Exchange loss/ (gains) on foreign currency denominated balances	(6,225)	(43,946)	(23,891)	(25,988)	(14,203)
Share of profits from joint venture	(16,131)	(30,469)	-	-	-
Taxation	(1,082)	225	(407)	55	66
	(52,542)	**(56,945)**	**(53,868)**	**(42,550)**	**(22,708)**
Changes in non-cash working capital components:					
Other receivables	(6,532)	(13,593)	40	2,996	(52,624)
Insurance premium financing receivables	(19,125)	(178,621)	(24)	13,483	(65,642)
Loan receivables	(235,406)	(305,882)	(88,644)	(151,322)	135,954
Lease receivables	9,712	(94,119)	(27,316)	(80,520)	(167,960)
Interest received	261,144	210,507	199,204	117,699	64,582
Other liabilities	6,644	(2,255)	9,421	13,301	5,373
	(36,105)	**(440,908)**	**38,813**	**(126,913)**	**(103,025)**
Tax withheld at source	(2,934)	(1,867)	(2,847)	(878)	(3,042)
Interest paid	(158,226)	(116,110)	(117,247)	(48,701)	(16,806)
Net cash provided by/(used in) operating activities	**(197,265)**	**(558,885)**	**(81,281)**	**(176,492)**	**(122,873)**

Cash Flows from Investing Activities					
Term deposits with maturity periods in excess of 90 days	(5,325)	(144,785)	(5,409)	(79,806)	-
Acquisition of Investments	(94,709)	(16,658)	(120,282)	-	-
Investment in joint venture	(12)	(63,113)	-	-	-
Proceeds from sale of investment securities	143,705	65,898	80,090	-	-
Additions to property, plant and equipment	(228)	(15,850)	(7,237)	(28)	(3,481)
activities	**43,431**	**(174,508)**	**(52,838)**	**(79,834)**	**(3,481)**
Cash Flows from Financing Activities					
Shares issued	-	311,154	-	-	135,021
Dividends paid	(71,521)	(56,069)	(51,111)	(28,665)	-
Loans received	405,827	403,485	34,624	699,116	535,959
Loans repaid	(36,377)	(122,875)	(30,586)	(139,693)	(387,495)
Net cash (used in)/provided by financing activities	**297,929**	**535,695**	**(47,073)**	**530,758**	**283,485**
(Decrease)/ Increase in net cash balances	144,095	(197,698)	(181,192)	274,432	157,131
Effects of foreign exchange rates changes on cash and cash equivalents	(1,595)	1,834	4,326	4,040	329
Cash and cash equivalents at beginning of year	**66,563**	**262,427**	**439,293**	**160,821**	**3,361**
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**209,063**	**66,563**	**262,427**	**439,293**	**160,821**

Eppley Limited

Consolidated Financial Statements
31 December 2017

Eppley Limited
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31 December 2017

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Independent auditor's report

To the Members of Eppley Limited

Report on the audit of the consolidated and stand-alone financial statements

Our opinion

In our opinion, the consolidated financial statements and the stand-alone financial statements give a true and fair view of the consolidated financial position of Eppley Limited (the Company) and its subsidiaries (together 'the Group') and the stand-alone financial position of the Company as at 31 December 2017, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

What we have audited

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

- the consolidated statement of financial position as at 31 December 2017;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the company statement of financial position as at 31 December 2017;
- the company statement of comprehensive income for the year then ended;
- the company statement of changes in equity for the year then ended;
- the company statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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

Independence

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

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Our audit approach

Audit scope

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

How we tailored our group audit scope

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

Our 2017 audit was planned and executed having regard to the fact that the operations of the Company remained largely unchanged from the prior year other than the formation of two wholly-owned subsidiaries during the year, of which one commenced trading in December 2017. It had material loan and receivable and inter-company balances, which were audited by the Group Engagement Team however, given the minimal number of transactions in the period, the formation and consolidation of the subsidiaries was not considered a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and stand-alone financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and stand-alone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Other information

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

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

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

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

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

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

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

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

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

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and stand-alone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

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

PricewaterhouseCoopers

Chartered Accountants
29 March 2018
Kingston, Jamaica

Eppley Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2017

(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2017 $'000	2016 $'000
Net Investment Income			
Interest income		261,407	210,145
Interest expense		(158,394)	(115,918)
Net Interest Income		103,013	94,227
Other operating income	8	36,892	60,880
Administrative expenses	9	(87,895)	(78,664)
Share of net profit from joint venture accounted for using the equity method	19	16,131	30,469
Profit Before Taxation		68,141	106,912
Taxation	11	1,082	(225)
Net Profit, Being Total Comprehensive Income For The Year		69,223	106,687
Earnings per Share	12	$0.36	$0.66

Eppley Limited

Consolidated Statement of Financial Position

31 December 2017

(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2017 $'000	2016 $'000
Assets			
Cash and deposits	13	315,300	297,279
Taxation recoverable		8,967	6,033
Other receivables	14	72,193	65,661
Insurance premium financing receivables	15	324,076	304,951
Loans receivable	16	1,142,384	906,979
Lease receivables	17	382,318	392,030
Investment securities	18	80,344	-
Investment in joint venture	19	109,725	93,582
Property, plant and equipment	20	10,485	16,406
Total assets		2,445,792	2,082,921
Liabilities			
Due to related parties	22	1,653	1,653
Taxation payable		-	1,082
Deferred taxation	21	146	146
Borrowings	23	1,692,727	1,333,119
Other liabilities	24	42,932	36,289
Total liabilities		1,737,458	1,372,289
Shareholders' Equity			
Share capital	25	492,343	492,343
Retained earnings		215,991	218,289
Total shareholders' equity		708,334	710,632
Total Liabilities and Equity		2,445,792	2,082,921

Approved for issue by the Board of Directors on 28 March 2018 and signed on its behalf by:

Nicholas A. Scott — Managing Director

Paul B. Scott — Director

Eppley Limited

Consolidated Statement of Changes in Equity

Year ended 31 December 2017

(Expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital $'000	Retained Earnings $'000	Total $'000
Balance at 1 January 2016		181,189	167,671	348,860
Total comprehensive income for the year		-	106,687	106,687
Transactions with owners -				
Issue of shares		311,154	-	311,154
Dividends	26	-	(56,069)	(56,069)
Balance at 31 December 2016		492,343	218,289	710,632
Total comprehensive income for the year		-	69,223	69,223
Transactions with owners -				
Dividends	26	-	(71,521)	(71,521)
Balance at 31 December 2017		492,343	215,991	708,334

Eppley Limited

Consolidated Statement of Cash Flows

Year ended 31 December 2017

(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2017 $'000	2016 $'000
Cash Flows from Operating Activities			
Net profit		69,223	106,687
Adjustments for:			
Depreciation	20	6,149	6,943
Amortisation of premium on investments		-	126
Interest income		(261,373)	(210,145)
Interest expense		158,394	115,918
Unrealised gains on investment securities		(1,497)	(2,284)
Exchange loss/(gains) on foreign currency denominated balances		(6,225)	(43,946)
Share of profits from joint venture		(16,131)	(30,469)
Taxation		(1,082)	225
		(52,542)	(56,945)
Changes in non-cash working capital components:			
Other receivables		(6,532)	(13,593)
Insurance premium financing receivables		(19,125)	(178,621)
Loans receivable		(235,406)	(305,882)
Lease receivables		9,712	(94,119)
Interest received		261,144	210,507
Other liabilities		6,644	(2,255)
		(36,105)	(440,908)
Taxation withheld at source		(2,934)	(1,867)
Interest paid		(158,226)	(116,110)
Net cash used in operating activities		(197,265)	(558,885)
Cash Flows from Investing Activities			
Term deposits with maturity periods in excess of 90 days		(5,325)	(144,785)
Acquisition of investment securities		(94,709)	(16,658)
Investment in joint venture	19	(12)	(63,113)
Proceeds from sale of investment securities		143,705	65,898
Additions to property, plant and equipment	20	(228)	(15,850)
Net cash provided by/(used in) investing activities		43,431	(174,508)
Cash Flows from Financing Activities			
Shares issued		-	311,154
Dividends paid	26	(71,521)	(56,069)
Loans received		405,827	403,485
Loans repaid		(36,377)	(122,875)
Net cash provided by financing activities		297,929	535,695
Increase/(decrease) in net cash balances		144,095	(197,698)
Effects of foreign exchange rates changes on cash and cash equivalents		(1,595)	1,834
Cash and cash equivalents at beginning of year		66,563	262,427
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	13	209,063	66,563

Eppley Limited

Company Statement of Comprehensive Income

Year ended 31 December 2017

(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2017 $'000	2016 $'000
Net Investment Income			
Interest income		261,377	210,145
Interest expense		(158,394)	(115,918)
Net Interest Income		102,983	94,227
Other operating income	8	37,071	60,880
Administrative expenses	9	(86,999)	(78,664)
Share of net profit from joint venture accounted for using the equity method	19	16,131	30,469
Profit Before Taxation		69,186	106,912
Taxation	11	1,082	(225)
Net Profit, Being Total Comprehensive Income For The Year		70,268	106,687

Eppley Limited

Company Statement of Financial Position

31 December 2017

(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2017 $'000	2016 $'000
Assets			
Cash and deposits	13	315,300	297,279
Taxation recoverable		8,967	6,033
Other receivables	14	71,949	65,661
Insurance premium financing receivables	15	314,102	304,951
Loans receivable	16	847,343	906,979
Lease receivables	17	314,184	392,030
Due from related party	22	380,521	-
Investment securities	18	80,344	-
Investment in joint venture	19	109,725	93,582
Property, plant and equipment	20	10,485	16,406
Total assets		2,452,920	2,082,921
Liabilities			
Due to related parties	22	8,632	1,653
Taxation payable		-	1,082
Deferred taxation	21	146	146
Borrowings	23	1,692,727	1,333,119
Other liabilities	24	42,036	36,289
Total liabilities		1,743,541	1,372,289
Shareholders' Equity			
Share capital	25	492,343	492,343
Retained earnings		217,036	218,289
Total shareholders' equity		709,379	710,632
Total Liabilities and Equity		2,452,920	2,082,921

Approved for issue by the Board of Directors on 28 March 2018 and signed on its behalf by:

Nicholas A. Scott — Managing Director

Paul B. Scott — Director

Eppley Limited

Company Statement of Changes in Equity

Year ended 31 December 2017

(Expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital $'000	Retained Earnings $'000	Total $'000
Balance at 1 January 2016		181,189	167,671	348,860
Total comprehensive income for the year		-	106,687	106,687
Transactions with owners -				
Issue of shares		311,154	-	311,154
Dividends	26	-	(56,069)	(56,069)
Balance at 31 December 2016		492,343	218,289	710,632
Total comprehensive income for the year		-	70,268	70,268
Transactions with owners -				
Dividends	26	-	(71,521)	(71,521)
Balance at 31 December 2017		492,343	217,036	709,379

Eppley Limited

Company Statement of Cash Flows

Year ended 31 December 2017

(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2017 $'000	2016 $'000
Cash Flows from Operating Activities			
Net profit		70,268	106,687
Adjustments for:			
Depreciation	20	6,149	6,943
Amortisation of premium on investments		-	126
Interest income		(261,411)	(210,145)
Interest expense		158,394	115,918
Unrealised gains on investment securities		(1,497)	(2,284)
Exchange loss/(gains) on foreign currency denominated balances		(6,224)	(43,946)
Share of profits from joint venture		(16,131)	(30,469)
Taxation		(1,082)	225
		(51,534)	(56,945)
Changes in non-cash working capital components:			
Other receivables		(6,288)	(13,593)
Due from related party		(380,521)	-
Insurance premium financing receivables		(9,151)	(178,621)
Loans receivable		59,636	(305,882)
Lease receivables		77,846	(94,119)
Interest received		261,181	210,507
Due to related party		6,979	-
Other liabilities		5,747	(2,255)
		(36,105)	(440,908)
Taxation withheld at source		(2,934)	(1,867)
Interest paid		(158,226)	(116,110)
Net cash used in operating activities		(197,265)	(558,885)
Cash Flows from Investing Activities			
Term deposits with maturity periods in excess of 90 days		(5,325)	(144,785)
Acquisition of investment securities		(94,709)	(16,658)
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Proceeds from sale of investment securities		143,705	65,898
Additions to property, plant and equipment	20	(228)	(15,850)
Net cash provided by/(used in) investing activities		43,431	(174,508)
Cash Flows from Financing Activities			
Shares issued		-	311,154
Dividends paid	26	(71,521)	(56,069)
Loans received		405,827	403,485
Loans repaid		(36,377)	(122,875)
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Effects of foreign exchange rates changes on cash and cash		(1,595)	1,834
Cash and cash equivalents at beginning of year		66,563	262,427
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	13	209,063	66,563

Eppley Limited

Notes to the Financial Statements
31 December 2017
(Expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Activities

Eppley Limited (the company) is a limited liability company incorporated and domiciled in Jamaica. The company became listed on the Junior Market of the Jamaica Stock Exchange. The registered office of the company is located at 58 Half Way Tree Road, Kingston 10.

The principal activity of the company is investing in credit products including insurance premium, loan and lease financing.

During the year the company formed two (2) wholly-owned subsidiaries Paynter (Jamaica) Limited and Eppley Fund Managers Limited which also offer credit products and management services. The company's subsidiaries together with the company are referred to as "the Group".

2. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial instruments.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Standards, interpretations and amendments to published standards effective in the current year
Certain new accounting standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of all such new standards, interpretations and amendments and has adopted the following which is relevant to its operations.

Eppley Limited

Notes to the Financial Statements

31 December 2017

(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards effective in the current year (continued)

- **Amendments to IAS 7, 'Statement of Cash Flows'**, (effective for annual periods beginning on or after 1 January 2017). In January 2017, the IASB published amendments to IAS 7 to improve information about an entity's financing activities. These amendments are part of the IASB initiative to improve presentation and disclosure in financial reports. The amendments require disclosure of information enabling users to evaluate changes in liabilities arising from financing activities including both cash and non-cash changes. The amendments to IAS 7 require disclosure of changes in liabilities arising from financing activities, see Note 28.

- **Annual improvements 2014–2016** (effective for annual periods beginning on or after 1 January 2017). These amendments include changes from the 2014-16 cycle of the annual improvements project, that affects IFRS 12, 'Disclosure of interests in other entities' regarding clarification of the scope of the standard.

- **Amendments to IAS 12, 'Income Taxes' on Recognition of deferred tax assets for unrealised losses**, (effective for annual periods beginning on or after 1 January 2017). In January 2016, the IASB published amendments to IAS 12 clarifying specifically how to account for deferred tax assets related to debt instruments measured at fair value as well as clarifying the guidance for deferred tax assets in general by adding examples and elaborating on some of the requirements in more detail. The amendments do not change the underlying principles for the recognition of deferred tax assets.

The adoption of the above amendments effective 1 January 2017 did not have any significant impact on the Group's financial statements.

Eppley Limited

Notes to the Financial Statements
31 December 2017
(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published accounting standards that are not yet effective and have not been early adopted

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which are not yet effective, and which the Group has not early adopted. The Group has assessed the relevance of all such new standards, interpretations and amendments, and has determined that the following may be relevant to its operations and management is currently assessing the impact they may have on the Group:

- **IFRS 9, 'Financial instruments'**, (effective for annual periods beginning on or after 1 January 2018). In The standard introduces new requirements for the classification, measurement and recognition of financial assets and financial liabilities, in order to ensure that relevant and useful information is presented to users of financial statements. It replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. The determination of classification is made at initial recognition, and depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

  IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. There is a 'three stage' approach which is based on the change in credit quality of financial assets since initial recognition. In practice, the new rules mean that entities have to record an immediate loss equal to the 12-month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for trade receivables). Where there has been a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. The model includes operational simplifications for lease and trade receivables.

  The Group has performed an initial review of its business model based on the different portfolios of financial assets and the characteristics of these financial assets in the various entities within the group. Consequently, debt instruments whose cashflows are solely payments of principal and interest "SPPI" will be designated either at amortised cost or at fair value through other comprehensive income depending on the business model objectives. This is not expected to have a significant impact on the group's equity.

  There is no expected impact on the Group's accounting for financial liabilities, as the new requirements only impact financial liabilities that are designated at fair value through profit or loss, and the Group does not currently have any such liabilities.

  The impact of the new impairment model has also been reviewed. This analysis requires the identification of the credit risk associated with the counterparties. The counterparties are mainly corporations and individuals within the Caribbean for loans and leases and insurance premium financing receivables from customers. The Group will be utilising the use of a provisions matrix for the insurance premium financing reflecting past experience of losses incurred due to default as well as forward looking information in arriving at our impairment. As it relates to the investments we will look at the macro economic factors of each counterpart and individuals as well as specific credit rating information for securities (where available) to aid with our impairment assessment.

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published accounting standards that are not yet effective and have not been early adopted (continued)

IFRS 9 (continued)

Changes in accounting policies resulting from adoption will be applied retrospectively as at 1 January 2018, but with no restatement of comparative information for prior years. Consequently, the Group will recognise any adjustments to the carrying amounts of financial assets between IAS 39 and IFRS 9 in the opening retained earnings or other components of equity. The Group is still assessing the impact of IFRS 9 on its financial statements not able to quantify the adjustment at this time.

- **IFRS 15, 'Revenue from contracts with customers'** (effective for annual periods beginning on or after 1 January 2017) deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. Early application is permitted. The Group is currently reviewing the main types of commercial arrangements used with customers under the model and has tentatively concluded that the application of IFRS 15 will not have a material impact on the consolidated results or financial position based on the nature of services offered by the Group.

- **Amendments to IFRS 15, 'Revenue from contracts with customers'** (effective 1 January 2018) comprise clarifications of the guidance on identifying performance obligations, accounting for licences of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). New and amended illustrative examples have been added for each of those areas of guidance. The IASB has also included additional practical expedients related to transition to the new revenue standard. It is expected that the adoption of this standard will not have a significant impact on the group.

- **IFRS 16, 'Leases'**, (effective for annual periods beginning on or after 1 January 2019). In January 2016, the IASB published IFRS 16 which replaces the current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. There is an optional exemption for lessees short-term leases and leases of low-value assets.

- **IFRIC 22, 'Foreign currency transactions and advance consideration'** (effective for annual periods beginning on or after 1 January 2018). This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice.

Eppley Limited

Notes to the Financial Statements

31 December 2017

(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published accounting standards that are not yet effective and have not been early adopted (continued)

- **Annual improvements 2014–2016** (effective for annual periods beginning on or after 1 January 2018) These amendments include changes from the 2014-16 cycle of the annual improvements project, that affect the following standards: IFRS 12,'Disclosure of interests in other entities' regarding clarification of the scope of the standard. These amendments should be applied retrospectively for annual periods beginning on or after 1 January 2017; and IAS 28,'Investments in associates and joint ventures' regarding measuring an associate or joint venture at fair value effective 1 January 2018.

There are no other standards, amendments to existing standards or interpretations that are not yet effective that would be expected to have a significant impact on the operations of the Group and have not been early adopted.

Eppley Limited

Notes to the Financial Statements
31 December 2017
(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The consolidated financial statements include the financial statements of the company and its subsidiaries as follows:

	Principal Activities	% Ownership by Company at 31 December 2017	% Ownership by Group at 31 December 2017
Resident in Jamaica:			
Subsidiary			
Paynter (Jamaica) Limited	Investing in credit products including insurance premium, loan and lease financing	100	100
Joint Venture			
Caribbean Mezzanine Fund I Limited	Asset and investment management	50	50
Retirement Road Holdings Limited	Property rental	50	50
Resident outside of Jamaica:			
Subsidiary			
Eppley Fund Managers Limited	Asset and investment management	100	100

Eppley Limited

Notes to the Financial Statements
31 December 2017
(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Consolidation (continued)

(ii) Changes in year
During the year the following subsidiaries were formed, Paynter (Jamaica) Limited and Eppley Fund Managers Limited.

(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) Revenue recognition
Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the company's activities. Revenue represents interest income earned on insurance premium, loan and lease financing and investments.

Interest income
Interest income is recognised in the statement of comprehensive income on a time proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate and continues unwinding the discount as interest income.

Dividend
Dividend income is recognised when the right to receive payment is established.

Other income
Other income is recognised on an accrual basis.

(e) Foreign currency translation

(i) *Functional and presentation currency*
Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which it operates (the functional currency). The financial statements are presented in Jamaican dollars which is also the Group's functional currency.

(ii) *Transactions and balances*
Foreign currency transactions are translated into the functional currency using 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 statement of comprehensive income.

(f) Financial instruments
Financial instruments carried on the statement of financial position include insurance premium financing receivables, loans receivable, investment securities, other receivables, due from related party, cash and deposits, borrowings, due to related parties and other liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. The fair value of the Group's financial instruments is discussed in Note 6.

Eppley Limited

Notes to the Financial Statements
31 December 2017
(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(g) Insurance premium financing receivables

Insurance premium financing (IPF) receivables are non-derivative financial assets with fixed or determinable payments. They are initially recorded at fair value, which is the cash given to originate the receivable including transaction costs, and subsequently measured at amortised cost less provision for impairment of these receivables.

(h) Loans and leases receivable

Loans are recognised when the cash is advanced to borrowers. They are initially recorded at fair value, which is the cash given to originate the loan including any transaction costs, and subsequently measured at amortised cost using the effective interest rate method.

A provision for bad debts is established if there is objective evidence that a loan is impaired. A loan is considered impaired when management determines that it is probable that all amounts due will not be collected according to the original contractual terms. When a loan has been identified as impaired, the carrying amount of the loan is reduced by recording specific provisions for bad debt to its estimated recoverable amount, which is the present value of the expected future cash flows including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of the loan.

(i) Cash and deposits

Cash and deposits are stated at cost. For the purposes of the cash flow statement, cash and deposits comprise balances with maturity dates of less than 90 days from the dates of acquisition including cash and bank balances and deposits held on call with banks.

(j) Investment securities

Investment securities are classified as fair value through profit or loss. Management determines the appropriate classification of investments at the time of purchase. Purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading or designated at fair value through profit or loss at inception. Investments classified as fair value through profit or loss, are initially recognised at fair value and transaction costs are expensed through profit or loss. Investments at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in the fair value of investments at fair value through profit or loss are presented in investment income in arriving at profit or loss.

Impairment of financial assets

A financial asset is considered impaired if its carrying amount exceeds its estimated recoverable amount. The Group assesses at each year end whether there is objective evidence that a financial asset is or group of financial assets are impaired. The amount of the impairment loss for assets carried at amortised costs 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 of a financial asset 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.

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2. Summary of Significant Accounting Policies (Continued)

(k) Investment in joint venture

Investment in joint ventures are accounted for using the equity method after initially being recognised at cost in the statement of financial position. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint venture entity are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

(l) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Depreciation is computed on the straight-line method at rates estimated to write off the assets over their expected useful lives as follows:

Furniture, fixtures and equipment	10% - 25%
Motor vehicles	25%
Software	25%

Property, plant and equipment are reviewed periodically for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

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 profit before taxation. Repairs and renewals are charged to the statement of comprehensive income when the expenditure is incurred.

(m) Impairment of long-lived assets

Long-lived assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(n) Other receivables

Other receivables are carried at original invoice amount less provision made 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.

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2. Summary of Significant Accounting Policies (Continued)

(o) Borrowings

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

(p) Other liabilities

Other liabilities are recognised at fair value and subsequently measured at amortised cost.

(q) Put option premium

The Group performs a liability adequacy test in accordance with IFRS 4 paragraph 15 to determine how to account for put option contracts. Based on the results of the liability adequacy test, a liability is either recognised or not and the related income is recognised when received.

(r) Taxation

Taxation on the profit or loss for the year comprises current and deferred tax. Current and deferred taxes are recognised as income tax expense or benefit in the statement of comprehensive income, except where they relate to items recorded in shareholders' equity, in which case they are charged or credited to equity.

(i) *Current taxation*

Current tax is the expected taxation payable on the taxable income for the year, using tax rates enacted at year end, and any adjustment to tax payable and tax losses in respect of the previous years.

(ii) *Deferred income taxes*

Deferred tax liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities and their amounts as measured for tax purposes, which will result in taxable amounts in future periods. Deferred tax assets are recognised for temporary differences which will result in deductible amounts in future periods, but only to the extent it is probable that sufficient taxable profits will be available against which these differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset will be realised or the liability will be settled based on enacted rates.

(s) Employee benefits

(i) Pension obligations

The Group participates in the defined contribution pension plan of a related company, T. Geddes Grant (Distributors) Limited. A defined contribution pension plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions paid by the company are recorded as an expense in the statement of comprehensive income.

(ii) Accrued vacation

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 year end.

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2. Summary of Significant Accounting Policies (Continued)

(s) Employee benefits (continued)

(iii) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

(iv) Profit-sharing and bonus plan

The company recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(t) Interest in subsidiaries

Interests in subsidiaries are stated at cost.

(u) Leases

Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are recognised at the inception of the lease at the lower of the fair value of the leased asset or the present value of minimum lease payments. Each lease payment is allocated between the liability and interest charges so as to produce a constant rate of charge on the lease obligation. The interest element of the lease payments is charged to profit or loss over the lease period.

Property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

(v) Dividends paid

Dividends on ordinary shares are recognised in stockholders' equity in the period in which they are approved by the company's stockholders.

The dividends on preference shares are recognised in statement of comprehensive income as interest expense.

Dividends for the year that are declared after the balance sheet date are dealt with in the subsequent events note 29.

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3. Critical Accounting Estimates and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Group's accounting policies
In the process of applying the Group's accounting policies, management has made no significant judgements on the amounts recognised in the financial statements.

(b) Critical accounting estimates and assumptions
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 will have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(i) Impairment losses on insurance premium financing, loans and leases
The Group reviews its insurance premium and loan portfolios to assess impairment on a monthly basis. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the Group makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from the accounts outstanding. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with default by the borrower. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(ii) Income taxes
There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit 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.

(iii) Classification of joint arrangements
The joint venture agreement in relation to Retirement Road Holdings Limited (RRHL) and the Caribbean Mezzanine Fund I Limited (Mezzanine Fund) require unanimous consent from all parties for all relevant activities. With respect to RRHL, the partners have rights to the net assets of the arrangement while for the Mezzanine Fund, the partners have rights to the net assets of the arrangements for all relevant activities in accordance with shareholder agreements. These entities are therefore classified as a joint venture and the Group recognises its share of the results for the year.

(iv) Depreciable assets
Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Group applies a variety of methods in an effort to arrive at the estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

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4. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's risk management programme seeks to minimise potential adverse effects on its financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate limits and controls, and to monitor adherence 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 of Directors has established committees and departments for managing and monitoring risks, as follows:

(i) Investment Committee

The Investment Committee is responsible for recommending investment strategies and credit policies to the Board of Directors. It is also responsible for approving certain individual loans, leases and other credit investments in compliance with the Group's policies.

(ii) Finance Department

The Finance Department is responsible for managing the Group's accounting, financial reporting and compliance functions, including the management of the Group's accounting and investment management information systems. It is also primarily responsible for managing the funding and liquidity risks of the Group.

(iii) Audit Committee

The Audit Committee develops and recommends accounting and risk management policies to the Board of Directors. It also oversees management's compliance with the Group's risk management policies and procedures. In addition, the Audit Committee regularly reviews the Group's financial reporting and makes recommendations to the Board of Directors.

(a) Credit risk

The Group takes on exposure to credit risk, which is the risk that its customers, clients or counterparties will cause a financial loss for the Group by failing to discharge their contractual obligations. Credit risk is the most important risk for the Group's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from the insurance premium financing receivables, lease receivable, loans receivable, other receivables, due from related party, investment securities and cash and deposits. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties.

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4. Financial Risk Management (Continued)

(a) Credit risk (continued)

Credit review process

(i) Cash and deposits
The Group limits its exposure to credit risk by placing cash and deposits with counterparties that are regulated and publicly disclose financial information. Management assesses each counterparty's credit quality and levels of liquidity. Accordingly, management seeks to mitigate the risk that any single counterparty will fail to meet its obligations. Furthermore, management takes steps to diversify its cash and deposits among a group of counterparties in order to further mitigate the risk of loss.

(ii) Insurance premium financing
The Group's exposure to credit risk is influenced mainly by its ability to receive adequate unearned premium refunds from its general insurance counterparties in the event of a default. Management assesses and monitors the credit worthiness of each counterparty. In most instances, the ultimate counterparties are general insurance companies regulated by the Financial Services Commission. The Group, through its information systems and financial reporting, also closely monitors the size of the unearned premium under each underlying insurance policy to ensure that it exceeds its insurance premium finance receivable.

(iii) Due from related party, leases and loans receivable
The Group's exposure to credit risk is driven by the ability of the borrower or lessee to repay its obligations when due. In the case of loans, the Group's credit risk can be mitigated by the assignment of salary and other cash flows, and security interest in various forms of collateral or guarantees. In the case of leases, the Group owns the lease equipment and can monetize it in the event of a default. The Investment Committee is responsible for approving and monitoring individual loans, leases and other credit investments in compliance with investment strategies and credit policies approved by the Board of Directors. Senior management personnel meet on a weekly basis to discuss and analyse the ability of counterparties to meet repayment obligations.

(iv) Investment securities
The Group limits its exposure to credit risk by investing mainly in liquid securities, with counterparties that have high credit quality. Accordingly, management does not expect any counterparty to fail to meet its obligations

Maximum exposure to credit risk

The Group's maximum exposure to credit risk at year end was as follows:

	The Group		The Company	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
Cash and deposits	315,300	297,279	315,300	297,279
Other receivables	599	-	599	-
Investment securities	80,344	-	80,344	-
Due from related party	-	-	380,521	-
Insurance premium financing receivables	324,076	304,951	314,102	304,951
Loans receivable	1,142,384	906,979	847,343	906,979
Lease receivables	382,318	392,030	314,184	392,030
	2,245,021	1,901,239	2,252,393	1,901,239

The above table represents a worst case scenario of credit risk exposure to the Group at 31 December 2017 and 2016.

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4. Financial Risk Management (Continued)

(a) Credit risk (continued)

Insurance premium financing receivables
IPF receivables that are less than 90 days past due and for which the related insurance policies are still in force, are not considered impaired. There are no IPF receivables that are past due but not considered impaired.

As of 31 December 2017, IPF receivables of $4,229,000 (2016 – $3,917,000) were impaired and have been fully provided for. These receivables were in arrears for over 90 days and the related insurance policies had expired.

The movement on the provision for impairment of IPF receivables was as follows:

	The Group and The Company	
	2017 $'000	**2016 $'000**
At 1 January	3,917	3,709
Additional provision	330	316
Amounts recovered	(18)	(108)
At 31 December	4,229	3,917

Loans receivable
Loans receivable that are less than 90 days past due and those for which adequate collateral is in place are not considered impaired. As at 31 December 2017 and 2016, there are no loans receivable that are less than 90 days past due and considered impaired.

As of 31 December 2017, loans receivable of $4,643,000 (2016 – $6,091,000) were considered to be impaired and are fully provided for. These receivables were all aged over 90 days.

The movement on the provision for impairment of loans receivable was as follows:

	The Group and The Company	
	2017 $'000	**2016 $'000**
At 1 January	6,091	7,269
Additional provision	1,449	693
Amounts recovered	(2,897)	(1,871)
At 31 December	4,643	6,091

The creation and release of provision for impaired receivables have been included in administrative expenses in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. There are no financial assets other than those listed above that were individually impaired. The provisions for impairment of accounts receivable and the bad debt expense do not include any amounts for related parties.

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4. 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 fulfil loan payments and other liabilities incurred.

Liquidity risk management process

The Group's liquidity management process, as carried out within the Group and monitored by the Board of Directors, includes:

(i) Monitoring future cash flows and liquidity on a regular basis. This incorporates an assessment of expected cash flows and accessing credit from related parties or financial institutions if required;
(ii) Optimising cash returns on short term investments; and
(iii) Monitoring financial position liquidity ratios against internal requirements.

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.

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4. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Financial assets and liabilities cash flows

The tables below present the undiscounted cash flows of the Group's financial assets and liabilities based on contractual repayment obligations at contractual maturity dates:

	The Group				
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Total $'000
As at 31 December 2017:					
Financial Assets					
Cash and deposits	209,257	-	111,487	-	320,744
Other receivables	599	-	-	-	599
Investment securities	-	-	-	80,344	80,344
Insurance premium financing	27,841	16,285	221,285	80,461	345,872
Lease receivables	18,331	36,167	154,772	272,332	481,602
Loans receivable	574,558	57,318	248,861	370,877	1,251,614
Total financial assets	830,586	109,770	736,405	804,014	2,480,775
Financial Liabilities					
Due to related parties	1,653	-	-	-	1,653
Borrowings	11,341	24,845	843,147	1,103,632	1,982,965
Other liabilities	11,533	10,551	4,759	16,089	42,932
Total financial liabilities	24,527	35,396	847,906	1,119,721	2,027,550
Net Liquidity Gap	806,059	74,374	(111,501)	(315,707)	453,225
Cumulative gap	806,059	880,433	768,932	453,225	

Of the $843,147,000 disclosed in the 2017 borrowings time band 'between 3 and 12 months', the Group made early repayments of $566,992,000 in the first month of the 2018 financial year (2016 – nil). See subsequent note 29.

Eppley Limited

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4. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Financial assets and liabilities cash flows (continued)

	The Company				
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Total $'000
As at 31 December 2017:					
Financial Assets					
Cash and deposits	209,257	-	111,487	-	320,744
Other receivables	599	-	-	-	599
Investment securities	-	-	-	80,344	80,344
Due from related party	9,280	5,802	27,045	515,594	557,721
Insurance premium financing	27,841	16,285	221,285	70,055	335,466
Lease receivables	14,919	29,341	124,058	240,031	408,349
Loans receivable	485,569	45,764	122,250	660,619	1,314,202
Total financial assets	747,465	97,192	606,125	1,566,643	3,017,425
Financial Liabilities					
Due to related parties	8,632	-	-	-	8,632
Borrowings	11,341	24,845	843,147	1,103,632	1,982,965
Other liabilities	10,637	10,551	4,759	16,089	42,036
Total financial liabilities	30,610	35,396	847,906	1,119,721	2,033,633
Net Liquidity Gap	716,855	61,796	(241,781)	446,922	983,792
Cumulative gap	716,855	778,651	536,870	983,792	

Of the $843,147,000 disclosed in the 2017 borrowings time band 'between 3 and 12 months', the Company made early repayments of $566,992,000 in the first month of the 2018 financial year (2016 – nil). See subsequent note 29.

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4. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Financial assets and liabilities cash flows (continued)

	The Group and The Company				
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Total
	$'000	$'000	$'000	$'000	$'000
As at 31 December 2016:					
Financial Assets					
Cash and deposits	66,563	-	245,615	-	312,178
Insurance premium financing	9,551	13,224	300,297	-	323,072
Lease receivables	18,740	37,643	155,536	262,169	474,088
Loans receivable	609,109	34,197	186,830	120,049	950,185
Total financial assets	703,963	85,064	888,278	382,218	2,059,523
Financial Liabilities					
Due to related parties	1,653	-	-	-	1,653
Borrowings	14,480	42,012	145,484	1,649,023	1,850,999
Other liabilities	6,014	10,494	4,406	15,375	36,289
Total financial liabilities	22,147	52,506	149,890	1,664,398	1,888,941
Net Liquidity Gap	681,816	32,558	738,388	(1,282,180)	170,582
Cumulative gap	681,816	714,374	1,452,762	170,582	-

Assets available to meet all of the liabilities and to cover financial liabilities include cash and term deposits.

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4. 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 exposures are measured using sensitivity analysis. There has been no change to the manner in which the Group manages and measures this risk.

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The company is exposed to foreign exchange risk arising from the United States dollar. Foreign currency risk arises primarily from transactions in due from related party, insurance premium, loan and lease financing net of borrowings.

At 31 December 2017, the Group's statement of financial position includes aggregate net foreign assets of US$4,112,000 (2016 - US$5,530,000).

At 31 December 2017, the Company's statement of financial position includes aggregate net foreign assets of US$4,056,000 (2016 - US$5,530,000).

The Group manages the foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions.

Foreign currency sensitivity

The following tables indicate the currencies to which the Group had significant exposure on its monetary assets and liabilities and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates, with all other variables held constant. The sensitivity analysis on pre-tax profit is based on foreign currency denominated monetary items at the year end. As there are no foreign denominated investment securities, there is no impact on other components of equity.

	The Group			
	% Change in Currency Rate 2017	Effect on Profit before Taxation 2017	% Change in Currency Rate 2016	Effect on Profit before Taxation 2016
USD - Revaluation	2%	(10,064)	1%	(7,044)
USD - Devaluation	4%	20,129	6%	42,263

	The Company			
	% Change in Currency Rate 2017	Effect on Profit before Taxation 2017	% Change in Currency Rate 2016	Effect on Profit before Taxation 2016
USD - Revaluation	2%	(9,929)	1%	(7,044)
USD - Devaluation	4%	19,857	6%	42,263

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4. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk

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

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

	The Group					
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Non-Interest Bearing $'000	Total $'000
At 31 December 2017:						
Financial Assets						
Cash and deposits	148,360	-	105,325	-	61,615	315,300
Other receivables	-	-	-	-	599	599
Investment securities	-	-	-	-	80,344	80,344
Insurance premium financing	26,419	15,453	205,753	76,451	-	324,076
Lease receivables	14,652	28,923	124,019	214,724	-	382,318
Loans receivable	543,714	49,848	225,843	322,979	-	1,142,384
Total financial assets	733,145	94,224	660,940	614,154	142,558	2,245,021
Financial Liabilities						
Due to related parties	-	-	-	-	1,653	1,653
Borrowings	282	-	380,871	-	1,311,574	1,692,727
Other liabilities	-	-	-	-	42,932	42,932
Total financial liabilities	282	-	380,871	-	1,356,159	1,737,312
Total interest repricing gap	732,863	94,224	280,069	614,154	(1,213,601)	507,709
Cumulative gap	732,863	827,087	1,107,156	1,721,310	507,709	

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4. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company					
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Non-Interest Bearing $'000	Total $'000
At 31 December 2017:						
Financial Assets						
Cash and deposits	148,360	-	105,325	-	61,615	315,300
Other receivables	-	-	-	-	599	599
Investment securities	-	-	-	-	80,344	80,344
Due from related party	-	-	-	375,175	5,346	380,521
Insurance premium financing	26,419	15,453	205,753	66,477	-	314,102
Lease receivables	11,478	22,575	95,451	184,680	-	314,184
Loans receivable	459,951	39,555	105,916	241,921	-	847,343
Total financial assets	646,208	77,583	512,445	868,253	147,904	2,252,393
Financial Liabilities						
Due to related parties	-	-	-	-	8,632	8,632
Borrowings	281	-	380,872	-	1,311,574	1,692,727
Other liabilities	-	-	-	-	42,036	42,036
Total financial liabilities	281	-	380,872	-	1,362,242	1,743,395
Total interest repricing gap	645,927	77,583	131,573	868,253	(1,214,338)	508,998
Cumulative gap	645,927	723,510	855,083	1,723,336	508,998	

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4. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	The Group and The Company					
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Non-Interest Bearing $'000	Total $'000
At 31 December 2016:						
Assets						
Cash and deposits	17,646	-	230,716	-	48,917	297,279
Insurance premium financing receivables	9,131	12,643	283,177	-	-	304,951
Lease receivables	15,496	376,534	-	-	-	392,030
Loans receivable	593,373	31,308	174,917	107,381	-	906,979
Total financial assets	635,646	420,485	688,810	107,381	48,917	1,901,239
Liabilities						
Due to related parties	-	-	-	-	1,653	1,653
Borrowings	-	-	-	1,332,619	500	1,333,119
Other liabilities	-	-	-	-	36,289	36,289
Total financial liabilities	-	-	-	1,332,619	38,442	1,371,061
Total interest repricing gap	635,646	420,485	688,810	(1,225,238)	10,475	530,178
Cumulative gap	635,646	1,056,131	1,744,941	519,703	530,178	-

Interest rate sensitivity
The Group does not have any sensitivity to interest rate risk as all financial assets and liabilities are at fixed rates, except for lease receivables for which the Group has the option to re-price in specific circumstances including, increases in the interest rates of benchmark Government of Jamaica securities and changes to the creditworthiness of the lessees.

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5. Capital Management

Capital management is assessed by the senior management of the Group. The objectives when managing capital, which is a broader concept than the 'equity' on the face of statement of financial position, are:

(i) 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; and

(ii) To maintain a strong capital base to support the development of its business.

There were no changes to the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

6. Fair Value of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. There were no financial assets and financial liabilities measured at fair value at the December 2016.

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. These two types of inputs have created the following fair value hierarchy.

Level 1 – Quoted prices in active markets for identical assets or liabilities. There was no level 1 instruments at 31 December 2017.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. There was no level 2 instruments at 31 December 2017.

Level 3 – Inputs for asset or liability that are not based on observable market data (unobservable inputs). This level includes non-participating preference shares with significant unobservable components. The fair value of these instruments were determined by the net assets of the underlying investments.

This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
31 December 2017				
Financial assets	-	-	80,344	80,344

The following methods and assumptions have been used in determining fair values for instruments not re-measured at their fair value after initial recognition.

(i) The face value, less any estimated credit adjustments, for financial assets and liabilities with a maturity of less than one year are estimated to approximate their fair values. These financial assets and liabilities include cash, short-term deposits, insurance premium receivables, loans receivables and loans from related parties.

(ii) The carrying value of long term loans payable from external lenders approximate their fair values, as these loans are listed on an exchange and as at year end, the closing bid price represents the their carrying values, being the amortised cost.

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7. Segment Information

The operating segments are based on the reports reviewed by the Board of Directors that are used to make strategic investment decisions. All operating segments used by management meet the definition of a reportable segment under IFRS 8.

These segments represent the different types of credit offering that are written by the entity. Management identifies its reportable operating segments by product line consistent with the reports used by the Board of Directors. Operating segments are subject to change according to the Group's investment strategies. These segments and their respective operations are as follows:

- Insurance Premium Finance (IPF) - These represent short term loans issued to customers for the financing of insurance premiums. These contracts normally have a duration of 3 to 9 months.
- Loans – These represent credit extended to customers with average tenure of 2 - 5 years. These loans are mostly secured by collateral, guarantees and payroll deductions.
- Leases: - These represent credit extended for the purchase of equipment and motor vehicles and have a duration of 2 - 5 years.

2017	Insurance Premium Finance	Loans	Leases	Total
	$'000	$'000	$'000	$'000
Interest income as per segment	51,109	138,147	58,548	247,804
Unallocated income				50,495
Share of net profit from joint venture				16,131
Unallocated expense				(246,289)
Profit before Taxation				68,141
Taxation				1,082
Net Profit				69,223

2016	Insurance Premium Finance	Loans	Leases	Total
	$'000	$'000	$'000	$'000
Interest income as per segment	41,824	112,592	45,326	199,742
Unallocated income				71,283
Share of net profit from joint venture				30,469
Unallocated expense				(194,582)
Profit before Taxation				106,912
Taxation				(225)
Net Profit				106,687

Other profit and loss disclosures:

	2017 $'000	2016 $'000
Depreciation	6,149	6,943

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7. Segment Information (Continued)

Allocation of assets:	Total Assets 2017 $'000	Total Assets 2016 $'000
Insurance premium finance	324,076	304,951
Loans	1,142,384	906,979
Leases	382,318	392,030
Total segment assets	1,848,778	1,603,960
Unallocated :-		
Cash and deposits	315,300	297,279
Taxation recoverable	8,967	6,033
Other receivables	72,194	65,661
Investment securities	80,344	-
Investment in joint venture	109,725	93,582
Property, plant and equipment	10,485	16,406
Total Assets per Statement of Financial Position	2,445,793	2,082,921

Total capital expenditure was as follows:

	2017 $'000	2016 $'000
Property, plant and equipment	228	15,850

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8. Other Operating Income

	The Group		The Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Fee income	9,424	7,484	9,424	7,484
Foreign exchange (loss)/gains	(15,761)	43,946	(15,761)	43,946
Asset management income	7,379	-	7,379	-
Investment management income	16,975	-	16,975	-
Management fees	850	-	850	-
Investment income	5,101	-	5,101	-
Other	12,924	9,450	13,103	9,450
	36,892	60,880	37,071	60,880

9. Expenses by Nature

	The Group		The Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Auditors' remuneration -	1,995	2,035	1,995	2,035
Depreciation and amortisation	6,148	6,943	6,149	6,943
Marketing and advertising	38	286	38	286
Bad debts recovered	(1,135)	(970)	(1,135)	(970)
Professional fees	8,248	7,394	7,351	7,394
Rent and maintenance	1,487	1,456	1,487	1,456
Repairs and maintenance	1,421	834	1,421	834
Staff costs (Note 10)	55,211	48,054	55,211	48,054
Stationery	2,394	1,899	2,394	1,899
Utilities	2,389	1,770	2,389	1,770
Other	9,699	8,963	9,699	8,963
Total	87,895	78,664	86,999	78,664

10. Staff Costs

	The Group and The Company	
	2017 $'000	2016 $'000
Wages and salaries	45,267	40,128
Payroll taxes – employer's contribution	4,620	3,831
Pension costs	1,385	1,007
Other	3,939	3,088
	55,211	48,054

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11. Taxation

a. The company's shares were listed on the Junior Market of the Jamaica Stock Exchange, effective July 2015. Consequently, the company is entitled to a remission of tax for ten (10) years in the proportions set out below, provided the shares remain listed for at least 15 years:

Years 1 to 5	100%
Years 6 to 10	50%

The financial statements have been prepared on the basis that the company will have the full benefit of the tax remissions.

Effective 6th February 2017, approval was granted for the company to operate as an Approved Venture Capital Company, as per Section 36 of the Income Tax Act, for a period not exceeding ten (10) years.

b. Taxation is based on the profit for the year adjusted for taxation purposes and represents:

	The Group		The Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Current income tax charge	-	-	-	-
Reversal of prior year accrual	(1,082)	-	(1,082)	-
Deferred tax (Note 21)	-	225	-	225
	(1,082)	225	(1,082)	225

c. The tax charge on the company's profit differs from the theoretical amount that would arise using the statutory tax rate as follows:

	The Group		The Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Profit before taxation	68,141	106,912	69,186	106,912
Tax calculated at 25% (2016 - 25%)	17,035	26,728	17,297	26,728
Adjusted for the effects of:				
Income not subject to tax	(71,727)	(55,566)	(71,764)	(55,566)
Expenses not deductible for tax	54,697	47,154	54,518	47,154
Joint venture's results reported net of tax	(4,033)	(7,617)	(4,033)	(7,617)
Net effect of other charges and allowances	4,028	(10,474)	3,982	(10,474)
Reversal of prior year over accrual	(1,082)	-	(1,082)	-
	(1,082)	225	(1,082)	225

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12. Earnings per share

Basic earnings per share is calculated by dividing the Group's net profit attributable to owners by the weighted average number of ordinary shares outstanding during the year.

	2017	2016
Net profit attributable to shareholders ($'000)	69,223	106,687
Weighted average number of shares outstanding ('000)	192,468	162,856
Earnings per share ($)	0.36	0.66

Included in borrowings are 2018, 2019 and 2021 cumulative redeemable preference shares. These cumulative redeemable preference shares are not ordinary or potential ordinary shares and have not been included in the determination of basic and diluted earnings per share. These shares are classified as liabilities (see note 23 (c)).

13. Cash and Cash Equivalents

	The Group and The Company	
	2017 $'000	2016 $'000
Cash and bank balances	92,882	66,563
Term deposits	222,418	230,716
	315,300	297,279
Less: Term deposits with maturity period in excess of 90 days	(105,325)	(230,000)
Less: Interest receivable	(912)	(716)
	209,063	66,563

Included in cash and bank balances are foreign currency current accounts which earn interest at 0.01% (2016 - 0.10-0.15%) per annum and Jamaican dollar current accounts which earn interest at 0.35% (2016 - 0.05 – 0.35%) per annum.

Term deposits with maturity period in excess of 90 days have an average maturity period of 348 days (2016 – 349 days). At the end of 2017, deposits with maturity periods less than 90 days had an average maturity period of 33 days.

The weighted average effective interest rates on term deposits were as follows:

	The Group and The Company	
	2017 %	2016 %
J$ - short term deposits	4.10%	-
J$ - long term deposits	5.85%	7.10%
US$ - short term deposits	4.15%	-

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14. Other Receivables

	The Group		The Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Prepaid expenses	112	137	112	137
GCT recoverable	67,175	56,749	67,175	56,749
Other	4,906	8,775	4,662	8,775
	72,193	65,661	71,949	65,661

15. Insurance Premium Financing Receivables

	The Group		The Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
IPF loans receivable from affiliates	155,546	130,090	155,546	130,090
IPF loans receivable from external customers	190,325	192,982	179,919	192,982
Unearned interest	(17,566)	(14,204)	(17,134)	(14,204)
	328,305	308,868	318,331	308,868
Less: Provision for doubtful debts	(4,229)	(3,917)	(4,229)	(3,917)
	324,076	304,951	314,102	304,951

Insurance premium financing receivables include amounts with related parties (Note 22(b)).

16. Loans Receivable

	The Group		The Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Loans receivable from affiliates	160,301	100,444	160,301	100,444
Loans receivable from external customers	986,726	812,626	691,685	812,626
	1,147,027	913,070	851,986	913,070
Less: Provision for doubtful debts	(4,643)	(6,091)	(4,643)	(6,091)
	1,142,384	906,979	847,343	906,979

Loans receivable include amounts with related parties (Note 22(b)).

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17. Lease Receivables

	The Group		The Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Gross investment in finance leases –				
Not later than one year	209,270	211,918	168,318	211,918
Later than one year and not later than five years	272,331	262,170	240,031	262,170
	481,601	474,088	408,349	474,088
Less: Unearned income	(99,283)	(82,058)	(94,165)	(82,058)
	382,318	392,030	314,184	392,030
Net investment in finance leases may be classified as follows:				
Not later than one year	167,595	175,238	129,504	175,238
Later than one year and not later than five years	214,723	216,792	184,680	216,792
	382,318	392,030	314,184	392,030

18. Investment Securities

	The Group and The Company	
	2017 $'000	2016 $'000
Fair value through profit or loss		
Non-participating preference shares	80,344	-

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19. Investment in Joint Venture

The company entered into a joint venture agreement with effect from 1 September 2016; where it owns a fifty percent (50%) share in Retirement Road Holdings Limited (RRHL), a company incorporated in St. Lucia. RRHL is the holding company for a Jamaican property owner. The company's investment in RRHL is accounted for using the equity method. The principal activities of the RRHL is to engage primarily in the administration of investment properties being utilised for rental yields and capital appreciation.

In 2017, the Group entered into a joint venture agreement with effect from 2 December 2016; where it owns a fifty percent (50%) share in Caribbean Mezzanine Fund I Limited, a company incorporated in Jamaica. Caribbean Mezzanine Fund I Limited is an approved venture capital company that manages funds on behalf of the unitholders. The company's investment is accounted for using the equity method.

	The Group and The Company	
	2017	2016
	$'000	$'000
Opening net assets at 1 January	93,582	-
Capital invested	12	63,113
Profit for the period	16,131	30,469
Carrying amount	109,725	93,582

Commitments and contingent liabilities in respect of joint ventures

There is a commitment to provide support to a subsidiary of Retirement Road Holdings Limited, One Retirement Road Limited, in the form of a corporate guarantee on the default of loans if called in the amount of:

	The Group and The Company	
	2017	2016
	$'000	$'000
Corporate guarantee	142,500	147,500

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19. Investment in Joint Venture (Continued)

Summarised Statement of Financial Position

The tables below provide summarised financial information for the joint venture which, in the opinion of the directors, is material to the company.

	The Group and The Company	
	2017 $'000	**2016 $'000**
Current assets		
Cash and cash equivalents	3,712	17,405
Other current assets	786	197
Total current assets	4,498	17,602
Non-current assets	499,647	460,000
Total assets	**504,145**	**477,602**
Current liabilities		
Financial liabilities (excluding trade payables)	10,266	8,805
Other current liabilities	11,185	8,100
Total current liabilities	21,451	16,905
Non-current financial liabilities	263,268	266,244
Total liabilities	**284,719**	**290,439**
Net assets	**219,426**	**187,163**

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19. Investment in Joint Venture (Continued)

Summarised Statement of Comprehensive Income

	The Group and The Company	
	2017	**2016**
	$'000	**$'000**
Revenue	50,179	17,601
Interest income	-	99
Interest expense	(28,696)	(9,940)
Profit before tax	32,263	60,938
Taxation	-	-
Total comprehensive income	32,263	60,938

Reconciliation to carrying amounts

	The Group and The Company	
	2017	**2016**
	$'000	**$'000**
Opening net assets at 1 January	187,163	-
Capital invested	-	126,225
Profit for the period	32,263	60,938
Closing net assets	219,426	187,163
Company's share (%)	50	50
Carrying amount	109,713	93,582

There are no contingent liabilities relating to the company's interest in RRHL. There were no balances related to depreciation, other comprehensive income, and dividend paid for the period ended 31 December 2017 and 2016.

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20. Property, Plant and Equipment

	The Group and The Company			
	Motor Vehicles $'000	Furniture, Fixtures & Equipment $'000	Computer software $'000	Total $'000
Cost -				
At 1 January 2016	9,783	4,029	145	13,957
Additions	8,935	487	6,428	15,850
At 31 December 2016	18,718	4,516	6,573	29,807
Additions	-	228	-	228
At 31 December 2017	18,718	4,744	6,573	30,035
Depreciation -				
At 1 January 2016	4,110	2,312	36	6,458
Charge for the year	4,680	620	1,643	6,943
At 31 December 2016	8,790	2,932	1,679	13,401
Charge for the year	3,847	658	1,644	6,149
At 31 December 2017	12,637	3,590	3,323	19,550
Net Book Value -				
31 December 2017	6,081	1,154	3,250	10,485
31 December 2016	9,928	1,584	4,894	16,406

21. Deferred Income Taxes

Deferred income taxes are calculated on temporary differences under the liability methods using an effective tax rate of 12.5% (2016 – 12.5%).

The movement on the deferred income tax account is as follows:

	The Group and The Company	
	2017 $'000	2016 $'000
Balance as at 1 January	146	79
Statement of comprehensive income (Note 11)	-	(225)
Balance as at 31 December	146	146

Deferred income tax liabilities are attributable to the following item:

	The Group and The Company	
	2017 $'000	2016 $'000
Property, plant and equipment	146	146

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21. Deferred Income Taxes (Continued)

The movement in the statement of comprehensive income is attributable to the following:

	The Group and The Company	
	2017	2016
	$'000	$'000
Property, plant and equipment	-	(225)

22. Related Party Transactions and Balances

(a) The statement of comprehensive income includes the following transactions with related parties –

	The Group		The Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Interest income -				
Key management	5,456	2,536	5,456	2,536
Subsidiary	903	-	903	-
Affiliate	101,472	17,271	101,472	17,271
	107,831	19,807	107,831	19,807
Interest expense -				
Affiliate	-	402	-	402
Key management compensation -				
Directors' fees	260	220	260	220
Salaries and other short term benefits	33,224	26,714	33,224	26,714
Post- employment benefits	1,779	705	1,779	705
Management fees -				
Joint venture	(850)	(283)	(850)	(283)
Affiliate	2,000	2,000	2,000	2,000
Rental and maintenance expense -				
Affiliate	1,487	1,456	1,487	1,456

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22. Related Party Transactions and Balances (Continued)

(b) The statement of financial position includes the following balances with group companies –

	The Group		The Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Due to related parties -				
Subsidiaries	-	-	6,979	-
Affiliate	1,653	1,653	1,653	1,653
	1,653	1,653	8,632	1,653
Loan due to related parties (Note 23) -				
Balance at the beginning of year	500	34,346	500	34,346
Loans received	-	40,000	-	40,000
Interest charged	-	402	-	402
Repayments	-	(74,652)	-	(74,652)
Foreign exchange translation	-	404	-	404
Balance at end of year	500	500	500	500
Insurance premium financing receivables -				
Affiliates (Note 15)	114,242	130,090	114,242	130,090

	The Group		The Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Loan receivables:-				
(i) Subsidiaries	-	-	380,521	-
(ii) Affiliates				
Balance at the beginning of year	100,444	-	100,444	-
Loans issued	61,749	100,000	60,856	100,000
Interest earned	15,076	8,451	15,974	8,451
Repayments	(13,524)	(8,007)	(13,524)	(8,007)
Foreign exchange translation	(3,444)	-	(3,449)	-
Balance at end of year	160,301	100,444	540,822	100,444
(iii) Key management	25,886	50,952	25,886	50,952

Loans receivable from key management attract interest at an average rate of 9.5% and 12% (2016 – 9.5% and 12%) and are repayable within 12 months.

See note 19 - Investment in joint venture, for details of guarantees given.

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23. Borrowings

	The Group and The Company	
	2017 $'000	**2016 $'000**
Composition of borrowings		
(a) Loans from affiliates (Note 22 (b))	500	500
(b) Short term loan from external lender	381,040	-
(c) Long term loans from external lenders	1,311,187	1,332,619
	1,692,727	1,333,119
Less: Current portion		
Loans from affiliates	(500)	(500)
Loan from external lender	(381,040)	-
Long term loans from external lenders	(358,808)	(36,407)
Unwinding of unamortised fees within 12 months	8,712	15,793
Non-current borrowings	961,091	1,312,005

(a) This balance represents a loan of $500,000 from a related party which does not attract interest, is unsecured and has no set repayment.

(b) The short term loan from external lender represents a note received during 2017 that matures in June 2018 at interest rate of 4% per annum. Interest is due quarterly and principal is due at the end of the loan period.

(c) Long term loans from external lenders

	The Group and The Company	
	2017 $'000	**2016 $'000**
Redeemable preference shares (i)	1,323,160	1,323,530
Less: Unamortised fees	(12,255)	(27,608)
	1,310,905	1,295,922
DB&K Limited (ii)	282	36,697
	1,311,187	1,332,619

(i) This represents 60,325,600 preference shares issued in November 2013, 99,998,667 preference shares issued in November - December 2015 and 60,264,000 preference shares issued in December 2016 listed on the Junior Market of the Jamaica Stock Exchange and redeemable in November 2018, November 2019 and December 2021 respectively. These preference shares were issued at interest rates of 9.50%, 10.00%-11.50% and 8.25% respectively.

(ii) This represents an unsecured loan of approximately US$72,000 (approximately J$8 million) received in 2016. The loan attract interest at 8% and is repayable in 36 months.

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24. Other Liabilities

	The Group		The Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Accruals	9,688	9,746	8,792	9,746
Due to clients	5,921	9,531	5,921	9,531
Other	27,323	17,012	27,323	17,012
	42,932	36,289	42,036	36,289

25. Share Capital

	2017	2016
	$'000	$'000
Authorised -		
195,000,000 (2016 – 120,000,000) ordinary shares of no par		
Issued and fully paid -		
192,468,300 (2016 – 192,468,300) stock units	492,343	492,343

The ordinary shareholders of the company resolved in April 2016 to increase the authorised share capital from 800,000 to 1,300,000 units. In May 2016, the ordinary shareholders also approved a rights issue which resulted in the issuance of 486,873 shares at a price of $650 per share gross of associated expenses. The ordinary shareholders further resolved to a stock split of 150 units for every ordinary share owned. The effective date of the stock split was 1 December 2016. As a result of the stock split, all prior period stock data presented in the financial statements have been adjusted to reflect the subdivision. There was no such activity for the period ended 31 December 2017.

26. Dividends

During the year, the company declared dividends to registered holders on record as follows:

	The Group and The Company	
	2017	2016
	$'000	$'000
First interim dividend, gross - $0.26 (2016 – $0.29) per ordinary stock units	50,041	34,557
Second interim dividend, gross - $0.0372 (2016 – $0.06) per ordinary stock units	7,160	7,166
Third interim dividend, gross - $0.0372 (2016 – $0.04) per ordinary stock units	7,160	7,173
Fourth interim dividend, gross - $0.0372 (2016 – $0.04) per ordinary stock units	7,160	7,173
	71,521	56,069

Eppley Limited

Notes to the Financial Statements

31 December 2017

(Expressed in Jamaican dollars unless otherwise indicated)

27. Pension Scheme

Employees participate in a defined contribution pension scheme operated by a related company, T. Geddes Grant (Distributors) Limited. The scheme is open to all permanent employees, as well as the employees of certain related companies. The scheme is funded by employees' compulsory contribution of 5% of earnings and voluntary contributions up to a further 5%, as well as employer's contribution of 5% of employees' earnings. The scheme is valued triennially by independent actuaries. The results of the most recent actuarial valuation, as at 31 December 2016, indicated that the scheme was solvent and that the available assets exceeded the total liabilities resulting in a surplus at that date.

Pension contributions for the period totalled $1,385,000 (2016 – $1,007,000) and are included in staff costs (Note 10).

28. Reconciliation of Liabilities arising from Financial Activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash. Financing activities represent borrowings:

	The Group and The Company	
	2017	**2016**
	$'000	**$'000**
At January 1	1,333,119	1,048,604
Loans received	387,417	403,485
Repayment- principal	(36,377)	(122,875)
Repayment- interest	(139,553)	(116,110)
Amortisation of finance charge	18,410	-
Foreign exchange adjustments	(9,977)	4,100
Other non-cash movements*	139,688	115,915
At 31 December	1,692,727	1,333,119

*The other non-cash movements represent interest expense for the year.

29. Subsequent Events

The Group opted for early redemption of the 2019 Preference Shares, which were redeemed on January 31, 2018, at a price of $6.06 per share inclusive of redemption penalty.

The Group declared an ordinary dividend of 16.42 cents per stock unit to stockholders on record as at 27 February 2018, which was paid on 12 March 2018.

The Group is currently in negotiation to purchase the unlisted common shares of Fortress Caribbean Property Fund Limited SCC.

UNAUDITED 9 MONTHS ENDED SEP. 2018

Eppley Limited
Consolidated Statement of Comprehensive Income
(Jamaican dollars in thousands)

	Unaudited 9 months ended Sep. 2018	Unaudited 9 months ended Sep. 2017	Unaudited 3 months ended Sep. 2018	Unaudited 3 months ended Sep. 2017	Audited 12 months ended Dec. 2017
Net Investment Income					
Interest Income	234,416	190,964	84,613	66,734	261,407
Interest expense	(127,584)	(116,544)	(44,591)	(42,655)	(158,394)
Net interest income	**106,832**	**74,420**	**40,022**	**24,079**	**103,013**
Other operating income	68,480	39,483	34,264	16,717	36,892
Administrative expenses	(98,146)	(63,139)	(38,873)	(20,503)	(87,895)
Share of net profit from joint venture accounted for using the equity method	3,502	833	633	759	16,131
Profit before Taxation	80,667	51,596	36,046	21,052	68,141
Taxation	-	-	-	-	1,082
Profit for the period	**80,667**	**51,596**	**36,046**	**21,052**	**69,223**
Other comprehensive income					
Items that may be reclassified to profit or loss					
Currency translation differences on the net assets of foreign subsidiary	471	-	471	-	-

Eppley Limited
Consolidated Statement of Comprehensive Income (Cont'd)
(Jamaican dollars in thousands)

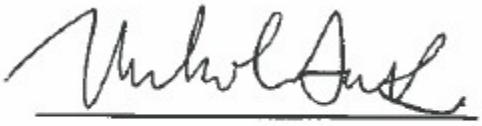
	Unaudited 9 months ended Sep. 2018	Unaudited 9 months ended Sep. 2017	Unaudited 3 months ended Sep. 2018	Unaudited 3 months ended Sep. 2017	Audited 12 months ended Dec. 2017
Other comprehensive income for the period	**471**	**-**	**471**	**-**	**-**
Total comprehensive income for the period	**81,138**	**51,596**	**36,518**	**21,052**	**69,223**
EARNINGS PER SHARE (3)	**$ 0.42**	**$ 0.27**	**$ 0.19**	**$ 0.11**	**$ 0.36**

Eppley Limited
Consolidated Statement of Financial Position
(Jamaican dollars in thousands)

	Unaudited Sep. 2018	Unaudited Sep. 2017	Audited Dec. 2017
ASSETS			
Cash and deposits	383,949	392,152	315,300
Taxation recoverable	9,667	7,008	8,967
Other receivable	139,964	79,853	72,193
IPF receivables	386,165	321,413	324,076
Loans receivables	1,148,600	1,161,766	1,142,384
Lease receivable	599,268	366,979	382,318
Investment securities	362,837	29,039	80,344
Investment in joint venture	113,228	94,415	109,725
Property, plant and equipment	17,625	12,027	10,485
	3,161,303	**2,464,652**	**2,445,792**
LIABILITIES			
Due to related parties	1,653	1,653	1,653
Taxation payable	-	1,082	-
Deferred taxation	146	146	146
Borrowings	2,265,692	1,709,821	1,692,727
Other liabilities	153,433	54,082	42,932
	2,420,924	**1,766,784**	**1,737,458**
SHAREHOLDERS' EQUITY			
Share capital	492,343	492,343	492,343
Retained earnings	247,565	205,524	215,991
Other reserves	471	-	-
	740,379	**697,868**	**708,334**
	3,161,303	**2,464,652**	**2,445,792**

Approved by the Board of Directors on November 5, 2018 and signed on its behalf by:

Paul. B. Scott
Chairman



Nicholas A. Scott
Managing Director

Eppley Limited
Statement of Changes in Equity
(Jamaican dollars in thousands)

	Share Capital	Other Reserves	Retained Earnings	Total
Balance as at 1 January 2017	492,343	-	218,289	710,632
Net Profit for the period	-	-	51,596	51,596
Dividends	-	-	(64,361)	(64,361)
Balance as at 30 September 2017	**492,343**	**-**	**205,524**	**697,868**
Balance as at 31 December 2017	492,343	-	215,991	708,334
Impact of adopting new standard (IFRS 9)	-	-	(3,170)	(3,170)
Restated balance as at 1 January 2018	492,343	-	212,821	705,164
Currency translation differences on the net assets of foreign subsidiary	-	471	-	471
Net Profit for the period	-	-	80,667	80,667
Dividends	-	-	(45,923)	(45,923)
Balance as at 30 September 2018	**492,343**	**471**	**247,565**	**740,379**

Eppley Limited
Statement of Cash Flows
(Jamaican dollars in thousands)

	Unaudited 9 months ended Sep. 2018	Unaudited 9 months ended Sep. 2017	Audited 12 months ended Dec. 2017
Cash Flows from Operating Activities			
Net profit	80,667	51,596	69,223
Adjustments for items not affecting cash:			
Depreciation	5,742	4,606	6,149
Interest income	(234,416)	(190,964)	(261,373)
Interest expense	127,584	116,544	158,394
Realised gain on investment securities	(3,918)	-	(1,497)
Gain on disposal of property, plant and equipment	-	-	-
Exchange (gains)/losses on foreign balances	(4,117)	(4,560)	(6,225)
Share of profits from joint venture	(3,502)	(833)	(16,131)
Taxation	-	-	(1,082)
	(31,960)	**(23,612)**	**(52,542)**
Changes in non-cash working capital components:			
Other receivables	(62,572)	(14,177)	(6,532)
Insurance premium financing receivables	(60,840)	(16,525)	(19,125)
Loans receivable	38,833	(250,149)	(235,406)
Lease receivables	(211,335)	26,140	9,712
Interest received	234,172	184,615	261,144
Other liabilities	104,771	17,545	6,644
	11,070	**(76,163)**	**(36,105)**
Tax withheld at source/paid	(700)	(975)	(2,934)
Interest paid	(120,538)	(116,482)	(158,226)
Net cash provided by/(used in) operating activities	**(110,168)**	**(193,620)**	**(197,265)**

Eppley Limited
Statement of Cash Flows (Cont'd)
(Jamaican dollars in thousands)

	Unaudited 9 months ended Sep. 2018	Unaudited 9 months ended Sep. 2017	Audited 12 months ended Dec. 2017
Cash Flows from Investing Activities			
Term deposits with maturity periods in excess of 90 days	(155,000)	-	(5,325)
Acquisition of Investments	(268,375)	(28,863)	(94,709)
Investment in joint venture	-	-	(12)
Proceed from sale of investments	105,325	130,000	143,705
Proceed from sale of property, plant & equipment	4,721		-
Additions to property, plant and equipment	(13,685)	(228)	(228)
Net cash provided by/(used) in investing activities	**(327,014)**	**100,910**	**43,431**
Cash Flows from Financing Activities			
Shares issued	-	-	-
Dividend paid	(45,923)	(64,361)	(71,521)
Loans received	1,576,419	400,730	405,827
Loans repaid	(1,108,709)	(29,401)	(36,377)
Net cash (used in)/provided by financing activities	**421,787**	**306,968**	**297,929**
Increase/(Decrease) in net cash balance	(15,395)	214,258	144,095
Effects of foreign exchange rates changes on cash and cash equivalents	34,121	4,267	(1,595)
Cash and cash equivalents at beginning of year	**209,063**	**66,563**	**66,563**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**227,793**	**285,087**	**209,063**

Ten Largest Shareholders

(at September 30, 2018)

Stony Hill Capital Limited	48,097,800
ATL Group Pension Fund Trustees Nominee Limited	48,052,050
Caribprop Limited	27,500,000
Coldharbour Partners Inc.	15,244,350
Perseverance Limited	14,155,350
Curmudgeon Limited	8,283,000
Michael Subratie	8,040,450
Ravers Limited	5,348,700
Caona Investments Limited	3,000,000
Justin Nam	1,351,420

Shareholdings of Directors

(at September 30, 2018)

	Direct	Connected
Melanie Subratie	-	4,287,134
Nicholas Scott	-	23,527,350
Sharon Donaldson	798,450	-
Jennifer Scott	-	14,155,350
Keith Collister	-	-
Byron Thompson	483,750	-
Maxim Rochester	956,850	-
P.B. Scott	-	28,787,134
Alexander Melville	-	-

Shareholdings of Executives

(at September 30, 2018)

	Direct	Connected
Justin Nam	1,351,420	-
Jacquelin Watson	1,024,650	-

1. Identification and Activities

Eppley Limited formerly Orrett and Musson Investment Company Limited is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is located at 58 Half Way Tree Road, Kingston 10.

The principal activity of the company is insurance premium financing, lease and loan financing.

The company is a public company listed on the Jamaica Stock Exchange at July 29, 2013.

2. Statement of Compliance and Basis of Preparation

These unaudited interim financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board (IASB), and the relevant provisions of the Companies Act.

The interim financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets carried at fair value.

The accounting policies and method of computation are consistent with the audited financial statements for year ended December 31, 2017, except for the adoption of IFRS 9 'Financial Instruments'. These financial statements are expressed in Jamaican dollars which is the currency of the primary economic environment in which the company operates.

IFRS 9, 'Financial instruments'
The standard introduces new requirements for the classification, measurement and recognition of financial assets and financial liabilities, in order to ensure that relevant and useful information is presented to users of financial statements. It replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. The determination of classification is made at initial recognition.

Financial assets under, IFRS 9, are generally classified as measured at:

- Amortised cost
  Financial assets are measured at amortised cost if they are held within the business model whose objective is to hold the assets to collect the contractual cash flows and its contractual terms will result in cash flows that are solely payments of principal and interest on specified dates.

- Fair value through other comprehensive income (FVOCI) and Fair value through profit or loss (FVTPL)
  Debt instruments are measured at FVOCI if the main objective within the business model is achieved by collecting contractual cash flows and selling financial assets and the contractual terms result in cash flow payments that are solely principal and interest on specified dates

  On initial recognition of an equity investment that is not held for trading, the company irrevocably elects, on an investment by investment basis, to present subsequent changes in the investment's fair value in OCI.

  All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL.

  Impairment of Financial Assets
  IFRS 9 also introduced a new model for the recognition of impairment losses – the expected credit losses (ECL) model. There is a 'three stage' approach which is based on the change in credit quality of financial assets since initial recognition.

  The Group has adopted IFRS 9 with effect from 1 January 2018 and the impact of this adoption is $3.170m.

3. **Earnings Per Share**

	Unaudited 9 months ended Sep. 2018	**Unaudited 9 months ended Sep. 2017**	**Unaudited 3 months ended Sep. 2018**	**Unaudited 3 months ended Sep. 2017**	**Audited 12 months ended Dec. 2017**
Net Profit being Total Comprehensive Income for the Year	80,667	51,596	36,046	21,052	69,223
Weighted Average Shares Outstanding	192,468,300	192,468,300	192,468,300	192,468,300	192,468,300
EARNINGS PER SHARE	**$ 0.42**	**$ 0.27**	**$ 0.19**	**$ 0.11**	**$ 0.36**

4. Cash and Cash Equivalents

	Unaudited 9 months ended Sep. 2018	Unaudited 9 months ended Sep. 2017	Unaudited 12 months ended Dec. 2017
Cash and bank balances	198,611	87,896	92,882
Term Deposits	185,338	304,256	222,418
	383,949	392,152	315,300
Less: Term deposits with maturity period in excess of ninety days	(155,000)	(100,000)	(105,325)
Less: Interest Receivable	(1,156)	(7,065)	(912)
	227,793	285,087	209,063

SECTION 11: RISK FACTORS

Availability of Loan Funding

The successful operations of the Company depend on its ability to procure funds to originate loans. The Company funds its lending activities with its own equity capital, preference shares and borrowings. As a result, the Company relies on its ability to borrow and/or issue ordinary and preference shares on terms that are sufficiently attractive and that allow for profitable onward lending.

Use of Financial Leverage

The Company uses and will continue to employ financial leverage. While financial leverage will enhance returns in the event that the Company's credit portfolio does not suffer losses, financial leverage will also magnify such losses in the event of customer default.

Lack of Diversification

The business model and scale of the Company will make it difficult for it to maintain a diversified credit portfolio. This lack of diversification could magnify losses in the event that loan losses exceed the Directors' expectations.

Related Party Risk

The Company may from time-to-time extend credit to related parties, subject only to limitations as contained in its credit policy and ratified by its Board.

Customer Default

The successful operations of the Company also depend on its customers' ability to repay the loans that are made to them by the Company, in a timely manner. Whole or partial defaults on loans by customers, affects the liquidity, profitability and financial position of the Company, particularly if the Company is only able to recover part of the amount owing by taking possession and selling any security it holds. The Company takes security over assets located both in and outside of Jamaica and its ability to recover cash as a result of any asset sales may be affected by both local and foreign laws.

Key Personnel

It is important that the Company attracts and retains appropriately skilled persons in order to operate its business, and to promote its growth. It is also important for the Company to replace personnel whose employment may be terminated for any reason within a reasonable time. In Jamaica, competition for qualified personnel can be intense, as there are a limited number of people with the requisite skills, knowledge and experience. The Company will need to attract and retain honest qualified personnel and failure to do so could have a material adverse impact on the Company's future prospects.

Macro Economic Policies

Changes in fiscal and monetary policies introduced by the Government of Jamaica may affect the behaviour of capital markets including the JSE and the market for securities the Company holds in its investment portfolio. If such policies become onerous from the point of view of the Company or its clients this could require the Company to change the types of products it offers, or the terms on which it offers them, or the overall nature of its business operations.

New Regulatory Rules or Standards

The business of the Company as regards the making of loans and extending credit is currently unregulated. The business of the Company may become subject to existing or new regulatory rules or standards depending on the type of credit products it offers. If such regulatory rules or standards become onerous from the point of view of the Company or its clients this could require the Company to recapitalize, or to change the nature of its business operations, and in any case, changes in such regulatory rules or standards may affect its long - term profitability. There exists proposed legislation to register and supervise private lenders, in the form of the Micro Credit bill. If the legislation is passed and the activities of the Company are deemed to be subject to it, the Company may be required to comply with additional regulation which could constrain its investment activities.

New Accounting Rules or Standards

The Company may become subject to new accounting rules or standards that differ from those that are presently applicable. Such new accounting rules or standards could require significant changes in the way the Company currently reports its financial position, operating results or cash flows. Such changes could be applied retrospectively. This is a risk that is common to companies that apply International Financial Reporting Standards (IFRS), as required under the Jamaican Companies Act.

Operational Risk

The Company is also subject to the risk of loss resulting from disruptions to its business, inadequate or failed internal processes, people and systems, or from external events (including severe weather, other acts of God social unrest). This definition also includes systemic risk (including the risk of accounting errors, failure to procure appropriate insurance coverage, and compliance failures), legal risk and reputation risk. This catch-all category of risks also includes employee errors, computer and manual systems failures, security failures, fire, floods or other losses to physical assets, and fraud or other criminal activity or any other risk that affects the volume of visitor arrivals to the island. The Directors consider that the Company is prudent and that it insures itself against some (but not all) of these risks. It may not be feasible for the Company to insure itself in respect of all of the risks mentioned, because no coverage maybe available or it is not economical to do so.

Risk of Catastrophic Events

Property and casualty insurers are subject to claims for property damage and business interruption arising out of natural disasters and other catastrophes, which may have a significant impact on their results of operations and financial condition. Natural disasters and other catastrophes can be caused by various events including, but not limited to, hurricanes, earthquakes, tornadoes, wind, hail, fires and explosions, and the incidence and severity of natural disasters and other catastrophes are inherently unpredictable. The extent of losses from a catastrophe is a function of 2 factors: the total amount of insured exposure in the area affected by the event and the severity of the event. Most natural disasters and other catastrophes are localised; however, hurricanes, earthquakes and floods have the potential to produce significant damage in widespread areas.

Control

The issue of the 2024 Preference Shares in the Invitation will not confer legal or effective control of the Company on Applicants. The Company is jointly controlled by shareholders of the issued Ordinary Shares. No single shareholder owns more than twenty five percent (25%) of the Company.

Market Risk

Market risk is the risk that the value of the Company's investments will decrease due to factors including but not limited to price risk (the risk that the prices of securities in the investment portfolio of the Company (the "investment securities" will change), interest rate risk (the risk that interest rates attaching to the said investment securities will change), and currency risk (the risk that foreign exchange rates attaching to the said investment securities will change).

Volatility in Price of Ordinary or Preference Shares/ Flat Trading

Following their proposed admission to trading on the JSE the 2024 Preference Shares, like the Existing Preference Shares and Ordinary Shares, may experience volatility in their market price, or flat trading, being very infrequent or insignificant volumes of trading, either of which may extend beyond the short term and which may be dependent on the Company's financial performance, as well as on investors' confidence and other factors over which the Company has no control. In either case the market price of the shares may be negatively affected or constrained from growing.

Investment Flexibility

While the Board now intends to invest primarily in leases, loans and other forms of commercial credit, it retains the right to change its investment strategy in its sole discretion, including investing in other asset classes.

Revocation of Tax Concessions Risk

The Company is admitted to the Junior Market. It must remain listed on either the Junior Market or the Main Market for a period of fifteen years in order to be eligible for a concessionary tax regime as described in Section 7.3. If the Company is de-listed at any time during the fifteen year period from the date of listing or breaches other conditions set out in the Junior Market Rules, it will become retrospectively liable to pay corporate income tax at the rate that would otherwise have been applicable to it during the concessionary period.

SECTION 12: PROFESSIONAL ADVISERS TO THE COMPANY

Lead Arranger and Sole Selling and Listing Agent

JMMB Securities Limited

6 Haughton Terrace

Kingston 10

Auditors

PricewaterhouseCoopers

Scotiabank Centre

Duke Street

Kingston

Attorneys to the Company

Clinton Hart

58 Duke Street

Kingston, Jamaica W.I.

DunnCox

48 Duke Street

Kingston, Jamaica W.I.

Patterson Mair Hamilton

Temple Court, 85 Hope Road

Kingston 6, Jamaica W.I.

Attorneys to the Company in the Invitation

Patterson Mair Hamilton

Temple Court, 85 Hope Road

Kingston 6, Jamaica W.I.

Registrars and Transfer Agents for the Ordinary Shares and the Preference Shares

Jamaica Central Securities Depository

40 Harbour Street

Kingston

SECTION 13: STATUTORY AND GENERAL INFORMATION

13.1 Statutory information required to be set out in this Prospectus by section 42 and the Third Schedule to the Companies Act

1. The Company has no founders or management or deferred shares.

2. The Articles of Incorporation fix no shareholding qualification for directors and none has been otherwise fixed by the Company in general meeting. Notwithstanding, certain Ordinary Shareholders have the right to appoint Nominated Directors in the circumstances described in section 7.4.

3. The Articles of Incorporation contain the following provisions with respect to the remuneration of Directors:

   (a) The remuneration of the directors shall from time to time be determined by the Company in general meeting. Such remuneration shall be deemed to accrue from day to day. The directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings or any committee of the Directors or general meetings of the Company in connection with the business of the Company. The Directors may award special remuneration out of the funds of the Company to any Director going or residing abroad in the interest of the Company, or undertaking any work additional to that usually required of Directors of a company similar to the Company. (Article 77)

   (b) A director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company unless the Company otherwise directs. (Article 79)

   (c) A director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of director for such period and on such terms (as to remuneration and otherwise) as the directors may determine and no director or intending director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or management entered into by or on behalf of the Company in which any director is in any way interested, be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such director holding that office or of the fiduciary relation thereby established. (Article 89(3))

   (d) Any director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a director; provided that nothing herein contained shall authorise a director or his firm to act as auditor to the company. (Article 89(5))

   (e) The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependents and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance. (Article 94)

   (f) A Managing Director shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine. (Article 118)

4. The names and addresses of the Directors are as follows:

   Melanie Subratie, 59 Lady Musgrave Road, Kingston 6, Saint Andrew

   Nicholas Scott, High Rock, Hermitage Dam Road, Saint Andrew

Sharon Donaldson, 9 Waterloo Mews, Kingston 10, Saint Andrew
Jennifer Scott, 4A Manor Court, Kingston 8, Saint Andrew
Maxim Rochester, 12 Rutland Drive, Kingston 6, Saint Andrew
Keith Collister, 4B Jacks Hill Close, Jacks Hill Manor, # 6, Kingston 6, Saint Andrew
Alexander Melville, 24 Earl's Court, #12, Kingston 8, Saint Andrew
Byron Thompson, 38 Norbrook Road, #4, Kingston 8, Saint Andrew
Paul B. Scott, 4A Manor Court, Kingston 8, Saint Andrew

5. The minimum amount required to be raised out of the proceeds of the Invitation to provide for the matters set out in paragraph 2 of Part 1 of the Third Schedule to the Companies Act (the "minimum subscription") is $150,000,000.

6. The Invitation will open for subscription at 9:00 a.m. on Wednesday 14 November 2018 and will close at 4:00 p.m. on the Closing Date, Wednesday 21 November 2018 subject to the Company's right to close the Invitation at any time without notice after 9:00 a.m. on the Opening Date if Applications have been received for an amount in excess of the 2024 Preference Shares offered in the Invitation (excluding any Preference Shares subject to the Overallotment Option), or to extend the Closing Date as described in this Prospectus and/or invite subscriptions for 2024 Preference Shares greater in number than originally offered.

7. All Applicants will be required to pay in full the Invitation Price of $6 per 2024 Preference Share as specified in the terms and conditions set out in Section 6.4 of this Prospectus. No further sum will be payable on allotment.

8. The Company invited applications for subscription for the following securities:

Ordinary Shares
The Company invited subscriptions for 487,703 new Ordinary Shares priced at $650 each in a renounceable rights issue to existing Ordinary Shareholders, by way of a circular issued in May 2016. Prior to this, in July 2013, the Company initially invited applications for subscription for 218,999 Ordinary Shares at the price of $377 per Share from the public, subject to a prospectus dated 10 July 2013 and earlier that year in May 2013 the Company entered into a Subscription and Shareholders' Agreement under which each of General Accident and ATL Pension subscribed privately for 73,000 Ordinary Shares and 204,250 Ordinary Shares respectively. The agreement also provides for the rights of each of Musson Investments, General Accident, ATL Pension and any other Shareholder holding 15% or more of the issued Shares who enters into a Deed of Adherence to appoint Nominated Directors as described in section 7.5, above. (Subsequently the Ordinary Shareholders of the Company approved a subdivision of each authorised and issued Ordinary Share into 150 Ordinary Shares to take effect at the end of 2016.)
2019 Preference Shares
In November and December 2014 the Company invited subscriptions for 41,666,667 Variable Rate cumulative redeemable Existing Preference Shares due 2019, at the price of $6 each. The Company exercised an option to upsize the issue and allotted 66,666,667 units raising $600 million in the aggregate. These Preference Shares were allotted fully paid and converted to Preference Stock Units, and listed on the Jamaica Stock Exchange in December 2014. A Notice of Redemption was issued in respect of this class and such redemption is due to take place in January 2018. The redeemed Preference Stock Units will be cancelled or held in treasury.
2018 Preference Shares
In November 2013 the Company invited subscriptions for 50,000,000 9.50% cumulative redeemable Existing Preference Shares due 2018 at the price of $6 each. The Company exercised an option to upsize the issue and allotted 60,325,600 of such Existing Preference Shares un total, valued at $362 million in the aggregate. The aforementioned Preference Shares were allotted fully paid and converted to Preference Stock Units, and listed on the Jamaica Stock Exchange in December 2013.
2021 Preference Shares

The Company invited subscriptions for 64,000,000 8.25% cumulative redeemable Existing Preference Shares due 2021 at the price of $6 each. A total of 60,246,000 such Preference Shares were issued and allotted, valued at J$361.584 million in the aggregate. The aforementioned Preference Shares were allotted fully paid and converted to Preference Stock Units, and listed on the Jamaica Stock Exchange in December 2016.
2023 Preference Shares & 2021 Preference Shares
The Company invited subscriptions for 41,666,667 8.75% cumulative redeemable Existing Preference Shares due 2023 at the price of $6 each and 4,366,000 5.00% cumulative redeemable Existing Preference Shares due 2021 at the price of US$1, both with an Overallotment Option available. A total of 41,666,667 and 4,758,600 such Preference Shares were respectively issued and allotted, valued at J$250,000,002 and US$ 4,758,600 million respectively in the aggregate. The aforementioned Preference Shares were allotted fully paid and converted to Preference Stock Units, and listed on the Jamaica Stock Exchange in January 2018.

9. Save as set out in paragraphs 17 and 18 below no person has, or is entitled to be given, any option to subscribe for any shares in, or debentures of, the Company.

10. As at 30 September 2018, being the date to which the most recent management accounts included in the Unaudited Financial Information of the Company are made up to, the Company held investments of $383,949,000 in the form of cash and deposits.

11. There is no amount for goodwill, patent, or trademarks 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.

12. As at 30 September2018, being the date to which the most recent management accounts included in the Unaudited Financial Information of the Company are made up to, the indebtedness of the Company was of $2.42 Billion in the aggregate consisting of the following:

	$
Due to related parties	1,653,000
Taxation payable	0
Deferred Taxation	146,000
Borrowings	2,265,692,000
Other liabilities	153,433,000
	2,420,924,000

13. In the period from 1 January to 30 September 2018, the Company paid the following dividends on the Ordinary Shares: $16.42 cents per Ordinary share payable on 12 March and 3.72 cents per Ordinary share payable on 18 June and 3.72 cents per Ordinary share payable on 14 September amounting to $45.9 million in the aggregate. In the period represented by the Audited Financial Information the Company paid the following dividends on the Ordinary Shares and the 2018 Preference Shares and the 2021 Preference Shares:

Ordinary Shares

	Dec 31 2017 $'000	**Dec 31 2016 $'000**	**Dec 31 2015 $'000**	**Dec 31 2014 $'000**	**Dec 31 2013 $'000**
Dividends paid	71,521	56,069	51,111	28,665	0

2018 Preference Shares

	Dec 31 2017 $'000	Dec 31 2016 $'000	Dec 31 2015 $000	Dec 31 2014 $'000	Dec 31 2013 $'000
Dividends paid	34,386	34,480	34,385	34,385	3,108

2019 Preference Shares

	Dec 31 2017 $'000	Dec 31 2016 $'000	Dec 31 2015 $'000	Dec 31 2014 $'000	Dec 31 2013 $'000
Dividends paid	65,997	60,675	60,002	5,328	Not issued

2021 Preference Shares

	Dec 31 2017 $'000	Dec 31 2016 $'000	Dec 31 2015 $'000	Dec 31 2014 $'000	Dec 31 2013 $'000
Dividends paid	29,666	1,879	Not issued	Not issued	Not issued

14. The dividend policy of the Company is described in Section 7.12.

15. There is no property that is currently proposed to be purchased or acquired by the Company which is to be paid for wholly or partly out of the proceeds of this Invitation for the purposes of paragraphs 6 to 9 (inclusive) of Part 1 of the Third Schedule of the Companies Act.

16. Save as set out in paragraph 17 below within the 2 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.

17. The Company expects to pay the expenses of the Invitation out of the proceeds of its fundraising, and the Company estimates that such expenses will not exceed $15 million (inclusive of brokerage fees, legal fees, auditors' fees, the Registrar's fees, stamp duties and other document filing fees, initial listing and other JSE and JCSD fees and GCT). Of those expenses the most material are the brokerage fees and disbursements set out in paragraph 17, and the legal fees of Patterson Mair Hamilton, Attorneys-at-law, which amount to $2.5 million exclusive of GCT.

18. Within the last 2 years preceding the date of this Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any promoter or person in connection with the sale of shares in the Company save for:

(i) JMMBSL, by virtue of an engagement letter dated October 2018. Under the terms of the engagement JMMBSL is entitled to receive fees as follows: a brokerage and listing agent's fee of 1.40% of the value of the total amount raised and accepted by the Company in the Invitation plus GCT, and recoupment of its disbursements inclusive of $1,250,000 plus GCT in legal fees.

(ii) Sagicor Investments, by virtue of an engagement letter dated December 2017. Under the terms of the engagement Sagicor Investments received fees brokerage and listing agent's fee of 1% of the value of

the total amount raised and accepted by the Company in the Invitation plus GCT, and recoupment of its disbursements.

(iii) JMMBSL, by virtue of an engagement letter dated October 2016. Under the terms of the engagement JMMBSL was entitled to receive a brokerage and listing agent's fee of 1.75% of the value of the total amount raised and accepted by the Company in the Invitation plus GCT, and recoupment of its disbursements inclusive of $500,000 plus GCT in legal fees.

19. The material contracts of the Company are set out in Section 7.9 of this Prospectus.

20. The external auditors of the Company are PricewaterhouseCoopers of the Scotiabank Centre, corner of Duke and Port Royal Streets, Kingston.

21. PWC have given and have not withdrawn their consent to the issue of this Prospectus with the inclusion of their name in the context in which it is included.

22. The Company was incorporated on 29 May 1973. The Company has five subsidiaries listed in Section 7.14 of this Prospectus.

23. The share capital of the Company consists of two classes of shares, namely Ordinary Shares and redeemable preference shares. All Ordinary Shares rank *pari passu* in respect of the usual entitlements to a return of surplus capital in the event of a winding up, and payment of any dividends declared by the Board and carry the usual voting rights in the Company. The Existing Preference Shares will rank *pari passu* with the Preference Shares the subject of the Invitation in respect of rights to a return of surplus capital and the payment of any cumulative preference dividends, and consistent with their status as a fixed income debt type share, none of the Preference Shares have voting rights in the Company save in narrowly prescribed circumstances fixed by their respective terms of issue.

13.2. Taxation of Listed Shares

- Section 17(1)(d) of the Transfer Tax Act provides that transfers of Ordinary Shares or Preference Shares made in the ordinary course of business on the JSE will not attract transfer tax.
- The Schedule to the Stamp Duty Act provides that transfer documents in respect of share transfers made in the ordinary course of business on the Jamaica Stock Exchange will not attract Stamp Duty.
- Off – market transfers of the Ordinary Shares and the Preference Shares not made on the JSE attract both transfer tax and stamp duty, the combined rate of which is currently approximately 6%.
- Dividends on the Ordinary Shares paid to residents of Jamaica are subject to income tax at the rate of 15% which is withheld at source.
- Preference Share dividends that qualify for treatment as a deductible expense of the chargeable income of the issuer and that are paid by the Company to Preference Shareholders who are resident in Jamaica are not subject to withholding tax.
- On the other hand, Ordinary Share and Preference Share dividends paid by the Company to Shareholders who are not resident in Jamaica <u>are</u> subject to income withholding tax at the rate of $33^1/_3$ % if the payment is made to a person other than an individual, or 25% if the payment is made to an individual.
- Foreign resident Ordinary Shareholders or Preference Shareholders who reside in countries that have entered into a double taxation treaty with Jamaica may be subject to lower or higher rates of income withholding tax on any Preference Share dividends they may receive than that applicable to residents of Jamaica. Foreign resident Preference Shareholders will also have income tax on dividends withheld by the Company at source.
- Each prospective Preference Shareholder should consult with an independent adviser as to the rate of withholding and other taxes that is applicable to them.
- Prospective investors also should seek advice on the taxation of listed companies and their prospective investment in the Company from a professional adviser, and should not rely on the summary set out above.

SECTION 14: DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected by appointment only, at the law offices of Patterson Mair Hamilton, Temple Court, 85 Hope Road, Kingston 6 between the hours of 9:00 a.m. to 4:00 p.m. on Mondays to Fridays, up to and including the Closing Date:

1. The Articles of Incorporation of the Company adopted 30 May 2013.

2. The Material Contracts described in section 7.9.

3. The audited accounts of the Company for the 5 financial years ended 31st December 2013 to 2017 inclusive.

4. The unaudited accounts of the Company for the period ending 30th September 2018.

5. The consent of the Auditors to the inclusion of each of their names and references thereto in the form and context in which they appear in this Prospectus.

SECTION 15: DIRECTORS' SIGNATURES

The Directors whose signatures appear below are individually and collectively responsible for the contents of this Prospectus:

Nicholas Scott

Alexander Melville

Melanie Subratie

P.B. Scott

Keith Collister

Jennifer Scott

Maxim Rochester

Sharon Donaldson

Byron Thompson

APPLICATION FORM

EPPLEY LIMITED

6 YEAR 7.50% CUMULATIVE REDEEMABLE PREFERENCE SHARES DUE 2024

PLEASE READ CAREFULLY BEFORE COMPLETING THIS FORM

To: **Jamaica Money Market Brokers Limited**

Re: Invitation for Subscription of 7.50% Cumulative Redeemable Preference Shares in Eppley Limited, due 2024 (the "**Preference Shares")** as outlined and being offered pursuant to the prospectus issued by Eppley Limited dated November 7, 2018 (the "**Prospectus**").

I/We confirm that I/we have read and understood and hereby agree to be bound by the terms and conditions contained in the Prospectus (the "**Terms and Conditions**"), all of which are incorporated into this Application Form by reference.

I/We request Eppley Limited to allot and issue to me/us the number of Preference Shares applied for by me/us herein, and I/we agree to accept an allotment of that number of Preference Shares or any smaller number of Preference Shares in respect of which this Application may be accepted by Eppley Limited, upon and subject to the abovementioned Terms and Conditions. I/We authorize Eppley Limited's Company Secretary or Registrar to place my/our name(s) upon the Register of Members of Eppley Limited in respect of the Shares allocated to me/us. I/We also agree to be bound by Eppley Limited's Articles of Incorporation.

I/We hereby apply for …….…….…… Preference Shares 2024 in Eppley on and subject to the terms and conditions of the Invitation set out in the Prospectus at a fixed price of J$6.00 per share.

I/We agree to make payment of subscription amount plus JCSD application fee of J$163.10 (inclusive of GCT) in the total amount of **J$** .....

PRIMARY APPLICANT DETAILS

PLEASE COMPLETE IN BLOCK CAPITAL

Title | Primary Holder First Name/Last Name or Company Name | Middle Initial

Taxpayer Registration Number | JCSD Account Number | Broker Number | Broker Account Number

Mailing Address Line 1

Mailing Address Line 2

City/Parish | Postal Code | Citizenship | Telephone No. - -

Email Address: ……

COMPANY STAMP/SEAL

Individual's Signature: …… Date: ……

Director/Secretary's Signature: …… Date: ……

JOINT APPLICATION DETAILS

First Named Joint Holder – First Name/Last Name | Citizenship

Taxpayer Registration Number | Email Address …… | Signature ……..

Second Named Joint Holder – First Name/Last Name | Citizenship

Taxpayer Registration Number | Email Address …… | Signature ……..

Third Named Joint Holder – First Name/Last Name | Citizenship

Taxpayer Registration Number | Email Address …… | Signature ……..

PAYMENT INFORMATION

☐ J$ Manager's Cheque drawn on a Jamaican commercial bank payable to "Eppley Preference Share Offer 2024"	☐ Debit my/our JMMB Account ……
☐ Transfer via RTGS/ACH/NCB Elink as detailed below at Note 4	

REFUND DETAILS

☐ Credit my/our JMMB A/C# ……..… ☐ Cheque **or** ☐ Transfer to other bank as follows:

Bank Name…… Branch ……

Account Name …… Account Number ……

BIC …… Account Type: ☐ Chequing ☐ Savings

NOTES ON HOW TO COMPLETE THE APPLICATION FORM

1. Application must be for a minimum of 10,000 shares with increments in multiples of 1,000 shares. Applications in any other increments will not be accepted or processed.
2. All applications must be accompanied by the JCSD application fee of J$163.10 (inclusive of GCT).
3. All completed applications must be delivered to any of the locations as detailed in the Prospectus.
4. Details for wire transfer payments:

RTGS – FOR ALL J$ TRANSACTIONS*		**FOR J$ ELECTRONIC TRANSERS*:-**
RTGS – Retail Clients	**RTGS – Corporate Clients**	**ACH/NCB Elink**
Beneficiary Bank: Citibank Beneficiary Bank's BIC: CITIJMK1 Bank Routing Number: 00001026 RTGS Account Number: 1031 Account Type: Chequing Account Name: Jamaica Money Market Brokers Account Number: 0019363678	Account Name: Jamaica Money Market Brokers BIC: JMMBJMK1 RTGS Account Number: 151637	Beneficiary Bank: National Commercial Bank, Duke Street Account Type: Chequing Account Name: Jamaica Money Market Brokers Limited Account Number: 062015659
***Special Instructions**: FOR FURTHER CREDIT TO JMMB A/C# 4538840 PAYMENT FOR: **INSERT PRIMARY APPLICANT'S NAME** **SEND EMAIL TO JMMB AT: CENTRALIZED_PROCESSING@JMMB.COM WITH DETAILS OF THE TRANSFER i.e. DATE OF TRANSFER, APPLICANT'S NAME, AMOUNT TRANSFERRED, JMMB ACCOUNT & TRANSACTION REFERENCE NO.**		

5. Primary applicants must be at least 18 years old and be an eligible investor as defined in the Prospectus.
6. If you are applying jointly with any other person, you must complete the Joint Holder Information and each joint holder must sign the Application Form at the place indicated.
7. All applicants must attach copies of their Government issued ID as well as their TRN card (if ID provided is not a Jamaican Driver's Licence displaying their TRN).

THIS SECTION FOR BROKERS USE ONLY

Date Application Received: ☐☐ ☐☐ ☐☐☐☐ (DD MM YYYY) Time Received …….. Branch ……

Received by: ……... (Name) …….. (Signature)

PAYMENT METHOD

Payment Method: ☐ Cheque ☐ Internal Transfer ☐ RTGS/ACH/ELINK Transfer

Payment Reference Number: ……

APPENDIX 2: TERMS OF ISSUE

In these Terms of Issue defined terms shall have the meanings given to them by the Prospectus unless a contrary indication is made:

Agreed Rate	means an amount of 7.50% per year, calculated on the Invitation Price, and for this purpose a year shall mean any period of 365 days
Business Day	means a date, not being a Saturday, Sunday or public holiday when banks are open for business in Jamaica
Company	means Eppley Limited, a company incorporated under the laws of Jamaica with its registered office at 58 Half Way Tree Road, Kingston, Jamaica
Invitation Price	means J$6.00 per 7.50% Preference Share due 2024
Maturity Date	means the day falling 72 months after the Issue Date of the 6.50% Preference Shares due 2024
Registrar, Transfer and Paying Agent	means the Jamaica Central Securities Depositary Limited, a company incorporated under the laws of Jamaica with its registered office at 40 Harbour Street, Kingston, Jamaica

The preference shares shall be cumulative redeemable preference shares denominated as the "7.50% Preference Shares due 2024" (referred to herein as the "7.50% Preference Shares due 2024") conferring upon the registered holders thereof the following rights and are issued subject to the following restrictions, namely:

(1) Ranking

The 7.50% Preference Shares due 2024 will rank pari passu to any Existing Preference Shares of the Company of any class. The 7.50% Preference Shares due 2024 shall be a separate class of preference shares for the purpose of the Articles of Incorporation of the Company.

(2) Dividend income

The right to a cumulative preferential dividend at the Agreed Rate, payable to registered holders, subject to the Company having sufficient distributable profit for that purpose in accordance with the Act.

The first dividend payment will become due on the 31st of December 2018. Thereafter dividends will be due and payable monthly in arrears on the last Business Day of the calendar month, in Jamaican Dollars, by the Registrar and Paying Agent on behalf of the Company.

The right to the preferential dividend is cumulative and any such dividend due to be paid and remaining unpaid shall remain due and owing until it is repaid in full.

(3) Repayment of capital

The right on a winding up of the Company or other return of capital to repayment in Jamaican Dollars in priority to any payment to the holders of Ordinary Shares and pari passu with all other preference shares, of:

(a) any arrears or accruals of the preferential dividend that is due to be paid at the Agreed Rate whether declared or earned or not or calculated down to the date of such repayment; and
(b) a right to return of the Invitation Price,

in each case, as at the date fixed by the Board for the purposes of such repayment and in priority to any repayment of capital to the holders of the Ordinary Shares but to no further or other right to share in the secured assets, or any surplus assets, of the Company on a winding up.

(4) Voting:

Save as provided herein and in paragraph (5) below the 7.50% Preference Shares due 2024 shall NOT carry the right to vote at any general meeting of the Company EXCEPT:

(a) in circumstances where the dividend is due to be paid at the Agreed Rate remains unpaid for a period greater than 12 months; and/or
(b) in the event that a resolution to wind-up the Company has been tabled for consideration in accordance with the Act,

AND in any such event, every registered holder present in person or by proxy shall have one (1) vote, and on a poll every registered holder shall have one (1) vote for each 7.50% Preference Share due 2024of which he is the registered holder.

(5) Further issues of preference shares:

The Company may without any consent or sanction of the registered holders of the 7.50% Preference Shares due 2024 create and issue further preference shares, the same to be converted into preference stock units either:

(a) ranking pari passu and identically in all respects and so as to form one class with the existing 7.50% Preference Shares; and/or
(b) ranking pari passu therewith as regards priority in respect of income and/or capital but carrying a different rate of dividend or otherwise differing from the 7.50% Preference Shares due 2024 (and any other preference shares inclusive of the Existing Preference Shares) so as to form a separate class,

for the purposes of the Articles of Incorporation of the Company.

Subject to the provisions of this paragraph, the rights attaching to 7.50% Preference Shares due 2024 may not be varied either while the Company is a going concern, or during or in contemplation of a winding-up of the Company without the consent in writing of three-fourths (3/4) of the registered holders or without the sanction of an Extraordinary Resolution passed at a separate meeting of the registered holders, but not otherwise.

To every such separate meeting all of the provisions of the Articles of Incorporation of the Company relating to general meetings of the Company or to proceedings thereat shall, mutatis mutandis apply, except that the necessary quorum shall be two (2) persons at least holding or representing by proxy five (5) per cent in nominal amount of the issued 7.50% Preference Shares due 2024 (but so that if at any adjourned meeting of such registered holders a quorum as above defined is not present those members who are present shall be a quorum).

For the avoidance of doubt, at any such meeting every registered holder present in person or by proxy shall have one (1) vote, and on a poll every registered holder present in person or by proxy, shall have one (1) vote for each 7.50% Preference Share due 2024 of which he is the registered holder.

(6) Redemption

Subject to the provisions of the Companies Act and the terms and conditions set out in this paragraph (6), whole or partial redemption of the 7.50% Preference Shares due 2024 shall be effected in the following manner:

(a) Mandatory redemption: on the Maturity Date at the Invitation Price and otherwise on terms that are specified by the Board of the Company for that purpose.

(b) Optional redemption: the Company also reserves the right to redeem 7.50% Preference Shares due 2024 on any dividend payment date that is not less than three (3) years from the issue date, at the Invitation Price of that Invitation Price without payment of any Premium or penalty.

(c) General provisions for all redemptions:
Any circular or notice issued by the Company for the purposes of this paragraph (6) shall:

(i) fix the, date, time and place for the redemption;

(ii) specify how many of the 7.50% Preference Shares due 2024 are to be redeemed, and whether redemption is optional or mandatory;

(iii) provide instruction to the registered holders to deliver to the Company any certificates for cancellation (if applicable), or other evidence of ownership specified in the notice, provided always that the Company may in itssole discretion refuse to acceptsuch evidence, or accept such substituted evidence as it considers reasonable for the purposes of redemption whether or not such substituted evidence is provided by the registered holder or is otherwise available to the Company;

(iv) in the case of a circular, be posted to the registered holders not less than twenty-one (21) and not more than thirty (30) days prior to the date of redemption, and in the case of a notice such notice shall also appear in a national newspaper in Jamaica at least twenty-one (21) days prior to the date of redemption;

(v) in the case of a proposed redemption of some but not all of the 7.50% Preference Shares due 2024 then in issue, the Company shall provide for redemption pro rata, and

(vi) provide for payment of any arrears of dividend calculated at the Agreed Rate up to a date fixed by the Company and set out in the circular or notice (as the case may be).

As from the time of the issue of any circular or notice of redemption the 7.50% Preference Shares due 2024 specified in the said circular or notice shall cease to accrue dividends, save and except in respect of any such Preference Shares in respect of which payment due on such redemption was refused. On redemption, any dividends accrued at the Agreed Rate up to the date of redemption shall be paid.

In the event that at the time for redemption the Company is permitted to redeem only some of the 7.50% Preference Shares due 2024, it shall do so at such time and it shall redeem the remaining 7.50% Preference Shares due 2024 at any time in the sole discretion of the Company, subject always to these Terms of Issue. Payments by the Company to the registered holders of the 7.50% Preference Shares due 2024 for the purposes of this paragraph 6 shall be made in cash or by cheque. On redemption of any 7.50% Preference Shares due 2024, and subject always to the provisions of the Act and the Articles, the said Preference Shares may be:

(x) cancelled or held in treasury and in either case, shall be capable of re-issue as preference shares of the same or another class; and/or

(y) converted into shares and/or stock units of any other class of share capital into which the authorised 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 and/or stock units of such class then in issue or into unclassified shares and/or stock units of the same nominal amount as the 7.50% Preference Shares due 2024.

All redemption payments shall be made gross of any applicable fees and taxes (save for withholding taxes required to be held atsource under Jamaican law), and brokerage fees and Jamaica Stock Exchange fees (as applicable).

(7) Financial Covenants

The Company represents, warrants and covenants for the benefit of the holders of 7.50% Preference Shares due 2024 that, so long as any of the said preference shares remain in issue and are allotted to one or more registered holders, the Company shall:

(i) Not incur any indebtedness (whether such indebtedness is secured or not) that in the aggregate exceeds 5 times the Shareholders' equity and for this purpose, "indebtedness" shall mean loan capital or other borrowings by the Company excluding, for the avoidance of doubt, any amounts due to registered holders of any preference shares; and

(ii) Subordinate Related Party loans.

(8) Conversion to preference stock units on the Issue Date

As it is intended that the preference shares shall be converted to preference stock units on issue, references in these terms to "7.50% Preference Shares due 2024" shall be construed to mean on issue of the same, "7.50% Preference Stock Units due 2024".

APPENDIX 3: JMMB LOCATIONS WHERE APPLICATIONS MAY BE SUBMITTED

Knutsford Boulevard Branch
11 Knutsford Boulevard
New Kingston
Kingston 5
Tel: 876 960-3911

Personal Portfolio Management Centre
(PPM CENTRE)
23 Phoenix Avenue, Kingston 10

Haughton Avenue Branch
5 Haughton Avenue
Kingston 10
Tel: 876 920-5050

Brown's Town Agency
Unit 3, Burlington Point
2 Church Street
Brown's Town, St. Ann
Tel: 876 917-8721

Junction Agency
Shop 2, Roye's Plaza
Main Street, Junction
St. Elizabeth
Tel: 876 965-8005

Ocho Rios Branch
Guardian Life Building
2 Graham Street
Ocho Rios, St. Ann
Tel: 876 795-3651

Portmore Branch
47-48 West Trade Way
Portmore Town Centre
Portmore, St. Catherine
Tel: 876 939-3205

Mandeville Branch
23 Ward Avenue
Mandeville, Manchester
Tel: 876 625-2351

Montego Bay Branch
Suite 1 Fairview Office Park
Alice Eldemire Drive
Montego Bay, St. James
Tel: 876 979-6052

May Pen Branch
Shop 28B, Bargain Village Plaza
35 Main Street
May Pen, Clarendon
Tel: 876 786-0101

Santa Cruz Branch
Shop # 2 Oasis Plaza, Coke Drive
Santa Cruz, St. Elizabeth
Tel: 876 966-2512